



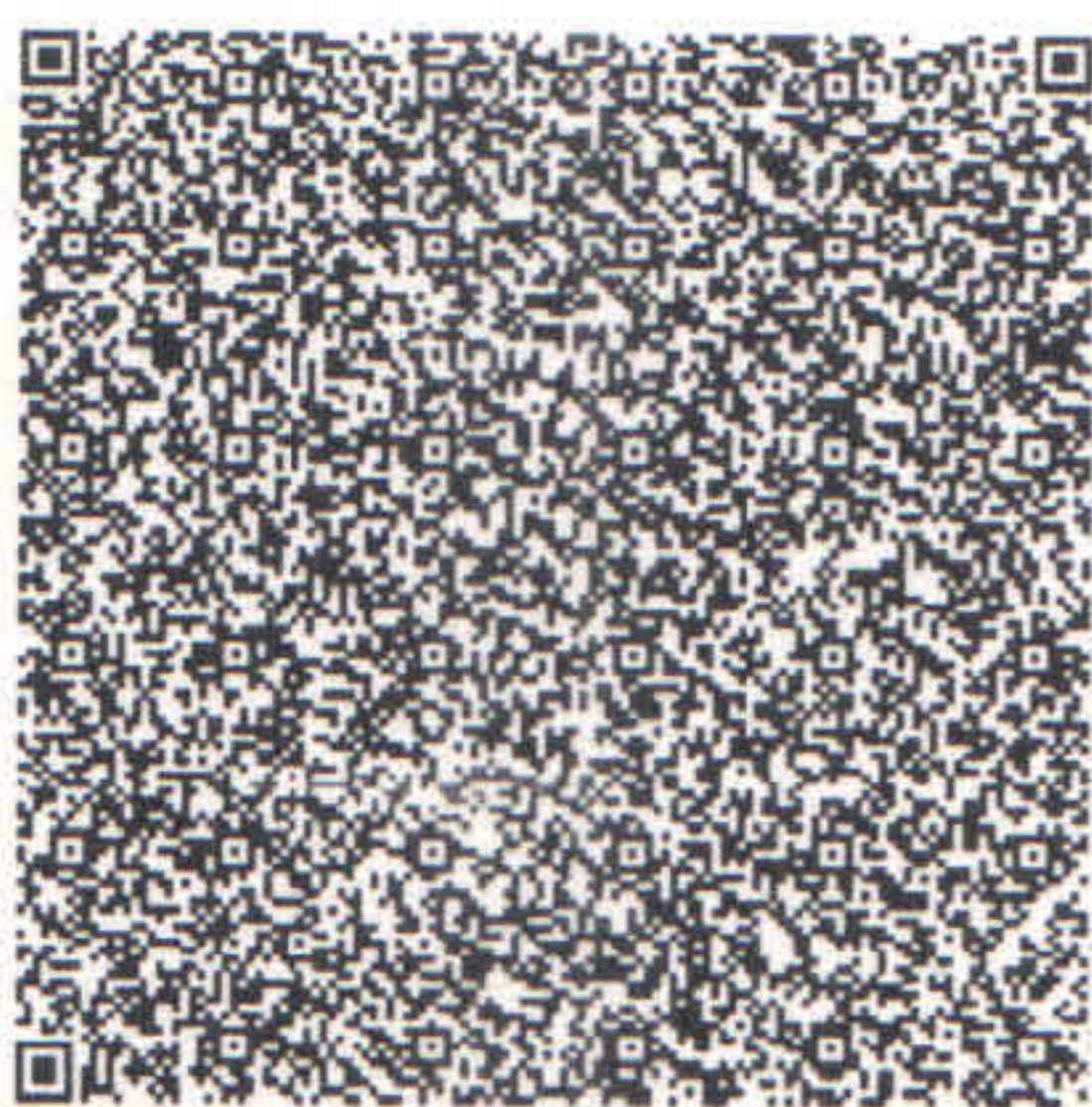
सत्यमेव जयते

# INDIA NON JUDICIAL

## Government of National Capital Territory of Delhi

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Certificate Issued Date	: 15-Mar-2013 12:25 PM
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Unique Doc. Reference	: SUBIN-DL80120381445928705705L
Purchased by	: MCX STOCK EXCHANGE LTD
Description of Document	: Article 12 Award
Property Description	: NA
Consideration Price (Rs.)	: 0
	(Zero)
First Party	: MCX STOCK EXCHANGE LTD
Second Party	: NA
Stamp Duty Paid By	: MCX STOCK EXCHANGE LTD
Stamp Duty Amount(Rs.)	: 20
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**BEFORE SHRI NEERAJ AARORA, THE SOLE ARBITRATOR**

