IN-RJ73774760657319Y

INDIA NON JUDICIAL

Government of Rajasthan

सत्यमेव जयते

e-Stamp

Certificate No.	:	**IN-RJ73774760657319Y**
Certificate Issued Date	:	24-Apr-2026 10:51 AM
Account Reference	:	NONACC (SV)/ rj3239704/ JAIPUR/ RJ-JP
Unique Doc. Reference	:	SUBIN-RJRJ323970423982917895327Y
Purchased by	:	Chatar lal mochi
Description of Document	:	Article 13(a) Award- if the property, which is the subject matter of award, is immovable property (a)
Property Description	:	Arbitral award post-arbitration proceedings
Consideration Price (Rs.)	:	0 (Zero)
First Party	:	Chatar lal mochi
Second Party	:	MOTILAL OSWAL FINANCIAL SERVICES LIMITED
Stamp Duty Paid By	:	Chatar lal mochi
Stamp Duty Payable (Rs.)	:	500 (Five Hundred only)
Surcharge for Infrastructure Development (Rs.)	:	50 (Fifty only)
Surcharge for Propagation and Conservation of Cow (Rs.)	:	50 (Fifty only)
Surcharge for Relief from Natural and Man-made Calamities (Rs.)	:	50 (Fifty only)
Stamp Duty Amount(Rs.)	:	650 (Six Hundred And Fifty only)

The stamp paper forms an integral part of the arbitral award dated May 14, 2026 in NSE-SB-2025-08-812314 between Chatar Lal Mochi v Motilal Oswal Financial Services Limited

Madhu P Singh

PF 0039321947

IN-RJ73774858305097Y

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Certificate No.	:	IN-RJ73774858305097Y
Certificate Issued Date	:	24-Apr-2026 10:51 AM
Account Reference	:	NONACC (SV)/ rj3239704/ JAIPUR/ RJ-JP
Unique Doc. Reference	:	SUBIN-RJRJ323970423982975446775Y
Purchased by	:	Chatar lal mochi
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Certificate No.	:	**IN-RJ73774754553779Y**
Certificate Issued Date	:	24-Apr-2026 10:51 AM
Account Reference	:	NONACC (SV)/ rj3239704/ JAIPUR/ RJ-JP
Unique Doc. Reference	:	SUBIN-RJRJ323970423983080395247Y
Purchased by	:	Chatar lal mochi
Description of Document	:	Article 13(a) Award- if the property, which is the subject matter of award, is immovable property (a)
Property Description	:	Arbitral award post-arbitration proceedings
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Statutory Alert:

1. The authenticity of this Stamp certificate should be verified at 'www.shcilestamp.com' or using e-Stamp Mobile App of Stock Holding. Any discrepancy in the details on this Certificate and as available on the website / Mobile App renders it invalid.
2. The onus of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy please inform the Competent Authority.

ARBITRATION AWARD

IN THE ARBITRATION MATTER NO.

Arbitration - NSE-SB-2025-08-812314

BEFORE THE SOLE ARBITRATOR:

Ms. Madhu P. Singh

Between

Chatar Lal Mochi
Category of the Claimant : Investor
Address of Applicant: Nearby government school, bhilo ki kudiya,dariba,mehanduriya
PAN: AQSPM0166F Claimant

Versus

Motilal Oswal
Category of Respondent: TM
Address: MOTILAL OSWAL TOWERRAHIMTULLAH SAY ANI ROADOPPOSITE PAREL ST DEPOTPRABHADEVI
PAN: AAECM2876P

Respondent

(Respondent No.2&3 Added vide order dated 22.042026)

2.Neelu Vijay Kumar Gohil
Category of Respondent: AP

Respondent

3.Vijay Kumar Gohil
Category of Respondent: Proxy of Ap

Respondent

Madhu P Singh

Erdac Solutions Pvt. Ltd. is an independent institution that facilitates and administers electronic Alternative Dispute Resolution through its online platform, CADRE, also referred to as Online Dispute Resolution (**“ODR”**) Institution, having its registered office at No 39/1, 2nd Floor, Shanmugha Arcade, NGEF Lane, Binnamangala First Stage (Indiranagar 1st stage), Bangalore, Karnataka – 560038.

Erdac Solutions Pvt. Ltd. has been empanelled by NSE Limited (**“Exchange”**) in accordance with SEBI Master Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/ 195 dated July 31, 2023, [Updated as on December 28, 2023] (**“SEBI Circular”**) as amended from time to time, for undertaking time-bound online Conciliation and online Arbitration.

The present matter was referred to Erdac Solutions Pvt. Ltd. via SMARTODR.IN (**“ODR Portal”**), a common portal established by the Market Infrastructure Institutions (**“MII”**) in accordance with the SEBI Circular, for enable online Conciliation and online Arbitration for resolving disputes arising in the Indian Securities Market. Both parties have accepted the terms and conditions of ODR Portal.

The undersigned was appointed as an Arbitrator(s) by Erdac Solutions Pvt. Ltd. on 15/03/2026 in the present matter.

A hearing(s) were held on 22.04.2026 at 5.30 PM and on 28.04.2026 at 11 AM through Erdac Solutions Pvt. Ltd. via video conferencing.

APPEARANCE:

For the Applicant/Claimant – Claimant in person and his authorised representatives Ashish Rana (in first meeting only) Sh Suresh Kumar (both meetings),

For the Respondent --Sh. Dwibendu Mohanty, its authorised representative.

BACKGROUND: Sh. Chatar Lal Mochi ,the applicant/claimant availed the services

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of respondent M/s Motilal Oswal through one Sh. Vijay Kumar and filed a complaint against it through the SMARTODR Portal, in accordance with SEBI's Online Dispute Resolution (ODR) framework and the complaint was referred to conciliation.

The conciliation proceedings were conducted online through the SMARTODR Portal. Despite efforts by the conciliator, the parties were unable to reach an amicable settlement, and the conciliation process was declared unsuccessful.

Aggrieved by the outcome of the conciliation process, the applicant invoked arbitration under the SEBI ODR mechanism.

1.) STATEMENT OF CLAIM

The Claimant submitted this Statement of Claim and the same is reproduced here below :-

"

Chatar Lal mochi (Applicant/Complainant)
Against
Motilal Oswal Financial Services Limited (Respondent)

Total Claim Amount: ₹28,00,000
Employee Name -Vijay Kumar

I, Mr. Chhatar Lal, a retired employee of Hindustan Zinc, hereby lodge this complaint through SCORES against Mr. Vijay Kumar Gohil, who falsely acted as my Financial Mentor / Equity Advisor and misused my trust, demat access, and trading account linked with Motilal Oswal (Equity Rider platform), resulting in a cumulative financial loss of ₹28,00,000.

1. **Complainant Details**

   Name: Mr. Chhatar Lal
   Mobile: +91 74260 32853 / +91 80037 57473
   Email: chattarlal428@gmail.com

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Address: Dariba, Rajsamand District, Rajasthan

2. **Respondent Details**

Name: Mr. Vijay Kumar Gohil
Claimed Role: Financial Mentor / Equity Advisor
Phone: +91 99295 81552
Email: onlinevkumar@gmail.com
Associated Person: Mr. Ajay Kumar

3. **Brief Facts of the Case**

After my retirement, I entrusted my life savings to Mr. Vijay Kumar Gohil for safe investment guidance. Taking advantage of personal proximity and trust, he gained access to my Motilal Oswal demat account credentials and OTPs under the pretext of assisting me in trading. Without my authorization, knowledge, or consent, he executed multiple trades, altered my registered email ID, suppressed contract notes, and manipulated account information through the Equity Rider application.

