

ARBITRATION AWARD

in

ARBITRATION MATTER NO. - NSE-SB-2024-03-383855

Between

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] - [REDACTED]
[REDACTED]

.....Applicant

Versus

[REDACTED] **(Investor/Constituent)**
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] - [REDACTED]

.....Respondent

Before the Ld. Sole Arbitrator: [REDACTED]

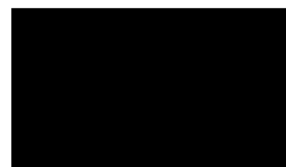
DATE OF HEARING

The hearing was held on **07-OCT-2024** and on **04-NOV-2024** at **03:00 PM** through CORD. The meeting was conducted through Video Conferencing facility.

APPEARANCES

For the Applicant:

[REDACTED] (Compliance Officer), [REDACTED] (Compliance Executive) and [REDACTED] (Compliance Executive), [REDACTED], appeared on behalf of the Trading Member.



For the Respondent:

None

CORD (Centre for Online Resolution of Dispute) is an independent institution facilitating and administering electronic Alternative Dispute Resolutions via its online platform <https://platform.resolveoncord.com>, also referred to as Online Dispute Resolution (“ODR”) Institution, having its registered office at Bangalore.

CORD has been empaneled by National Stock Exchange of India Ltd. in accordance with SEBI Master Circular No. SEBI/HO/OIAE_IAD-3/P/CIR/2023/195 (“**SEBI Circular**”) as may be amended / modified from time to time, for undertaking time-bound online Conciliation and online Arbitration.

The above-mentioned matter was referred to CORD via SMARTODR.IN (“ODR Portal”), a common Portal established by the Market Infrastructure Institutions (“MII”) in accordance with the SEBI Circular, for harnessing online Conciliation and online Arbitration for resolution of disputes arising in the Indian Securities Market. Further, the parties have accepted the terms and conditions of ODR Portal.

The undersigned has been appointed as a Sole Arbitrator on 25-SEP-2024 by CORD, in the present matter.

BRIEF FACTS OF THE CASE

1. The Respondent, [REDACTED], filed a Complaint against the Applicant in the ODR portal, on 17-MAR-2024, alleging that the Applicant had induced him to invest a sum of Rs. 6,00,000/- (Rupees Six Lakhs), thereby offering a guaranteed monthly return of 5% on the invested amount, along with safety of the principal amount, which in reality was not there. He had called for initiating proper investigation and requested to return his hard-earned money.
2. The Respondent, in reference to the response of the Application dated 17-MAR-2024, responded vide response dated 03-APR-2024 in the portal, *inter alia*, that he had given them Rs. 6,00,000/- (Rupees Six Lakh) and the Trading Member had given him only Rs.3,00,000/- as interest.
3. Further, regarding the closure of the account, the Respondent stated that he had not closed the account by himself, rather, the Trading Member forcefully took his signatures & closed the account from their end, so that he in future would not be able to complain again. Further,

the Respondent requested to refund the principal amount along with the interest accrued on his invested amount.

4. The matter was referred for Conciliation.

The Ld. Conciliator, vide report dated 29-APR-2024, observed that the allegation of assurance of fixed return by the Respondent (Applicant in this matter) holds no substance and directed the Respondent (Applicant in this matter), [REDACTED], to pay the Complainant (Respondent in this matter) a sum of Rs. 2,46,503.31 (Rupees Two lakhs forty-six thousand five hundred and three and paise thirty-one only) after deducting the payouts received by the Complainant (Respondent in this matter) out of the amount of Rs. 6,00,000/- (Rupees Six Lakh) invested by him.

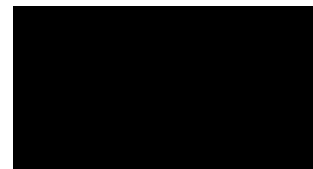
The Applicant, [REDACTED] have filed this Arbitration Application on 31-MAY-2024 praying for setting aside the directions of the Ld. Conciliator as per the order dated 29-APR-2024 for payment of Rs. 2,46,503.31 (Rupees Two lakhs forty-six thousand five hundred and three and paise thirty-one only).