**A. M. NO. DEL-11/2013**

**BETWEEN**

**Mr. Amanpreet Singh**

**..... Applicant**

**AND**

**M/s. Angel Broking Ltd.**

**..... Respondent**

#### Statutory Alert:

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*[Signature]*



**BEFORE SHRI NEERAJ AARORA, THE SOLE ARBITRATOR**

**In the matter of Arbitration under the Bye-Laws & Business Rules of  
the MCX Stock Exchange Ltd.**

**A. M. NO. DEL-11/2013**

**BETWEEN**

**Mr. Amanpreet Singh  
B-217, 1<sup>st</sup> Floor, Hari Nagar  
New Delhi-110064**

**..... Applicant**

**AND**

**M/s. Angel Broking Limited  
G-1, Akruti Trade Centre, Road No. 7  
MIDC, Andheri (East)  
Mumbai-400093**

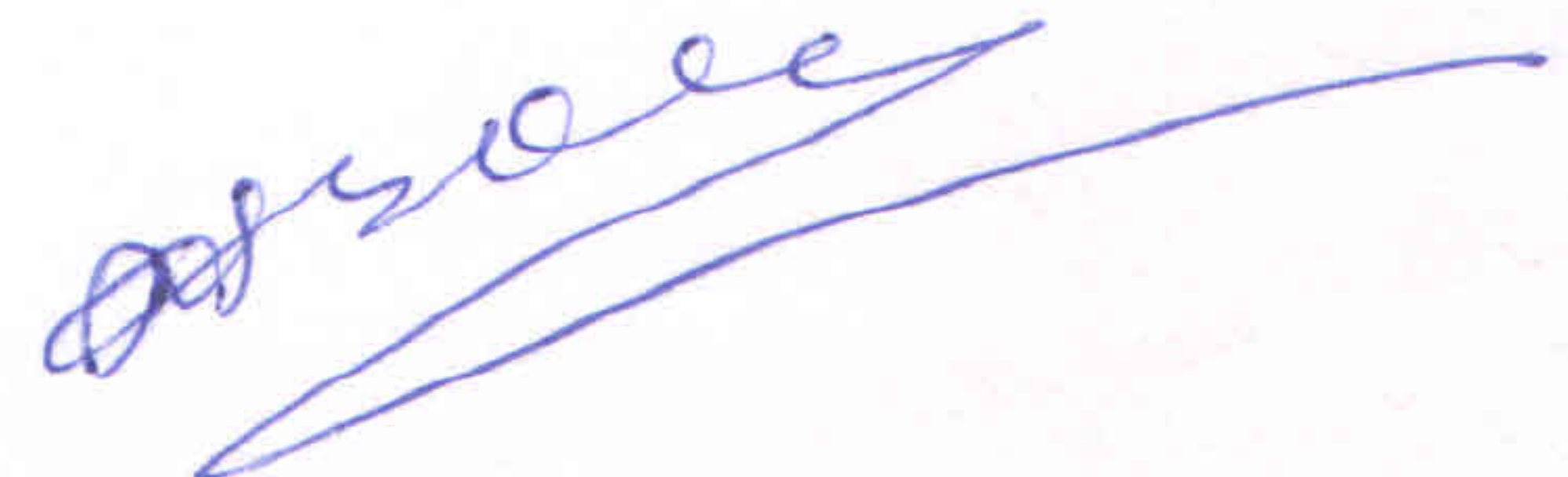
**.....Respondent**

**AWARD**

1. Mr. Amanpreet Singh (hereinafter called as the Applicant) has filed the arbitration application dated 27/01/2013 seeking compensation claim for Rs. 26,599/- (Twenty Six Thousand Five Hundred Ninety Nine only) inclusive of mental agony and other expenses from M/s. Angel Broking Limited (hereinafter called as Respondent).