He falsely showed inflated profits amounting to ₹28 lakh and delayed withdrawals through deceptive app displays. He also promised assured fixed monthly returns on Nifty 50 investment, which were never delivered. Subsequently, he signed a notarized agreement dated 27 January 2024 admitting use of my funds and promising repayment within 18 months. However, no repayment has been made, and he is now denying the agreement through legal representation.

A. Entrustment of Retirement Savings

I am a retired employee of Hindustan Zinc and after retirement I invested my life savings with the objective of securing stable and safe returns.

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During this period Mr. Vijay Kumar Gohil approached me presenting himself as a Financial Mentor and Equity Advisor and assured me that he would professionally manage my investments and generate consistent returns. Relying on his representations and assurances I placed my trust in him for investment guidance.

B. **Unauthorized Access to Demat Account**

Under the pretext of assisting me in trading activities Mr. Vijay Kumar Gohil obtained access to my Motilal Oswal linked demat account operated through the official Equity Rider application. He collected my login credentials and OTPs assuring me that it was only for facilitating transactions. Without my knowledge consent or authorization he executed multiple trades in my account including high value transactions. At no point was any pre trade confirmation obtained from me through call message email or application notification.

C. **Unauthorized Change of Registered Email ID**

Subsequently my registered email ID in the demat account was changed without my consent. As a result I stopped receiving contract notes transaction alerts and verification communications from the broker. My original email was allegedly configured to send automated responses which falsely indicated approval of trades thereby suppressing my ability to monitor account activity.

D. Misrepresentation of Profits Through Platform Manipulation

Mr. Vijay Kumar Gohil misused the Equity Rider platform interface to display inflated and misleading profit figures. He falsely represented that my investments had generated a profit of approximately Rs 28 lakh and repeatedly delayed withdrawals by providing manipulated account

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visuals and misleading explanations. This created a false impression of profitability while my actual capital was eroding.

E. Assured Return Promise and False Guarantees

He further promised fixed monthly returns of Rs 2000 to Rs 3000 on a Rs 50000 investment in Nifty 50 which constitutes an assured return scheme. No such returns were ever received. These promises were made to induce continued trust and prevent me from questioning the account activities.

F. **Notarized Repayment Agreement and Default**

On 27 January 2024 Mr. Vijay Kumar Gohil signed a notarized agreement admitting that he had used my funds and committed to repay the amount within 18 months. Despite this written acknowledgment no repayment has been made and he is now denying the validity of the agreement through legal representation.

G. **Financial Loss Suffered**

Due to unauthorized trading credential misuse misrepresentation and suppression of communication I have suffered a total financial loss of Rs 28 lakh including my principal investment and expected appreciation which has caused severe financial hardship and mental distress.

4. Specific SEBI Violations

A. Unauthorized Trading and Credential Misuse

Violation of SEBI/MIRSD/16/2011 and Clause 3.4 of SEBI Master Circular for Stock Brokers (June 2023), which prohibit brokers or

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agents from accessing client credentials and mandate that all trades must originate from explicit client instructions.

B. **Unauthorized Change of Registered Email ID**

Violation of SEBI Circular CIR/MIRSD/15/2011 and Clause 5.2 of SEBI Master Circular (June 2023), which require two factor authentication and client verification before modifying client details.

C. Absence of Pre Trade Confirmation

Violation of Clause 6.3 of SEBI Master Circular (June 2023), mandating clear and verifiable confirmation prior to order execution. No trade in my account was preceded by any instruction or confirmation from me.

D. Misrepresentation and Assured Returns

Violation of SEBI Master Circular Clause 3 and SEBI Code of Conduct prohibiting assured or fixed return promises.

E. Fraudulent and Unfair Trade Practices

Violation of SEBI Prohibition of Fraudulent and Unfair Trade Practices Regulations 2003 due to manipulation, deceptive profit display, suppression of communication, and inducement.

F. **Breach of Fiduciary Duty and Transparency Norms**

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Violation of Clause 7 of SEBI Code of Conduct requiring honesty, transparency, and fair dealing.

5. Financial Loss Summary

Initial Investment: ₹9,08,000
Lost Appreciation: ₹18,92,000
Total Claim: ₹28,00,000

6. Relief Sought

1. Immediate investigation into unauthorized access, email modification, and trading activities.
2. Audit of login records, IP logs, OTP usage, and account modification trail.
3. Restoration of shares or funds if traceable through broker systems. 4. Refund of ₹28,00,000 from responsible parties.
5. Blacklisting and regulatory action against Mr. Vijay Kumar Gohil and associated persons.
6. Compliance reporting by the concerned broker to SEBI and Exchange authorities.

Proofs:-

Chat:- https://drive.google.com/file/d/1wZbTN5qMF6bMkQqqeaPbwEyJt8GwCA-R/view?usp=drive_link

Auto Reply:-
https://drive.google.com/file/d/1fdbTBk3ve5Nhg3WWQhHbqzW4D0jDEnwq/view?usp=drive_link

Affidavit:- https://drive.google.com/file/d/1euq3Fkr4lxss8PA1hPheAYsw6KMozqWK/view?usp=drive_link

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Contract notes:- https://drive.google.com/drive/folders/1Tka9diN2-jexxYLwDvaO e_K7736CRPhF

https://drive.google.com/drive/folders/1qxFLW3d90iN-FUTO9J2 gJ_nYZwwdUU2y https://drive.google.com/drive/folders/1qxFLW3d90iN-FUTO9J2 gJ_nYZwwdUU2y

2.) <u>STATEMENT OF DEFENCE</u>

The Respondent has submitted the Statement of Defence in response to the claims and allegations raised by the Claimant and the same is reproduced here below:-

1. "That, the Respondent humbly submits that the Respondent is filling this present Statement of Defence (SOD) through its Authorised Representative, who is duly authorised to file this present SOD and represent the Respondent before this Hon'ble Tribunal. A copy of Board Resolution authorising the Authorised Representative is annexed here with as "Annexure - 1".

2. At the outset the Respondent says and submits that all and every singular contention, submission and allegation of the Claimant made in his Statement of Case (SOC) are contrary and inconsistent to actual fact of the matter and hence empathetically denied. All the contention of the SOC is deemed to be denied, unless specifically admitted herein under.

3. That the Respondent submits that the present repls limited to the documents filed by the Claimant along with his SOC and the Respondent crave leave to file additional para wise submission as and when required.

4. Preliminary Objection: Non-Joinder of Necessary Party

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5. The answering Respondent submits that the Claimant in his SOC has described all allegation only against one Mr. Vijay Kumar Gohil the employee of Authorised Person of the Respondent Ms. Neelu Vijay Kumar Gohil. Also, at Para 2 of SOC indicates that the details of the Respondent as; "2. Respondent Details Name: Mr. Vijay Kumar Gohil Claimed Role: Financial Mentor / Equity Advisor Phone: +91 99295 81552 Email: onlinevkumar@gmail.com Associated Person: Mr. Ajay Kumar"

6. That, the Claimant has raised his claim value of Rs. 28 Lacs relying upon one so-called "Notarized Repayment Agreement" dated 27 Jan 2024, claiming to be executed by said Mr. Vijay Kumar Gohil.

