**Before the**
**Member Committee ("MC"/"Committee")**
**of**
**National Stock Exchange of India Limited**
**Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai - 400051**
**held on July 13, 2026**

**In the matter of the Trading Member: Magnum Equity Broking Limited**

**CORAM:**

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|---|---|---|
| Shri. Srinivas Injeti | - | Chairperson |
| Justice (Retd) Smt. Abhilasha Kumari | - | Committee Member |
| Shri. Rajeev Vasudeva | - | Committee Member |
| Shri. P R Ramesh | - | Committee Member |
| Shri. Essaji Vahanvati | - | Committee Member |
| Shri. Vijai Pratap Singh | - | Committee Member |
| Shri. Ashishkumar Chauhan | - | Committee Member |

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## BACKGROUND

1. **Magnum Equity Broking Limited ("Magnum Equity"/ "Noticee")** is a Trading Member registered with the National Stock Exchange of India Limited ("**Exchange**"/"**NSEIL**") and enabled for trading in the Capital Markets ('CM') segment since November 03, 1994, Futures and Options ('F&O') segment since April 19, 2002, Currency Derivatives ('CD') segment since March 22, 2014.

2. The Committee vide its Order dated May 30, 2022, levied a monetary penalty of Rs. 7,50,000/- for the observation pertaining to "Member has engaged as a principal in a business other than that of securities involving personal financial liability."

## AMENDMENT TO RULE 8(3)(f)

3. The Department of Economic Affairs, Ministry of Finance via Gazette Notification no. G.S.R.318(E) dated May 19, 2025, amended Rule 8 of Securities Contracts (Regulation) Rules, 2025 (**"SCRR"**) as under:

   "*In the Securities Contracts (Regulation) Rules, 1957, in rule 8,* *(ii) in sub-rule (3), after clause (f), after the first proviso, the following proviso shall be inserted, namely: —*

*"Provided further that investments made by a member shall, at all times, not be construed as business except when such investments involve client funds or client securities or relate to arrangements which are in the nature of creating a financial liability on the broker."*

4. In view of the above amendment to SCRR, the Committee noted that the Exchange vide its Circular Ref No. NSE/INSP/68456 dated June 10, 2025, had partially amended its Circular Ref No. NSE/COMP/50957 dated January 07, 2022, by deleting Point No. 10 (viz. *Investments made in group companies such as subsidiaries & associates etc., not in connection with or incidental to or consequential upon the securities/ commodity derivatives business*). The Committee noted that the Exchange vide its Circular Ref No. NSE/INSP/74836 dated June 23, 2026, had further amended the Circular dated January 7, 2022, by deleting Point No. 3 to 12 of illustrative list of activities and modified Point No. 1 and 2 as follows:

   *"…..Point No. 1 and 2 of illustrative list of activities issued vide Exchange Circular Ref No. NSE/COMP/50957 dated January 07, 2022, which are construed as non-compliance to Rule 8(1)(f) and 8(3)(f) of SCRR, if undertaken by a member, are modified as below: -*

   *i. Issuing Corporate Guarantees towards credit facilities availed by any entity, including group companies such as subsidiaries & associates etc. of the Member.*

   ii. *Deposit pledged with the bank for overdraft facilities availed by any entity, including the group companies such as subsidiaries & associates etc. of the Member.*"

5. The Committee in its meeting dated July 13, 2026, has considered the question of the temporal application of the aforesaid amendment and of the consequential amendments to the Exchange Circular dated January 07, 2022, and finds as under:

   (a) The proviso inserted in clause (f) of sub-rules (1) and (3) of rule 8 does not create a new right or a new exemption. It declares the meaning that the expression "business" in rule 8 always bore, by placing beyond doubt that investments made by a member are not, of themselves, "business". The use of the words "at all times" reinforces that the characterisation of an investment was never intended to vary with the passage of time. The proviso is therefore clarificatory and declaratory in nature and takes effect as from the inception of the provision that it explains.

(b) The illustrative list contained in Exchange Circular Ref. No. NSE/COMP/50957 dated January 07, 2022, is not an independent source of obligation. It illustrates conduct which, in the view of the Exchange, would amount to non-compliance with rule 8(1)(f) and 8(3)(f) of SCRR. The deletion of Point No. 3 to 12 by Circular Ref. No. NSE/INSP/74836 dated June 23, 2026, accordingly, records the correct construction of the Rule following the said amendment, and the conduct described in the deleted entries cannot be treated as non-compliance with rule 8(3)(f) for any period.

6. Considering further changes to the Exchange Circular No. NSE/COMP/50957 dated January 07, 2022, subsequent to the Amendment to the provisions of SCRR, the Committee decided to undertake a suo motu examination of the contents of its earlier Order dated May 30, 2022 in accordance with the revised regulatory framework. The Committee finds that since the said Amendment, by virtue of the clause "at all times", has retrospective effect, the provisions of the amended Circular would also apply to the instant case.

7. In view of the above, the Committee observed that the regulatory framework governing the subject matter of the present observation has undergone a material change pursuant to the aforesaid amendment and consequential deletion of Points 3 to 12 in the Exchange circular. In the light of above notification of amendment to Rule 8(3)(f) of SCRR, and the Exchange Circular Ref No. NSE/INSP/74836 dated June 23, 2026, pursuant to the powers vested upon the Committee under Rule 17 of the NSEIL Rules, the Committee has reviewed the action contained in the Order dated May 30, 2022. Accordingly, the Committee has decided to pass the following order.

## DECISION OF COMMITTEE

8. Consequential upon above, the Committee directs as follows:

(a) The monetary penalty of Rs. 7,50,000/- levied and recovered under the said Order shall be refunded to the Noticee within 30 days of the date of this order. Where the penalty has not been recovered, the demand stands withdrawn.

(b) Any direction, restriction or disablement imposed by the said Order in respect of the said observation stands withdrawn with immediate effect.

(c) The said observation shall stand expunged from the inspection and compliance record of the Noticee and shall not be reckoned as a past violation under the Rule 8(3)(f) of SCRR for the purpose of determining the action or the quantum of penalty in any subsequent proceeding.

9. This decision has been rendered based on the facts and circumstances of the present case and the amended regulatory provisions governing Rule 8(3)(f) of SCRR and shall not affect the applicability of any other regulatory provisions, circulars, guidelines or regulatory actions, arising from the underlying facts of the case.

Sd/-
Srinivas Injeti
(Chairperson)

Sd/-
Abhilasha Kumari
(Committee Member)

Sd/-
Essaji Vahanvati
(Committee Member)

Sd/-
Vijai Pratap Singh
(Committee Member)

Sd/-
Rajeev Vasudeva
(Committee Member)

Sd/-
P R Ramesh
(Committee Member)

Sd/-
Ashishkumar Chauhan
(Committee Member)

Date: August 17, 2026