Statement Of Case:

The Applicant has submitted the following documents:

1. Statement of Case denying the Respondent's allegations, with their explanations in support of the same and details of the payouts taken by the Respondent.
2. KYC Applications form, Welcome Letter.
3. ECN logs, SMS log, List of Successful login attempts.
4. Report submitted to the National Stock Exchange Ltd regarding cyber-attack on the Applicant's systems, on 03-FEB- 2024.
5. Call record for conversation on one day between the Respondent and the trader of the Applicant wherein Respondent has instructed the trader to dispose of all the shares in his account on that day.
6. Conciliation Report dated 29-APR-2024 – (NSE)
7. Conciliation Report dated 03-MAY-2024 - (BSE)
8. Settlement Deed dated 16-AUG-2023 between [REDACTED] [REDACTED] [REDACTED], an Authorised Person of the Applicant, and 30 other parties (other than the Respondent).

Statement of Defence:



1. Not filed by Respondent.

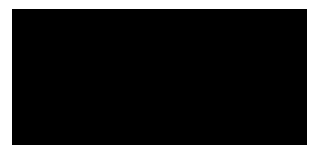
The Applicant, on 05-OCT-2024 uploaded on the ODR Portal, an email dated 20-JUN-2024, received by them from the Respondent, reading as under:

"I [REDACTED] hereby Formally Withdrawal my complaints from all exchange NSE/BSE including SMARTODR deposit having previously settled the matters. I raised complaints again under the influence of someone else. I acknowledge that all the trades executed in my account were done with my knowledge. I confirm that I have no disputes with [REDACTED] (Authorized Person) and [REDACTED]. I assure you that I will not raise any complaints against them in the future. Thank you [REDACTED]"

UCC CODE-[REDACTED] Mob-[REDACTED]"

Hearing Details:

1. The Hearing was held on 07-OCT-2024 at 03:00 PM through Video conferencing.
2. The Applicant was represented by [REDACTED]
3. The Respondent neither appeared in person, nor had he sent any communication.
4. The Applicant's representative reiterated the contents of the email dated 20-JUN-2024, received by them from the Respondent, withdrawing his complaint.
5. When asked why they had uploaded on the portal, only on 05-OCT-2024, the email dated 20-JUN-2024, they could not give a satisfactory answer.
6. The Applicant's representative also submitted, in response to a query, that the Settlement Deed dated 16-AUG-2023 between [REDACTED] (Authorised Representative) and 30 others, (filed by them along with other documents) was not relevant to the present Arbitration reference.
7. The Case Manager was advised to inform the Respondent that the Arbitral Tribunal has directed the Respondent to confirm by 10-OCT-2024, about the authenticity of the contents of the email sent by him on 20-JUN-2024, withdrawing his complaint, failing which the matter will be reserved for passing the Award.
8. The Case Manager has informed on 18-OCT-2024 that no communication has been received from the Respondent. Subsequently, the concerned case manager was instructed to send another communication to



the investor seeking the authenticity of the email sent by him as mentioned under Clause 7 above within a period of 10 days. The said email was sent by the case manager on 29-OCT-2024 which remained unattended by the investor. In spite of such multiple communication, no response was received from the investor.

9. However, to protect the interest of natural Justice, the Respondent was provided with another opportunity of hearing on 04-NOV-2024 wherein the Respondent neither appeared in person, nor sent any communication.

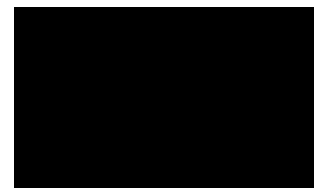
10. In the hearing held on 04-NOV-2024, the Applicant's representatives in their response to a query, stated that they had no further submissions to make.

11. Since the Respondent did not appear even after receiving multiple intimations, hearings in the matter were concluded and award was reserved.

12. In view of the Respondent having withdrawn his complaint, the matter is treated as settled.

Observations.

1. It is observed that the Applicant had submitted copy of the email dated 20-JUN-2024, received by them, from the Respondent, withdrawing his complaint.
2. Even though the Respondent was provided with ample of opportunities to make representation of his case, or to confirm the email dated 20-JUN-2024 withdrawing his complaint, he has not responded to the communications sent to him.
3. Therefore, the matter is treated as settled.



Award

1. Since the Respondent has withdrawn his complaint by his email dated 20-JUN-2024, the matter is treated as settled.
2. The conciliation report dated 29-APR-2024 is hereby set aside.
3. Cost of this proceeding to be borne by the respective parties pursuant to the relevant SEBI circular.
4. This Award is duly stamped, dated and signed.

Date: November 19, 2024

Place: [REDACTED]

[REDACTED]

[REDACTED]

Sole Arbitrator