7. That, since the Claimant has raised substantive allegation against Mr. Vijay, so in absence of the said necessary party, the adjudication is fundamentally erroneous and legally not maintainable. Hence, the Respondent humbly submits that the present proceeding is not maintainable on the ground of "Non-Joinder of Necessary Party" alone.

<u>Appointment of Neelu Vijay Kumar Gohil as Sub-broker/ AP and scope and authority:</u>

8. That, Ms. Neelu Vijay Kumar Gohil contacted the Respondent and expressed her intention to be affiliated with the Respondent as Business Associate (BA)/ Authorised Person ('AP') for extending share broking services to the investors in an around Bhilwara, Rajasthan in accordance with the Rules, Regulations and Byelaws of NSE / SEBI read with the circulars issued from time to time. The Respondent explained to her the terms and conditions and Rules and Regulations applicable while executing transactions in the name of the clients and upon Ms. Neelu agreeing to the said terms and conditions, both of them have entered into Authorised Person Agreement dated 18 July 2018 along with Business Associate Agreement dated 19 July 2019, explaining therein the rights and obligations of both parties.

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8.(a) It is submitted that under the said agreement, the scope of work and authority was defined and therefore BA/ AP or any of their employee had no authority to enter into any private agreement with the client assuring any fix returns, as alleged by the Claimant. The BA agreement at Clause no. 6 and 8, specifies the BA to introduce clients and to execute trades on behalf of client only as per client's instruction.

9. In view of the terms and conditions contained in the said Agreements, it is clear that the Respondent cannot be held responsible for the conduct of the employee of the BA / AP which is beyond the scope of activities/ authorities covered under the said Agreement. Hereto annexed and marked "Annexure-2", is the copy of the AP and BA Agreement executed between the Respondent and Mrs. Neelu Vijay Kumar Gohil.

Estoppel:

10. That, the Respondent submits that the Claimant in his SOC has relied the "Notarised Repayment Agreement" dated 27 Jan 2024. On perusal of said document, with reference to Clause no. 2 the Claimant lodged police complaint at Cyber Crime Dept., Rajsamand against said Mr. Viajy. Further, with reference to Clause no. 7, 8 & 9 of said agreement, in case of default the Claimant agreed to file future legal proceeding against Mr. Vijay.

11. That, at Para 3 (F), the case of the Claimant mentioned that now said Mr. Vijay defaulted to the contractual terms of so called "Notarized Repayment Agreement" dated 27 Jan 2024. "F. Notarized Repayment Agreement and Default On 27 January 2024 Mr. Vijay Kumar Gohil signed a notarized agreement admitting that he had used my funds and committed to repay the amount within 18 months. Despite this written acknowledgment no repayment has been made and he is now denying the validity of the agreement through legal representation."

12. In view of above, the Claimant should raised separate legal proceeding as agreed under his contractual term and hence the Claimant is "Estopped" to initiate this present proceeding against the answering Respondent.

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Absurd Claim Value of Rs. 28 Lacs

13. The Respondent humbly submits that the Claimant failed to rely any substantive evidence of actual loss suffered of Rs 28 Lacs, as prayed for. The contention and amount mentioned at Para 5 of SOC is completely absurd without any corroborative evidence. Hence, the Claimant's prayer should have been rejected on the grounds alone.

14. Without prejudice, that Respondent submits that the Claimant in his SOC has alleged that he trusted Mr. Vijay for investment guidance. Mr. Vijay took advantage of said trust, gained access of the Claimant's account and executed multiple trades without authorisation, knowledge and consent of the Claimant. It is further alleged that the registered Email ID was altered by Mr. Vijay, so the Claimant was not receiving Contract Note and Mr. Vijay promised assured fixed monthly return on Nifty 50 investment. Moreover, it is alleged that Mr. Vijay executed notarised agreement dated 27 Jan 2024, where-in he admitted use of the Claimant's fund further promised to repay of Rs. 28 Lacs with 18 months. At this juncture, the Respondent denies all and every single allegation as completely inconsistent to the correct fact of the matter. In addition, it is submitted that the Claimant has not relied any credible evidence to prove his case.

The Claimant approached this Hon'ble Arbitral Tribunal with unclean hands:

15. The Claimant while lodging the complaint before ODR and/or present claim has failed to provide true and correct information about the private relationship and joint ventures between the Claimant & the employ of the BA/AP and also failed to produce all the relevant documents before this Hon'ble Arbitral Tribunal. Thus, the Claimant has approached this Hon'ble Arbitral Tribunal with unclean hands and on this ground alone the claim of the Claimant is liable to be rejected without going into the merit of the matter. The Respondent is narrating below instances showing the conduct of the Claimant.

a. The Claimant has not disclosed the facts that he was in continuous communication with the office of the BA/ AP.
b. Also, the Claimant has made various pay in of funds to initiate trading in CASH segment as well as in DERIVATIVE segment.

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c. The Claimant has not disclosed that he was frequently visiting the office of SB/ AP for execution of his transactions and the transactions were executed by the BA/AP in his presence on his instruction and/or with his knowledge, consent and authority.

d. The Claimant has not disclosed that even post termination of the BA/ AP with the Respondent on December, 2023, the Claimant continued his transaction till 31 Oct 2025 in CASH segment and till 09 April 2024 in FNO segment.

e. The Claimant has not disclosed that he regularly accessing his trading account through online log by using USER ID and two factor authentication, received more than 250 times OTP to do account login, to reset his password etc.

f. In addition to the above, the Claimant disputed the validity of transactions after long time which establish the same as an afterthought.

16. It is well settled legal precedent that when a claimant approaches the court with uncleaned hands, he/she is not entitled for any relief. The Hon'ble Bombay Hi Court in Arbitration Petition No. 1424 of 2019 has considered a claim lodged by an investor disputing the validity of the transactions executed by the share brokers and set aside the award also on the grounds that the clients have not approached the Arbitral Tribunal with clean hand, the case of the Claimant, is squarely covered by the said judgement. The Respondent is reproducing para 35 of the judgment as under:

"Once it was found that the Khatod family has not come to the court with clean hands their claim ought to have rejected outright. That apart, the inherent contradictions in the impugned award render it perverse. Once it is found that the Khatod family has traded consciously and was yet taking a claim for rejecting the trade, there was no question of granting 50% of the amount claimed on the very premise of the transaction being unauthorised. Such an approach is patently illegal and perverse"

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(Emphasis supplied)

The Hon'ble Bombay High Court while deciding a case (2020) 5 Mh LJ 58 relied upon the judgement of the Hon'ble Supreme Court reported as (1994) 1 SCC 1 wherein the Hon'ble Supreme Court laid down the law in respect where the party approach the court with unclean hands and held as under:

'The courts of law are meant for imparting justice between the parties. One who comes to the court must come with clean hands…____. We have no hesitation to say that the person whose case is based on falsehood, has no right to approach the court. He can be some really thrown out at any stage of the litigation'

(Emphasis supplied)

Hereto annexed and marked "Annexure-3 & 4" are the copy of the Hon'ble Bombay High Court judgment in Arbitration Petition No. 1424 of 2019 between Dhwaja Share and Securities Pvt. Ltd. Versus Sunita A. Khatod and the copy of the judgement in Shankar Jaganath Mane V Sikkandar Mohammed Bidiwala reported as (2020) 5 Mh LJ 58 respectively.

