



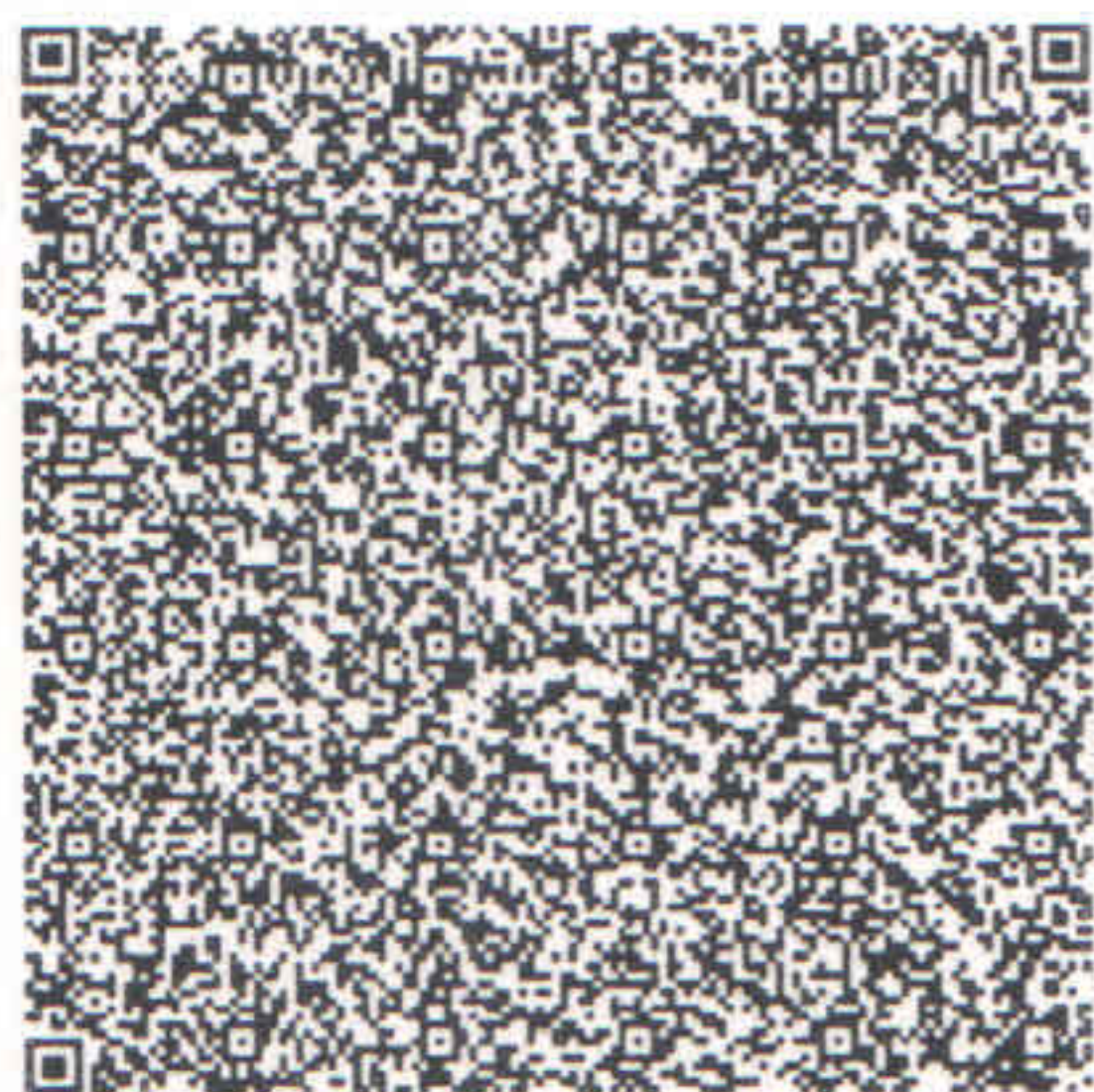
सत्यमेव जयते

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Certificate Issued Date	: 01-Apr-2014 12:38 PM
Account Reference	: IMPACC (IV)/ dl775803/ DELHI/ DL-DLH
Unique Doc. Reference	: SUBIN-DL77580378178220642874M
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.)	: 100 (One Hundred only)



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BEFORE SHRI ASHOK JAIN, SOLE ARBITRATOR

In the matter of Arbitration under the Bye Laws & Regulations of MCX Stock Exchange Limited.