**APPLICANT CASE:**

2. The case of the applicant is that unauthorized trades were executed in his account by the respondent on 25/09/2012 due to which he suffered loss to the tune of Rs. 34,930.30. The applicant submitted that on 25/09/2012, he received a call from the respondent and the applicant ordered to sell 200 lots of FURCUR USDINR. Thereafter, applicant received another call from the respondent who informed the applicant that 200 lots of FURCUR USDINR has been squared off at a profit of 2 paisa per unit.





However, this transaction is not reflecting in the contract note and amount of profit has also not been transferred to his account by the respondent.

3. During this call, the respondent also gave the applicant another option to purchase 500 lots of FURCUR USDINR @ 53.5850 and the applicant ordered him to purchase the same but these lots were sold off by the respondent later on without permission/consent of the applicant.
4. The applicant further submitted that contract note of the day is showing transaction of 900 lots has been executed out of which, transaction of first 400 lots are unauthorized and remaining 500 lots is squared by the respondent without his permission/authorization.
5. The applicant further submitted that contract note shows that first order was placed at 09:04 am whereas he did not received any call from the respondent till 11:00 am. The respondent offered the applicant a compensation of Rs. 17,791/- which the applicant accepted due to urgent need of money with a condition to proceed against respondent for balance amount of Rs. 16,599/-.

**RESPONDENT CASE:**

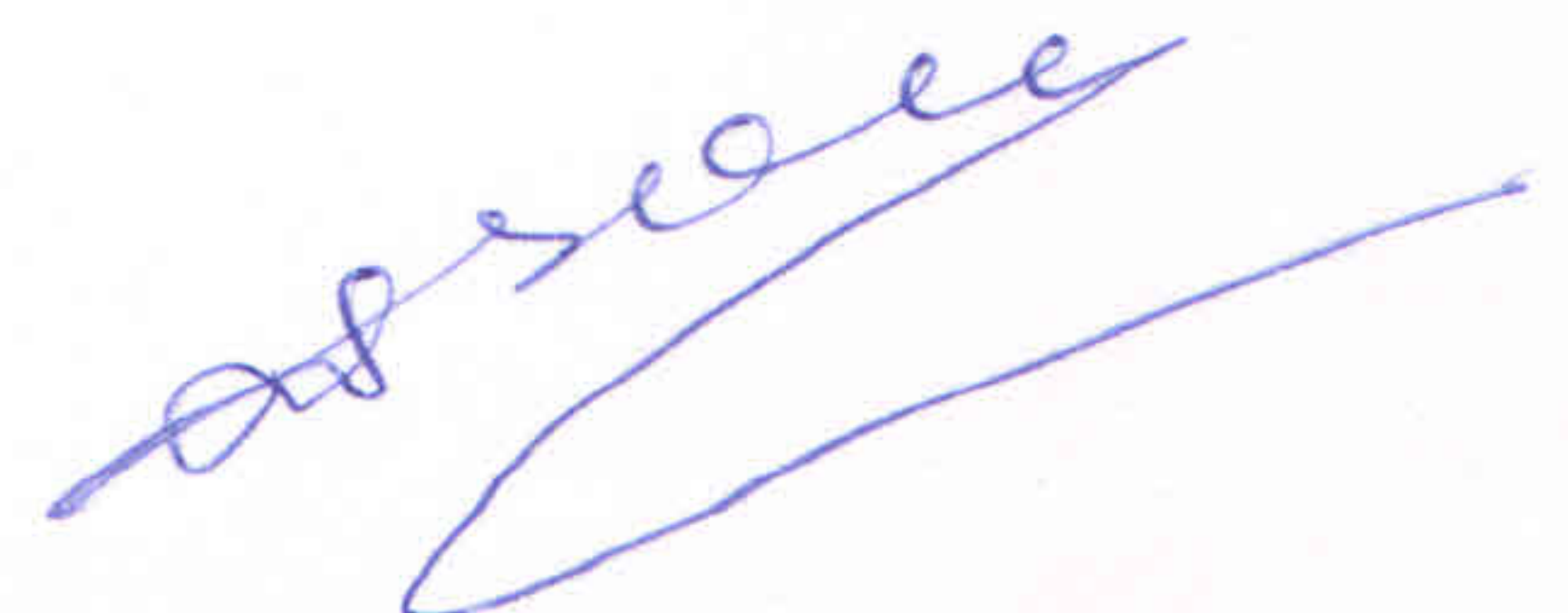
6. The applicant had opened a trading account with the respondent on 21/09/2012 and client code 'JANAK3607' was allotted to him.
7. Respondent further submitted that all the trades including the trades dated 25/09/2012 in the client account were executed as per express instruction and consent of the applicant. The respondent further submitted that representative of the respondent had informed the applicant that his position of the 200 lots of USDINR was squared off at a profit of nearly 3 paise during the telephonic conversation at 11:46 am which was duly reflected in the contract note of that date.
8. In respect of the trades of 500 lots of USDINR, the respondent submitted that the applicant himself placed an intraday order for purchase of 500 lots of USDINR and same were purchased at Rs. 53.58. The representative of the respondent asked the applicant to