BRIEF FACTS OF THE CASE:

17. That before dealing with the allegation of the Claimant's SOC, the Respondent would like to place on record and attention of Hon'ble Tribunal on following facts are as below;

Client's on boarding:

a. On 01 April 2020, the Claimant voluntarily visited the Respondent's website www.motilaloswal.com, was desiring to open his DMAT & Trading account. In the process of online account opening the Claimant had duly filled "Online Account Opening Form" adding personal details.

b. Later, on 19 April, 2020 the Claimant further continued his online account opening journey and completed his process under the rules and regulations of SEBI following Aadhar authentication process.

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c. During the account opening journey, the Claimant read, understood and executed all mandatory documents including Risk Discloser Document (RDD), Rights and Obligations, Policy and Procedures, along with other Voluntary documents.

d. Only after completion of the formalities of account registration, the Respondent allotted Unique Client Code: NVKG1210 to the Claimant for carrying out securities transaction. A copy of relevant pages of online Account Opening document and the RDD, are annexed and relied here with as “Annexure – 5 & 5A” respectively.

e. It is pertinent to mention here as per the Account Opening documentation, the Claimant opted “CASH/ MF” as trading preference and registered his email id as chatarlal046@gmail.com having mobile no. 8003757473.

f. The Respondent submits that the Claimant was provided with the online login access to visit his account though USER ID and two factor authentication. The Claimant being an online account holder, was regularly accessing his account.

Order Placement:

g. That, on 23 April 2020, the Claimant made fund payment of Rs. 30,000/- to start his CASH segment transaction on 24 April 2020 and continued his trading. It is pertinent to mention here that the Claimant was regularly in touch with the office of the BA/ AP of the Respondent, to execute his share transactions though offline mode. On many occasions, the Claimant visited the office of BA/ AP for execution of his transactions. On various dates, the Claimant had sent Email confirmation to continue trade execution. So, all transactions were executed by the sub-broker/AP, either in his presence of the Claimant, or on his instruction and with his knowledge, consent and authority. A copy of print out of some physical instruction sheets and Email instruction are annexed and relied herewith as “Annexure-6”.

Online fund pay in towards CASH Segment trade:

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h. Further to facilitate the CASH segment share trading, the Claimant made fund pay in on 11 June 2020, 08 July, 2020, 07 Aug, 2020, 24 Aug, 2020 & 18 Jan, 2021. During those trading tenure, the Claimant accessed his account thorough online Login and the Contract Note were duly emailed to him.

Online Derivative Segment addition and initiated transaction:

i. With an intention to earn more profit, later, on 16 Mar, 2021, undisputedly the Claimant had voluntarily activated Derivative and Currency segment through online mode. Below is the log report;

Client Code	Client Name	Segment	Request Date	IP address
NVKG1210	CHATAR LAL MOCHI	F&O, CURRENCY	2021-03-16 17:00:47.293	49.36.247.192

j. That, after activation of addition trading segment, on 18 Mar 2021 the fresh Welcome Letter emailed to the Claimant at his registered id chatarlal046@gmail.com. A copy of Welcome Letter dated 18 Mar 2021 is annexed here with and relied as "Annexure - 7".

k. That, on 10 May, 2021, the Claimant made online fund pay in of Rs. 1,11,000/- to initiate Derivative and Currency Segment trade. Accordingly, on 10 May, 2021 and 11 May, 2021, the Claimant initiated his Future & Option (FNO) trades and Currency segment trades respectively.

<u>Online registered Email ID modification:</u>

l. Further, it is submitted that on 14 Oct, 2021, the Claimant put online request to changed his registered Email Id from chatarlal046@gmail.com to chattarlal428@gmail.com, accordingly new Email ID has been mapped in his account. Below is log report for your reference;

CLIENT_CODE	PAN_NUMBER	OLD_EMAIL ID	NEW_EMAILID	MOD_ID	CREATED_DATE	EMAIL_OTP

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NVKG 1210	AQSP M0166F	CHATARL AL046@GM AIL.COM	chattarlal 428@gmai l.com	1106 277	2021-10-14 13:08:19.4 40	3946

m. Since, then the Claimant is using the Email ID chattarlal428@gmail.com till date. Same can be evident as the Claimant's Email id as mentioned in the SOC at Para 1.

n. That, the Respondent submits that the Claimant continued his share trading through the Authorised Person of the Respondent through OFFLINE mode. However, being an online account holder, the Claimant regularly visited his account through online mode using USER ID & two factor authentication and had monitored his trading transactions.

o. That, the Claimant continued his transactions in CASH segment from 24 Apr, 2020 till 31 Oct, 2025, in DERIVATIVE segment from 10 May, 2021 till 09 Apr, 2024 and in CURRENCY segment from 11 May, 2021 till 23 Feb, 2023, without raising any dispute, except the Claimant's grievance email dated 12 Sept, 04 Oct, and 08 Oct, of 2023. It is pertinent to mention here that the aforesaid grievances were duly addressed through Respondent's email reply dated 20 Oct 2023.

Sending of Electronic Contract Note (ECN), Bills, Ledger, Margin Statement and other Statement:

p. That, during the trading tenure the Respondent sent digital Contract Note, Margin Statement, Ledger Debit intimation, Login OTP, Share Pledge OTP, Bill Summary, MTF transaction intimation, Weekly Ledger Statement etc. The Claimant took cognizance of those emails and had never raised any dispute in regards to said transactions. A print out of the copy of Email Log for the trading tenure from 31 Oct, 2022 till 23 Mar, 2026 (approx. 1291 emails), is annexed and relied herewith as "Annexure - 8". A copy of extract of Email Log of the Electronic Contract Notes (ECN) for the sample trading tenure from 04 Feb, 2022 till 27 May, 2024 (approx. 279 ECN), is annexed and relied as "Annexure - 8A".

SMS trade confirmation and One Time Password:

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q. That, the during the aforesaid trading tenure the Respondent sent to the Claimant, trade related SMS on his registered mobile no. 8003757473. In said SMSs the Claimant was informed about his transaction details, RMS selling intimation, Quarterly Settlement, OTP for Password reset, OTP for online login more than 250 times etc., to which the Claimant admitted in his SOC of receiving said OTPs. A copy of print out of SMSs for the trading tenure from 03 April, 2023 till 11 Feb, 2026 (apprx. 331 SMSs) is annexed and relied here with as “Annexure - 9”. A copy of extract of OPT SMS for the trading tenure 05 May 2023 till 12 Oct 2025 (about 128 times) is separately annexed and relied here with as “Annexure – 9A”.

Online monitoring of transactions:

r. As it is earlier submitted, the Claimant being on line account holder was regularly accessing his trading account through online mode using USER ID and two factor authentication. A copy of the Claimant’s Online Login Log which captures Device ID and Global IP for the trading tenure from 23 Feb 2021 till 11 Feb 2026 (approx. 1112 times), is annexed and relied here with as “Annexure - 10”.

Email alert on real time basis:

s. As a safety precaution, the Respondent sent system generated email to the Claimant’s registered email Id during live trading session informing the Claimant that the transactions mentioned are executed by the Respondent based on his order to the AP. At no point in time, the Claimant has objected to the said transactions being executed by the AP in his name. A print out of said Live trade confirmation log is annexed and relied here with as “Annexure-11”.