AM No (DEL-18/2013)/2014

Between

M/s Fairwealth Securities Limited

Registered office : 651-652,

Uyog Vihar , Phase -V, Gurgaon-122001, Haryana

.....APPLICANT

VERSUS

Ms. Rashpal Kaur ,

H.No.2702 A, Sector 42C,

Chandigarh-, U.T -1660036.

.....RESPONDENT

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AWARD

(Passed on 3rd April, 2014)

This is an Arbitration matter entrusted to me as Sole Arbitrator for adjudicating claim of the Applicant under Arbitration Matter Reference No. **MCX-SX/ A.M. No. DEL - 18/2013** under **BYE-LAWS AND REGULATIONS OF MCX Stock Exchange Limited** (hereinafter referred to as the 'MCX-SX')

Place of Arbitration: **MCX STOCK EXCHANGE LIMITED**
2nd Floor, P-14, 45/90,
Outer Circle Connaught Place,
New Delhi 110001

Dates fixed for Hearing and Attendance:

First Hearing fixed on 03/01/2014 at 4.00 PM .

Second and Final Hearing fixed on 21/01/2014 at 11.30 AM

The Notices of hearing were duly served on both the parties as per documents on record.

The Applicant - M/s Fairwealth Securities Limited, duly appeared on the appointed dates and time through authorized persons namely Mr. Naveen Kataria and Mr. Amit Gautam.

Respondent did not appear either personally or through authorized representative on either date/s .

The Respondent abstained consciously from the Arbitral proceedings on the appointed dates.

Arbitral proceedings conducted Ex-Parte, the Respondent.

1. Background

That the Applicant **M/s 'Fairwealth Securities Limited'**, a company incorporated under the Companies Act 1956, is member of MCX Stock Exchange Limited (SEBI Regn. No. INE261272338). The Respondent, **Ms. Rashpal Kaur**, entered into the Member-Client Agreement with the Applicant company and also signed Combined Risk Disclosure Agreement for trading in Capital Market and Future and Option Segment. The account of the Respondent was opened on 22/07/2013 and she was allotted a unique Client ID CHDR12. The Respondent started trading in Currency Futures.

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✓ She was dealing with Branch of the Applicant at 2702A, Sector 42 C , Chandigarh-160036.

Disputes arose between the Applicant and the Respondent in August 2013 regarding certain Trades transactions disputed by the Respondent and the Amount due from her. The Applicant has filed this Arbitration Application for claim of Rs.548427.57 (Rupees Five lacs Forty Eight Thousand Four Hundred Twenty Seven and paise Fifty Seven Only), on account of amount due from the Respondent along with interest @ 18% per annum.

2. Brief Facts of the Case :

As per facts placed on record by the Applicant, the Respondent started trading in Currency Futures from July 2013. The Respondent traded in GBPINR FUT, USDINR FUT and EUROINR FUT. The trades in the currency futures were carried for short span of about 1 month. The outstanding trade position in Applicant's account in mid-August - mainly in respect of sold GBPINR (Qty 70) due for expiry on 28/08/2013 was finally squared up by the Applicant on 28/08/2013 by purchase of equivalent Qty. These trade transactions in currency future resulted in net loss. As per statement of account submitted by the Applicant alongwith Arbitration Application, a sum of Rs.548427.57 (Rupees Five lacs Forty Eight Thousand Four Hundred Twenty Seven and paise Fifty Seven Only), was due from the Respondent as on 03/09/2013 on account of these trade transactions in the Respondent's account.

3. Submissions of the Applicant (In Brief)

The Applicant in the Arbitration Application and Arbitral proceedings made the following submissions:

3.1 That the Respondent had entered into the Member-Client agreement with the Applicant company and also signed Combined Risk Disclosure agreement for trading in Capital Market and Future and Option Segment formulated by the Exchanges in coordination with SEBI. The agreement and other documents were voluntarily and duly signed by the Respondent after the contents thereof were understood and acknowledged by her. After the completion of all necessary formalities of registration after due diligence, the account of the Respondent was opened on 22/07/2013 and she was allotted a unique Client ID CHDR12. The Respondent also agreed to receive digital contract notes, bills, statements of account etc. in connection with the trades executed by her, on her designated E-mail ID: devi_sekhon@yahoo.com and SMS at her Mobile No.