square the position immediately as the price of the scrip was gone up at Rs. 53.5975 while the respondent punched the order but the applicant disagreed and instructed to square off the position on the same day either at a profit or at a loss not beyond 4 paisa and accordingly stop loss was put @ 53.54. Thereafter, the rate started falling and the position was squared off by the respondent at Rs. 53.56. The respondent also submitted Compact disk containing recoding of the trade confirmation call made to the applicant along with transcript of the voice conversation.

9. The respondent further submitted that if the position was not squared off by the respondent @ 53.56, the applicant would have incurred huge losses as the rate of the scrip went as low as 53.2850 on 25/09/2012 and finally closed at 53.4025 and the same would be squared off automatically at the end of the day.
10. The respondent further submitted that the allegation of the applicant that he has not received any call from the respondent before 11:00 am and he has not carried out any transaction around 09:00 am is false as the sale position of 200 lots of USDINR was executed by the applicant at 09:37 am which is much prior to 11:00 am and the said trade is duly admitted by the applicant. This shows that the applicant has raised false allegation against the respondent with malafide intentions to recover the losses incurred by him from the respondent. The respondent further submitted that the applicant has incurred a total loss of Rs. 14,651.26 in respect of the transactions carried out from 09:04 am to 09:28 am.
11. That, in response to the complaint filed by the applicant in Investor Grievances Cell, MCX-SX and SEBI, the respondent agreed to settle the same with a view to close the matter at 50% of the alleged claim of Rs. 34,390/-. The applicant agreed to accept the said settlement and accordingly Rs. 17,791/- was credited by the respondent in the ledger account of the applicant on 19/11/2012/-. The said settlement was also confirmed by the applicant through his email dated 15/11/2012. The respondent denies that the applicant had accepted the settlement claim with a condition to proceed against the respondent for further amount.