Ledger Account, Fund Pay-in to meet trade obligations and Fund Pay-out by the Respondent:

t. That, the Respondent maintained account statement of the Claimant in which the summary amount of Contract Note/ Bills, money in and money payout, MTM profit/ loss, applicable charges etc. A copy of printout of the Claimant’s ledger for the FY 2020- 21 till FY 2025-26, are annexed and relied herewith as

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"Annexure -12". In addition to above, it is submitted that the Claimant during his trading tenure has made various pay-in of funds to facilitate his share transaction and took pay-outs also. The details of the Pay-in and Pay-out are as below;

Money Pay-In:

Date	Narration	Amount
23-Apr-2020	Received on A/C Online - NEFT/RTGS	30000
11-Jun-2020	Received on A/C online - NEFT/RTGS	50000
08-Jul-2020	Received on A/C online - NEFT/RTGS	70000
07-Aug-2020	Received on A/C online - NEFT/RTGS	121000
24-Aug-2020	Received on A/C online - NEFT/RTGS	500000
18-Jan-2021	Received on A/C online - NEFT/RTGS	70000
10-May-2021	Received on A/C online - NEFT/RTGS	111000
24-Nov-2023	Received on A/c vide 113086984566	10000
14-Mar-2024	Received on A/c vide 113213550088	1000
14-Mar-2024	Received on A/c vide 113213553250	59000
22-Mar-2024	Received on A/c vide 113222660396	25000
Total		10,47,000

Money Pay-out:

Date	Narration	Amount

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06-Apr-2023	QUARTERLY SETTLEMENT PAYOUT	20241
07-Jul-2023	QUARTERLY SETTLEMENT PAYOUT	14250.4
23-Nov-2023	MONEY PAYOUT	100000
22-Dec-2023	QUARTERLY SETTLEMENT PAYOUT	2866. 13
03-Nov-2025	MONEY PAYOUT	164051.20
Total		3,01,408.33

u. That, as on 12 Aug, 2025, the Claimant DMAT holding shares worth Rs. 1,90,151.25/-. A copy of print out of DP Holding Statement as on 12 Aug, 2025 is annexed and relied herewith as “Annexure- 13”.

v. However, it is important to note that the actual loss incurred by the Claimant while trading in his account amounts to Rs. 4,84,759.97/-. A copy of the Profit and Loss statement, is annexed herewith and relied as “Annexure-14”.

COMPLAINT FILED BY THE CLAIMANT:

18. Since the transactions executed by the Claimant have resulted in loss and hence on the ill advice of someone, the Claimant dishonestly lodged a Complaint dated 30 July 2025 and lodged a claim of Rs. 28 Lacs with the ODR, alleging therein that Mr. Vijay Kumar Gohil the employee of the AP executed unauthorised trade without order instructions and assured fixed returns etc., therefore the transactions are unauthorised and illegal, and other allegations that the sub-broker entered into repayment agreement.

19. The Respondent filed a detailed reply to the complaint and produced evidence to show that all the transactions were executed in accordance with law and requested for closing the complaint.

20. The Ld. Conciliator, by his Report dated 24 Sept 2025 allowed the claim of the Claimant by reducing the claim that the Claimant should be paid an amount of Rs 2,42,380/- (50% of the amount of Rs 484759.97) by the Respondent. The Ld. Conciliator also failed to consider that the Claimant and the employee of the

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BA/ AP has private arrangement. The Ld. Conciliator has not recorded any finding / reasoning while deciding the quantum of claim. Hereto annexed and marked "Annexure -15" is the copy of the Conciliator's Report dated 24 Sept 2025. CONCILIATOR'S REPORT IS LIABLE TO BE SET ASIDE:

21. With great respect to the Ld. Conciliator, the Respondent, submits that the Ld. Conciliator is one of the most knowledgeable and a person of very high integrity, however decided the matter by completely ignoring the material facts available on record and the law applicable and decided by the Hon'ble Courts from time to time in respect of Broker-Client relationship.

22. For the following reasons, the Report of the Ld. Conciliator approving the Claimant's claim of upto Rs 2,42,380/-, an amount equal to the 50 % of entire loss suffered by the Respondent is liable to be set aside for the following reasons;

a. The Ld. Conciliator erroneously held at Para 4 that the Email Trade confirmation are seems to be auto-generated email and can't be considered as trade instruction. On the contrary the Ld. Conciliator failed to appreciate that the Claimant's allegation is without any supporting evidence. Since, the email id is belonging to the Claimant only and it is being used for his all-other communication, then the allegation of any auto-reply configured by Mr. Vijay is falls flat.

b. The Ld. Conciliator erroneously held at Para 6 that Respondent failed as not took any action against the AP based on the Claimant's email dated 04 Oct 2023, and sent generic reply email on 20 Oct 2023. In fact, the Ld. Conciliator should have held that if the Claimant was not satisfied with the Respondent's reply email dated 20 Oct 2023, he must have file Complaint before SEBI Portal and should not keep quite till 30 July 2025. Further, the Ld. Conciliator should have been held that since the Claimant has not replied to Respondent email dated 22 Dec 2023 which was sent during the process of termination of the BA/ AP, hence now the Claimant's allegation should be considered as afterthought.

c. The Ld. Conciliator has completely overlooked that the Claimant had executed transactions for a long period between 24 Apr 2020 to 27 May 2024 prior to

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filing to ODR complaint / adjudication of the Conciliation proceeding. Also, during the said period, the Claimant made 11 pay-ins of Rs. 10,47,000/- based on the requirement of funds. In addition to this, 1120 occasions, the Claimant logged on to the Respondent's website and monitored the transactions being executed in his name. Further, in addition to this, the Respondent confirmed the Claimant of his trades by SMS, ECN, Margin Statement etc.

Bombay High Court judgements on interpretation of SEBI Circular on Pre-Trade Confirmation:

23. That, the law laid down by the Hon'ble Bombay High Court in Commercial Arbitration Petition No. 1175 of 2019, wherein the Hon'ble Bombay High Court has interpreted the SEBI Circular dated 22nd March 2018 and held as under.

'Para 23- when a person has knowledge of a trade, if such trade were not authorised by him, it would stand to reason that the knowledge would trigger a protest and lead to a challenge to a trade. If there is no such challenge until the debit balance runs up to a level where the stockbroker is forced to make a claim in arbitration, it would be incumbent on the Learned Arbitral Tribunal to assess all the attended evidence from a commercial and commonsensical prospective and written a finding that relates to the facts of the case'

'Para 24- in my view, it is vital to examine the commercial conduct of the parties and assess who is speaking the truth, rather than rely on a binary proposition to hold that absence of recorded prior authorisation would automatically lead to an absolute immunity to the client of the stock broker from paying up for very trades that he consciously participated in with full knowledge. In my opinion, the absence of prior written or recorded authorisation would not be fatal to the brokers right to be paid for the clients trade'.

24. The Hon'ble Bombay High Court also in Arbitration Petitioner No. 532 of 2024 held that non-availability of voice recording for placement of order cannot make the transaction unauthorized or illegal.