✓

8699995050 both provided voluntarily by her at the time of opening of her account.

3.2 That in accordance with clause no. 24 of the Member Client Agreement, the Applicant hereby invokes jurisdiction of the arbitration proceedings. The clause no. 24 is reproduced here under for ready reference:-

"The client and the stock broker shall refer any claims and /or disputes with respect to deposits, margin money, etc., to arbitration as per the Rules, Byelaws and Regulations of the Exchanges where the trade is executed and circulars/notices issued thereunder as may be in force from time to time"

3.3 That the Respondent started trading in her account and had given the payment on regular basis in order to meet the margin requirements and/or pay in of the Exchange, the respondent had also taken the pay-out from her trading account.

3.4 That the Applicant has fulfilled his obligation by sending the confirmation of the transaction executed by the respondent in her trading account by way of Electronic Contract Notes on her registered E-mail and SMS on her Mobile No. as mentioned hereinabove.

3.5 That the relevant portion of the financial statement of the respondent's trading account is reproduced herein under for the ready reference of the Ld. Arbitrator describing the pay-in and pay-out details.

S.No.	Date	Cheque/DD	Narration	Pay-In	Pay-Out /Reversed
1	31.07.2013	523873	DD Recd	48,777	-
2	31.07.2013	523886	DD Recd	48,777	-
3	06.08.2013	110931	Che Recd	49,000	-
4	07.08.2013	523930	DD Recd	38,818	-
5	07.08.2013	110931	Che Reversed	-	49000
6	16.08.2013	524080	DD Recd	49,722	-
7	16.08.2013	110928	Che Recd	40,000	-
8	16.08.2013	524087	DD Recd	48,777	-
9	26.08.2013	524116	DD Recd	49722	-
10	26.08.2013	524116	DD Reversed	-	49722

3.6 Apart from the above, Applicant has sent the physical copies of the Quarterly Financial statements on the registered address of the respondent on regular basis along with the physical contract notes. That on 28/08/2013, there was a debit balance accrued in the Respondent's trading account, but the respondent started avoiding to make the payments for the one pretext and another despite the various demand made by the

Respondent. Therefore, on 03.09.2013, Applicant had issued a Demand Notice to the Respondent to clear all her dues, vide speed post Article No. EH553943478IN delivered on 07.09.2013. However, the Respondent neither replied to the demand notice nor cleared her debit balance.

3.7 That it is pertinent to mention here that the respondent was unspoken despite the demand made by Applicant through notice to clear the debit balance, it's amount to the admission on the part of the Respondent that she is liable to pay the debit amount.

3.8 That in the light of the above said facts and circumstances; it is crystal clear that the Respondent is in a debit of Rs.5,48,427.57/- as on 01.10.2013 and it seems that she is not interested to pay/clear her debit balance and breached the terms of the agreement and the Applicant is entitled to recover a sum of Rs. 5,48,427.57/- (Rupees Five Lac Forty Eight Thousand Four Hundred Twenty Seven and paisa Fifty Seven Only), alongwith further interest @ 18% P.A till it's realization.

The Applicant submitted relevant supporting Documents along with its submissions viz. Copy of the Member Client Agreement, Copy of the Financial Statement of the Respondent's trading account , copy of ECN logs of sending the contract notes and SMS logs, copies of contract notes , copies of the certificate of posting of sending the quarterly financial statements and physical contract notes , copies of the demand notice along with speed post article and delivery report thereof.