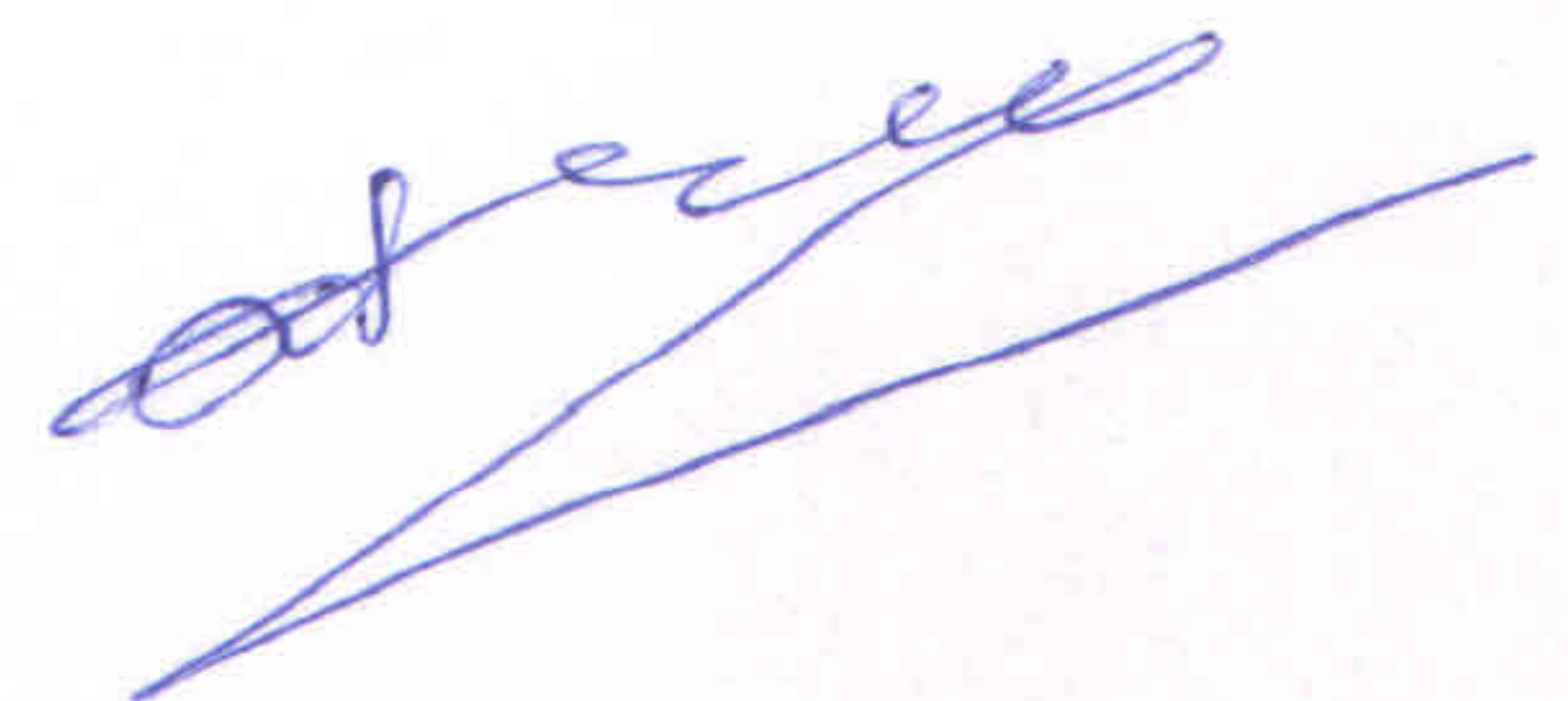




12. The respondent further submitted that the applicant is liable to pay Rs. 35,861.70 to the respondent which is due and outstanding in the ledger account of the applicant.

### **HEARING**

13. On March 05 2013, applicant appeared in person and Mr. Rahul Saxena AR appeared on the behalf of the respondent. The applicant reiterated his averments as mentioned in the statement of case and also contended that the first trade of 200 lots as well as squaring off outstanding positions of 500 lots were not done with his consent despite the fact that a stop loss has been fixed at Rs. 53.54 and despite the price of the scrip has not touched the stop loss as instructed by him, the same has been sold by the respondent with his knowledge and consent. He further contended that it was not possible for the respondent to sell the outstanding position of 500 lots @ 53.56 with a preconceived thought that the market will go down as nobody in the market can anticipate whether the market will move up or down and further the trade might have gone at a price higher than Rs. 53.56 before closing down at Rs. 53.54 and in such a case, the applicant has all the options to square the trade at a price higher than Rs. 53.56 and the loss could have been avoided. However, the applicant fails to give any satisfactory reply as to why he continued to trade thereafter if he has any grievance against the respondent. The respondent on the other hand has accepted that the outstanding trade of 500 lots was squared up without the consent of applicant and despite the margin being available in the account of applicant. He further submitted that the outstanding trades were squared off to protect the applicant from the uncertain high losses as the applicant was the fresher in the derivative/currency trade. He stated that the same was duly informed to the applicant on the same day and if the said action would have not been taken, the applicant would have suffered huge losses. He further contended that the applicant have not disputed the trade on the same day as it was apparent on the face that had the said trade would have not been squared up, the applicant would have suffered huge losses. He further stated that the applicant continue to trade thereafter not only in this account but also in the other accounts of share trading. After suffering the losses, wiping out of entire capital, the applicant has taken U-Turn and filed this complaint to recover the