'Para 31 - I am in respectful agreement with and rather bound by the ratio of the judgment in Ulhas Dandekar, Erach Khavar and Pearless Securities Ltd, wherein it is held that mere non-observance of regulatory directives cannot be a pretext

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available for an investor to hold stockbroker responsible for losses resulting out of the trades. Failure to adhere to the regulatory directives by SEBI or NSE may entail necessary disciplinary measures against the Stock Broker. However, the same would not necessarily create a liability on the stockbroker to compensate the client/investor in respect of the losses suffered in the trade transactions. xxxxxx In case before the Division Bench in Erach Khavar also, the appellant therein had authorised another person to effect trades in his account and the appellant has received all the contract notes and text messages. He later sought to wriggle out of consequences of such trades by disowning the same by relying on NSE Regulation 3.4.1. In the present case also, Respondent specifically admitted that they had trusted Siddhi and had allowed her to effect trades on their behalf. This is not a case where Siddhi is an unknown person to Respondents, who has effected trades in their accounts in a blatantly unauthorised manner. In my view therefore Respondents cannot take shelter behind regulatory directives of SEBI Circular dated 22 March 2018 and hold Petitioner responsible for recovering the losses suffered by them.'

Hereto annexed and marked "Annexure - 16" is the copy of the judgment of Hon'ble Bombay High Court in Commercial Arbitration Petition No. 1175 of 2019 and "Annexure - 17" is the copy of the judgment of Hon'ble Bombay High Court in Commercial Arbitration Petition No. 532 of 2024.

<u>Para-wise reply to SOC:</u>

25. That, the Respondent re-iteral its denial submission as against the allegation of the Claimant.

a. As regards to the allegation at Para 3 (A) of SOC, same are denied as false and baseless. In response, the Respondent submits that the Claimant had not submitted any evidence in support of his allegation against Mr. Vijay Kumar Gohil, the employee of the AP of the Respondent. On the contrary, the online account opening document demonstrates that the Claimant had himself voluntarily opened his account through Aadhar authentication process.

b. As regards to the allegation at Para 3 (B) of SOC, same are denied as completely false in toto. Further, to substantiate those allegations, the Claimant has not relied any evidence that the account login credential was ever shared

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with Mr. Vijay. In response to the allegation of sharing the OTPs, the Claimant had received OTPs more than 250 times. Only during the tenure of 05 May 2023 to 12 Nov, 2025, the Claimant received 128 OTPs for login to his account, to reset his password, for share pledging etc. There is no single evidence that the OTPs were shared to the employee of the AP on immediately receiving of the same. On the contrary, the Claimant executed all of his transactions through OFFLINE mode only with the assistance of the office of the AP. Hence, the allegation is false and does not hold any water. Also, on perusal of Email Log and SMS Log, it is evident that the Claimant on multiple occasions had reset his Login Password.

i. Without prejudice, the Respondent submits as per the terms of account opening documentation, at VOLUNTARY CLAUSES (TERMS AND CONDITIONS) at Clause no. E, the Claimant agreed that he shall be responsible for keeping his User name and Password confidential. The relevant part of said Clause is reproduced as below;

“E. The Client shall be responsible for keeping the Username and Password confidential and secure and shall be solely responsible for all orders entered and transactions done by any person whosoever through the Member's IBT System using the Client's Username and/or Password whether or not such person was authorized to do so …” Hence, any violation of said agreement, the Respondent can’t be held responsible.

ii. In response to specific allegation of no pre trade confirmation given by the Claimant, same is denied as misconceived. On the contrary the Claimant was continuous contact with the AP for execution of his transactions. On various occasions, the Claimant had instructed the AP to place transactions through Email from his registered email id. chattarlal428@gmail.com. Also, on many occasions, the Claimant visited the office of SB/ AP for execution of his transactions. Hence, all trades were executed on the consent and knowledge of the Claimant.

c. With regards to the allegation at Para 3 (C) of SOC, same are denied. In response, it is submitted that both the Email IDs i.e. chatarlal046@gmail.com and chattarlal428@gmail.com, are belongs to the Claimant only. From account opening till 14 Oct 2021, the Claimant has registered his email id as

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chatarlal046@gmail.com and later he changed his register email id chattarlal428@gmail.com through online mode as submitted earlier.

i. It is important to note here since 14 Oct 2021 till date that the Claimant is using his Email ID chattarlal428@gmail.com, which is evidently mentioned at Para 1 of SOC. The Respondent placing reliance to Email dated 27 Aug 2021, 30 Jan 2022, 25, May 2022 and 18 Aug 2022 addressed to the office of BA/ AP, Email dated 13 Sept 2022 to “gurukripadrb@gmail.com”, Emails dated 04 Oct 2023, 08 Oct, 2023 and 25 Oct, 2023 addressing to the Respondent, proves the fact that the Email ID chattarlal428@gmail.com belongs to the Claimant only and he is using it for email communications not only with BA/ AP and the Respondent but also with outside the World. A print out of copy of said Emails are annexed and relied herewith as “Annexure -18”. Hence, the allegation of unauthorised change of registered Email ID without consent of the Claimant by Mr. Vijay, is falls flat as baseless and after thought.

ii. In response to the allegation of stop receiving the Contract Note delivered to the Claimant is also completely false. On the contrary the Claimant had full access to his trading account and duly received the Contract Notes. Accordingly, the Claimant filed the copy of those email contract notes along with the SOC.

iii. In response to allegation of configuration to send Auto Reply, same is denied. Since, the Email ID belongs to the Claimant only and he possessed this email id credentials, no other person can access it.

d. With regards to the allegation at Para 3 (D), same are denied as baseless. On contrary the Claimant has not filed any evidence to substantiate it. Since, there is no record to show that the Claimant’s mobile App “Equity Rider” was ever misused by AP showing inflated and misleading profit, so mere allegation should not be considered as truth only.

e. With regards to the allegation at Para 3 (E), same is denied. The Claimant has not submitted any evidence in this regard. However, the Respondent’s Welcome Letter dated 18 Mar 2021, the Claimant was provided the details to access his account through the Respondent’s website “www. motilaloswal.com”, the segment activation details, Nomination, Brokerage and other relevant information. In the said letter it is evidently communicated that

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"Investment in equities, commodities and stock market does not offer any guaranteed return. Please adopt trading and investment strategies commensurate with your risk bearing capacity as all investment carry risk, the degree of which vary according the investment strategies adopted".

f. With regards to the allegation at Para 3(F) of SOC, same is denied. In response to the said allegation, the Respondent submits that Ms. Neelu Vijay Kumar Gohil was associated with MOFSL as an Authorized Person under NSE Registration No. AP0297120921. Her association with the Respondent was terminated and the process of said termination initiated in November 2023 due to business reasons.

i. Prior to the end of business separation, the Respondent communicated with all clients including the Claimant who were mapped under the said Authorized Person, as outlined below:

"Further you are requested to check your Trading and Demat account balances or any other pending service request with your Sub broker / Authorised Person to avoid any inconvenience at later stage. In case of any concerns / clarifications needed, kindly intimate the same within 10 days from receipt of this mail. If we do not hear anything from your side within the specified time we will presume that balances lying in your Trading and Demat account are in order and it has been reconciled with your Sub broker / Authorised Person and there are no pending requests with your Sub broker / Authorised Person".

ii. A copy of said Email Communication dated 22 Dec, 2023 addressed the Claimant is annexed and relied as "Annexure - 19". However, the Respondent has not received any communication from the Claimant regarding any discrepancy in his demat/trading account.

iii. In response to the contention of Notarised Repayment agreement dated 27 Jan, 2024, the Respondent denies the same as want of knowledge. The so called repayment agreement was executed after the termination of the BA/ AP with the Respondent. Without prejudice, the Respondent