4. Prayer of the Applicant:

It is most respectfully prayed that the Ld. Arbitrator be pleased to pass an award directing the Respondent to pay a sum of Rs. 5,48,427.57/- (Rupees Five Lac Forty Eight Thousand Four Hundred Twenty Seven and paisa Fifty Seven Only), alongwith interest @ 18% P.A. from the date of debit till its realization;

5. Proceedings:

The first date of matter was fixed on 03/01/2014 at 4.00 P.M. The Respondent was absent. The authorized representatives of the Applicant attended. The Applicant briefed about the case and its claim. The Respondent was communicated telephonically that it was in the interest of the Respondent to submit reply and attend the next date of hearing. The respondent was given time to file reply in the prescribed form on or before the next date of hearing. The next date of hearing was fixed on January 21, 2014 at 11.30 A.M. The MCX- SX's IG and Arbitration team was directed to send a copy of the relevant Forms and Bye Laws of the Exchange in relation to the Arbitration for her reference alongwith the Minutes of the proceedings. The said documents and Minutes of the proceedings were sent to the Respondent through Blue Dart courier vide waybill no. 14091632892 dated 03

January, 2014 duly received by the Respondent on

04 January, 2014. Accordingly, Respondent was duly communicated the date, time and place of the next date of hearing. Respondent was also cautioned by specifically recording in the Minutes, that this is the last opportunity being given to the Respondent to present her case, failing which the matter will be decided ex-parte on merits.

Accordingly, the final hearing in the matter was held on January 21, 2014 at 11.30 A.M, the appointed date and time at Regional Arbitration Centre of the Exchange at New Delhi. The proceedings were started after waiting for the respondent for about an hour. There was no communication from the Respondent. No reply has been filed by the Respondent. Therefore, the proceedings in the matter held ex-parte the Respondent. The Applicant was heard.

6. Reasoning and Conclusions

The claim of the Applicant as per its submissions (supra) is supported by documents viz. Member Client Agreement, Financial Statement of the Respondent's Trading Account and Contract Notes. The Applicant has also placed on record certificate of posting of sending the quarterly financial statements and physical contract notes and ECN logs of sending the contract notes and SMS logs. The evidentiary value of these documents is acceptable in the normal course unless proved to the contrary by the opposing party. The payments made by the Respondent as per pay-in and pay-out details listed in para 3.5 above rule out the possibility that trades were carried without the knowledge of the respondent.

The Respondent neither submitted any reply nor appeared in the hearings held. The Respondent duly received all the communications sent by courier, mails and telephones. The perception of the Respondent that she is a complainant and not respondent is misplaced. Arbitral proceedings are independent one and have to be conducted and concluded as per the Rules, Bye-laws and Regulations of the exchange.

Perusal of the Trade transactions carried in the account of the Respondent reveal that there was outstanding trade position in Applicant's account in mid-August 2013 - in respect of sold GBPINR (Qty 70), which was due for expiry on 28/08/2013. The Applicant on 28/08/2013 finally squared up the position by purchase of GBPINR - Qty 70. The GBP appreciated sharply by 28/08/2013. The GBPINR. which were sold in the price range of about INR 95 to 99 vis a vis 1 GBP were squared up at net price/cost of INR 106.0361 per GBP. This resulted into losses, which were debited to the respondent's account. The net final amount due from the Respondent to the Applicant on account of all these transactions was Rs.548427.57 (Rupees Five lacs Forty Eight Thousand Four Hundred Twenty Seven



and paise Fifty Seven Only) as on 03/09/2013 as claimed by the Applicant. The claim of the Applicant of Rs.548427.57 (Rupees Five lacs Forty Eight Thousand Four Hundred Twenty Seven and paise Fifty Seven Only) due from the Respondent is tenable and therefore is being allowed. Regarding Applicant's claim of the interest @18% per annum w.e.f. from the date of debit till its realization, I allow simple interest to be charged at lower rate of 12% per annum w.e.f. 1st October, 2013 having regard to the losses suffered by the Respondent.

This Arbitral Award is being passed Ex- Parte the Respondent.

7. Award

The Respondent to pay to the Applicant Rs. 5,48,427.57 (Rupees Five Lacs Forty Eight Thousand Four Hundred Twenty Seven and Paise Fifty Seven Only) together with Simple Interest @12% per annum calculated on the Principal Amount awarded, w.e.f. 1st October, 2013 till the date of Payment of the Amount.

No order as to costs.


Ashok Jain

Sole Arbitrator

Place: DELHI

Date : 03/04/2014