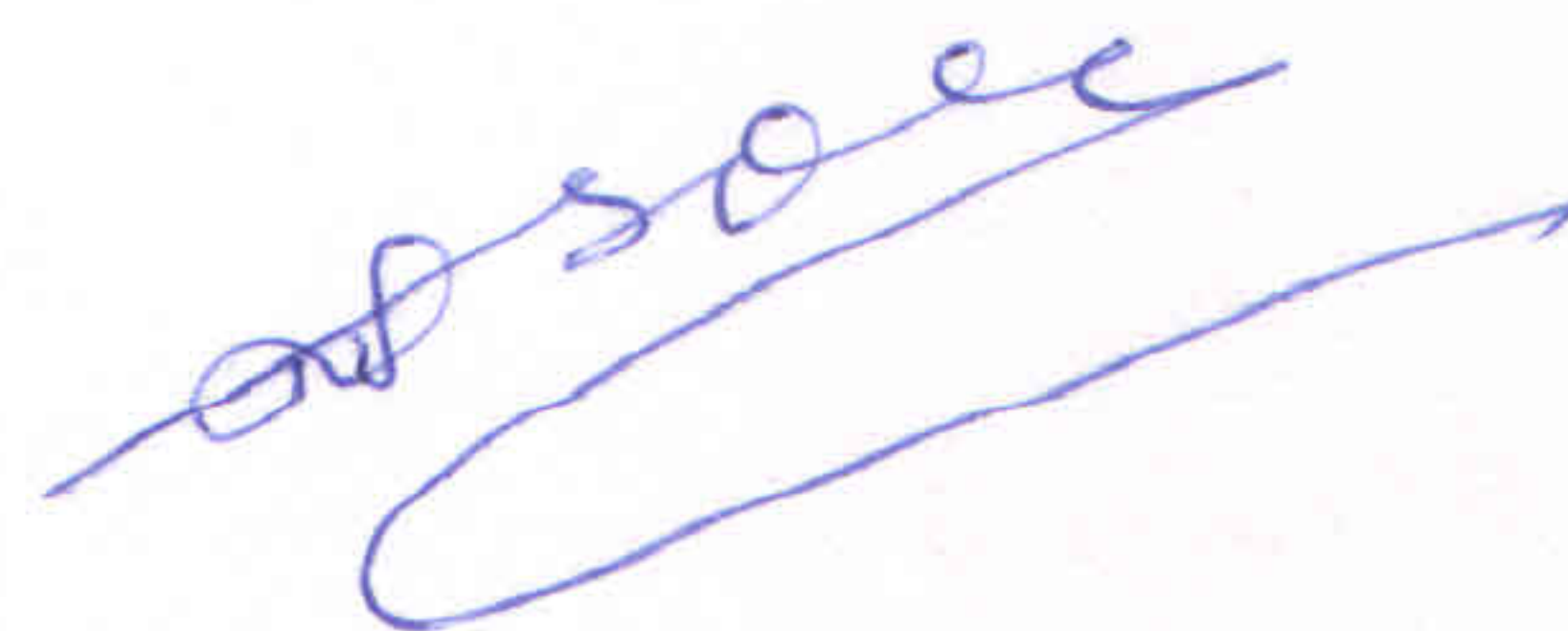




losses. The respondent further stated that despite the action being taken in good faith, they agreed to bear the 50% of the loss just to maintain the client relationship and after only due approval of the applicant, they paid an amount of Rs. 17,791/- to the applicant. The applicant on the other hand contended that he has given the withdrawal letter just as he was in the need of money.

**FINDINGS:**

14. The documents placed on the record as well as averment of the parties revealed that the order of purchase of 500 lots was made by the applicant and the order for sale was made with a stop loss of 4 paisa i.e. Rs. 53.54. However, the 500 lots were sold at Rs. 53.56 by the respondent on its own without any instruction from the applicant.
15. However, the fact is not disputed that the market has gone down subsequent to the squaring up of 500 lots and the contention of the applicant that he would have sold at a higher price is one of the probable outcome but there is nothing to suggest that the price in fact has gone up. Such a contention would have been meaningful if the applicant would have shown that the price had gone up and he has made objection with the respondent on the same day and on the other hand, the applicant continue to trade even after that without any whisper.
16. Such a conduct of the applicant indicates that the applicant was quite satisfied with the squaring up of the transaction because otherwise, his losses could have been increased and therefore, without objecting, he continued to do trade. As such, he has waived off his right to raise objection at the present stage by his own conduct.
17. Further, the respondent has given a offer which was not only accepted by the applicant but also the credit of the same was also received. Once the applicant has entered into a settlement, which the correspondence between the parties indicates as full and final settlement, the applicant has no further right to make any claim and as such, the claim of the applicant is not maintainable.






**A. M. NO. DEL-11/2013**

Therefore, for the reasons given above, the claim of the applicant is untenable and is accordingly rejected.

Made and signed on this 15<sup>th</sup> Day of March 2013 at New Delhi.

Place: New Delhi  
Dated: 15/03/2013



(Neeraj Aarora)  
Sole Arbitrator