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submits that on perusal of the disputed document it seems that the Claimant and Mr. Vijay Gohil had some private arrangement on their personal capacity and Mr. Vijay on his personal capacity committed to restore / buy back shares in the Claimant’s account within a period of 18 months. Since, the Respondent has no knowledge and not being a party to the agreement, said agreement is not binding on the Respondent especially when it is not even executed during the tenure of the BA/ AP’s association with the Respondent. The reliance on the agreement for the purpose of this proceeding is therefore devoid of merit with respect to Respondent’s liability.

g. With regards to allegation at Para 3 (G) SOC, same is denied as baseless and after though.

h. With regards to allegation at Para 4 of SOC, same is denied. In response to said allegation it is submitted that there was no evidence on record that the Respondent has committed any violation of SEBI and Exchange rules and regulations. In fact, the allegation is mere contention without any substantive proof.

i. With regards to the allegation at Para 5 of SOC, same is denied as absurd, misleading and after thought as notional in nature. In response the Respondent submits that as per Profit and Loss statement the actual trading loss is amount of Rs. 4,82,285/-. Hence, the claim towards investment amount of Rs. 9,08,000/- is completely absurd. In regards to claim towards lost appreciation of Rs. 18,92,000/- is completely notional in nature and hence can’t be consider for adjudication.
j. With regards to relief sought at Para 6 of SOC, same are denied as misleading and after thought.

<u>Submission:</u>

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26. The Respondent submits that all the above documents clearly establish that all the transactions in the name of the Claimant were executed by complying with all the provisions of SEBI/NSE Regulations and the Circulars issued from time to time. The non-production of voice recording for placement of orders cannot make the transactions illegal or unauthorised.

27. The Respondent respectfully submits that in view of the above facts and evidence, the allegations of the Claimant that the transactions were unauthorised falls flat and his claim is liable to be rejected with cost.

PRAYERS:

28. In view of the above facts and documents, the Respondent is entitled to the following prayers.

a. That this Hon'ble Arbitral Tribunal be pleased to pass an order and set aside the Ld. Conciliators' Report dated 24 Sept 2025.

b. That this Hon'ble Arbitral Tribunal be further pleased to pass an order and reject the claim of the Claimant.
c. Cost of the proceeding.

Date: 31 Mar 2026
Place: Mumbai"

3.) Issues

After going through the pleadings of the parties, perusal of the evidence and oral submissions made during the course of proceedings, the following issues have been framed for proper adjudication of the dispute in hand:-

Issue No. 1

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Whether there is non joinder of necessary parties in the claim petition?

Issue No. 2

Whether the claimant is estopped from claiming any amout from the respondent no. 1 particularly when he has signed an agreement with respondent no. 3 regarding claim of amount due to him?

Issue No. 3

Whether the agreement dated- 27.Jan.2024 signed between the claimant and respondent no. 3 is binding on the parties?

Issue No. 4

Whether the claimant is entitled to recover the claimed shares as per list attached with the agreement from respondents ?

4.) Issue Wise Discussions, Analysis and Findings

Issue no. 1

Whether there is non joinder of necessary parties in the claim petition?

The case title, as per claim petition, is Chatar Lal Mochi vs. M/S Motilal Oswal Securities Ltd. (herein after referred as MOFSL) whereas the memo of parties attached with claim petition shows Chatar Lal Mochi as claimant and Mr. Vijay Kumar Gohil as respondent. The name of Motilal Oswal does not appear in the array of respondents in the memo of parties. The respondent therefore in its statement of defence took a preliminary objections of the non joinder of necessary parties by the claimant. As per respondent, Sh. Vijay Kumar Gohil has no relation with the company in fact Ms. Neelu Vijay Kumar Gohil was associated with MOFSL as an authorized person under NSE

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Registration No. AP0297120921 her association with respondent was terminated and the process of said termination initiated in November 2023 due to business reasons. The respondent communicated with all clients including the claimant about the end of business operation with said authorized person, Ms. Neelu Vijay Kumar Gohil. The respondent relied upon email dated 22-dec-2023 (Annexure 19 of SOD). The said communication was not rebutted by the claimant regarding any discrepancy in his Demat/trading account. Further the claimant has alleged and addressed all his grievances against Vijay Kumar Gohil who is stranger to the respondent. Therefore, the claim petition suffers from non joinder of necessary party that is Ms. Neelu Vijay Kumar Gohil who was there authorized representative.

During the course of first meeting the claimant prayed for a amendment of memo of parties by including Ms. Neelu Vijay Kumar Gohil and M/S MOFSL as respondents in the array of respondents. The respondent did not object to it and accordingly the claimant submitted the amended memo of parties as

Chatar Lal Mochi - Claimant

Vs.

1. Motilal Oswal Securities Ltd.
2. Ms. Neelu Vijay Kumar Gohil
3. Vijay Kumar Gohil

\- Respondents

The preliminary objections of non joinder of parties has been removed by the claimant and does not survive any more. Once the new parties are added, the portal issued a notice for appearance to newly added parties Ms. Neelu Vijay Kumar Gohil , Respondent no. 2 and Sh. Vijay Kumar Gohil Respondent No. 3 for appearance and filing their response to the claim petition. The issue in hand do not need any further deliberations.

Issue no. 2

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Whether the claimant is estopped from claiming Rs 28 lakh from the respondent in the light of agreement dated 27.01.2024 executed between him and Sh. Vijay Kumar and further withdrawal of complaint against the respondent?

The Respondent no. 1 ,in its SOD para 10, raised the preliminary objection of Estopple to initiate the present proceedings against him. In this regard he stated that once the claimant , in his SOC, has relied the "Notarised Repayment Agreement" dated 27 Jan 2024.between him and respondent no.3 , no right is available to him to proceed against the answering respondent. In this regard ,he referred to Clause no. 2 of the said agreement Perusal of the referred agreement shows that the Claimant lodged police complaint at Cyber Crime Dept., Raj Samand against said Mr. Vijay and MOFSL. During the investigation a repayment agreement dated 27 Jan 2024Vi has been executed between the claimant and Sh Vijay Kumar ,Respondent No.3 , where in respondent no. 3 has agreed to pay 28lakh or the shares as per list attached with agreement ,within 18 months from the date of agreement . Further, with reference to Clause no. 7, 8 & 9 of said agreement, in case of default the Claimant agreed to file future legal proceeding against Mr. Vijay.

That, at Para 3 (F),Of the SOC , the Claimant mentioned that now said Mr. Vijay defaulted to the contractual terms of "Notarized Repayment Agreement" dated 27 Jan 2024.In fact Mr. Vijay Kumar Gohil signed a notarized agreement admitting that he had used my funds and committed to repay the amount within 18 months. Despite this written acknowledgment no repayment has been made and he is now denying the validity of the agreement through legal representation."

As per respondent no.3, In view of above, the Claimant should raise separate legal proceeding as agreed under his contractual term and hence the Claimant is "Estopped" to initiate this present proceeding against the answering Respondent.

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The claimant very fairly admitted the execution of Notarised Repayment Agreement dated 27.Jan.2024 between him and Sh Vijay Kumar, Respondent No. 3. The claimant clarified that he had lodged a police complaint at cyber crime Dept. at Rajsamand against Respondent no. 1 & 3 alleging fraud committed by them on his securities invested through Respondent No. 1, the trading member and its broker Respondent No. 3. During the course of investigation, compromise has been effected between the claimant and Respondent No. 3 on 27.Jan.2024 and with drew its complaint against Respondent No. 1. The claimant has submitted the said agreement dated 27.Jan.2024 along with the claim petition as proof

Affidavit:- https://drive.google.com/file/d/1euq3Fkr4lxss8PA1hPheAYsw6KMozqWK/view?usp=drive_link

The perusal of the said Affidavit, i. e. the settlement Notarized Repayment Agreement between the claimant and Respondent No. 3 clearly supports the contention of the Respondent No. 1 regarding Estopple.

It is established fact that respondent no.1 is the Trading Member(Here in after referred to as TM)and respondent no. 2 is its Authorised Person (Herein after referred to as AP) The respondent no.3 is acting as a proxy of respondent no.2 , is her husband . In the agreement dated 27Jan 2024 he declares himself to be AP of respondent no. 1 He has admitted having managed the funds of the claimant since April 2020 and placed the orders on his behalf with respondent no .1

The respondent no. I did not deny the trades executed in the account of the claimant during the disputed period . Rather he relied on the contract notes delivered to the claimant on his regd Email, in fact on the request of the claimant the Email id was changed and on the new email the contract notes were also delivered from time to time. As per respondent no. 1's record all the transactions in the claimant account were executed through its AP , Respondent no. 2

It is established on record that the respondent no.2 has illegally allowed her husband to act her proxy to handle the trading account and funds of the

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claimant. The respondent no. 2 has violated the terms and conditions of her agency agreement with the respondent no. 1 and in this process has caused financial loss to the claimant

Under the statutory frame work governing the admission and compliance of AP,s on exchange" The Trading Member shall be responsible for all acts of omission and commission of the Authorised Person. All acts of omission and commission of the AP,s shall be deemed to be that of the trading member."(Ref NSE CIRCULAR NO.702 ,NSE/MEMB/13429 Dated November 9.2009)

The relationship between the TM and its AP is fully established in he present case. The claimant has proved the relationship of respondent no. 2&3 through whatsapp chats . So much so, during the course of proceedings the respondent no. 2 admitted her relationship with respondent no. 3 ,as her husband. Thus it is crystal clear that AP of the TM has violated the terms of agency agreement and subsequently her agency was terminated by TM . The acts of omission and commission of the AP during the currency of agency are binding on the TM. As per NSE circular(supra) the claimant has the right to file the claim against respondent no.1. Hence the preliminary objection of estopple raised by the respondent no. 1 is not sustainable.

This issue is decided against Respondent No. 1.

Issue no. 3

Whether the agreement dated- 27.Jan.2024 signed between the claimant and respondent no. 3 is binding on the parties

It is settled law that any agreement duly executed between the parties is binding on them and the rights and obligations of the parties are governed as per the agreed terms of the settlement agreement. The agreement dated 27. Jan.2024 between the claimant and respondent no. 3 is a valid and legal document. Initially the claimant has made Respondent No. 3 Vijay Kumar only the Respondent No. 3 in the memo of parties. Later on the memo of

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parties was amended by the claimant including MOFSL and Ms. Neelu Vijay Kumar in the array of Respondents vide order dated 22.Apr.2026 of this tribunal. The fresh notice to the parties as per amended memo was issued for appearance and response (notice dated 22.Apr.2026). The Respondent No. 1 MOFSL had already submitted its detailed response/SOD and also appeared in the first meeting. Whereas the Respondent No. 2 & 3 despite proper and effective service of notice dated 22.Apr.2026 did not appear in the meeting dated 22.Apr.2026, nor filed any response to the claim petition. So much so during the course of second meeting efforts were made to reach out to both of them through their registered mobile by the case manager as well as claimant in one such effort the Respondent No. 3 showed his keenness to join the proceedings after some time but did not stood by his stand. On the other hand, Respondent no. 2 Ms. Neelu Vijay Kumar, sub broker of MOFSL confirmed having received the notice but showed her inability to appear/join the meeting as she is not in the capacity to answer any questions, in fact her husband Sh. Vijay Kumar is the know of the whole case. Even after the completion of the proceedings on 28.Apr.2026 both Respondents no. 2 & 3 did not join the proceedings, therefore, they were proceeded against ex parte, wide order dated

The Respondent No. 2 and 3 were given adequate opportunity to join the proceedings specifically to prove or disprove the agreement dated 27.jan.2024 signed between the claimant and Respondent No. 3. The deliberate and willful absence of the Respondent No. 2 and 3 clearly establish that they have nothing to say about the duly executed agreement dated 27.jan.2024. The said agreement remained unrebutted and hence has been duly proved by the claimant. The said agreement is legal, valid and is binding on the parties to the agreement, TM and AP and is enforceable in the court of law.

The answer to this issue is in affirmative and is decided in favor of the claimant.

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Issue no. 4

Whether the claimant is entitled to recover the claimed shares as per list attached with the agreement from respondents?

Since the agreement dated 27.Jan.2024 is a legal, valid and binding document for the parties who are signatory to the same i.e claimant and Respondent No. 3, from the SOC duly supported by the evidence and proved by the claimant. It is found that the Respondent No. 3 defaulted in discharge of its obligations arising out of the settlement agreement. The claimant has also produced a no. of whatsapp chats exchanged between him and Respondent No. 3 to show his efforts and anguish for non compliance by the Respondent No. 3 under the circumstances the claimant has rightly invoked his remedy of arbitration through SEBI registered portal against MOFSL, its sub broker/ its employees etc. The claimant has established his claim against the Respondents i.e, the husband of Respondent No. 2, the AP and MOFSL. The AP cannot absolve herself from the wrong doings of her husband who was claiming to be associated with MOFSL while dealing/handling the claimant funds. Upon perusal of the agreement, it is found in the first line that the Respondent No. 3 claims himself to be the sub broker of MOFSL whereas as per records of MOFSL his wife Neelu Vijay Kumari is the sub broker Infact Sh. Vijay Kumar was dealing/handling the funds of the claimant by proxy of Neelu Kumari the sub broker of MOFSL. As per agreement, Para 9, the Respondent No. 3 undertook to pay the disputed amount/return the shares as per list attached there with within a period of 18 months from the date of signing of the agreement/settlement failing which the claimant will be at liberty to invoke appropriate remedy for enforcement of this agreement. The said period of 18 months has expired on June 2025 and the Respondent No. 3 has not discharged its obligations arising out of the said agreement. Accordingly, the claimant was well within its rights to avail the legal remedy available to him enforcement of the agreement and accordingly he has approached SEBI scores initially, participated in the Conciliation held

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by the portal and finally filed the present claim petition. The said claim petition is well within the limitation.
Under the circumstances, stated above I am of the opinion that the claimant has successfully established his claim against Respondents and is entitled to recover Rs. 28,00,000/- / shares of 62 companies as per list attached with the settlement deed dated 27.jan.2024.
This issue is answered in favor of the claimant and against Respondents.

Award

1. The claim petition is allowed
2. The Respondents are jointly and severely liable to honor the settlement deed dated 27.Jan.2024 and pay Rs. 28,00,000/- or shares of 62 companies to the claimant within a period of 1 month from the date of order.
3. In the event of the non compliance of the directions stated above in Para 2 above , the said amount of Rs. 28,00,000/- will attract an interest at the rate of 9 % per annum from the date of default till realization .
4. There is no order as to cost.
5. This award is signed today 14.May.2026, bearing 37 pages, each page signed by me.

Madhu P Singh

Madhu P. Singh
(Sole Arbitrator)

Date: 14.May.2026

Madhu P Singh