Before the
Member Committee ("MC/Member Committee")
of
National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex, Mumbai – 400051
held on April 17, 2026

In the matter of the Trading Member - Way2wealth Brokers Private Limited

CORAM:

Shri. Srinivas Injeti	-	Chairperson
Justice (Retd.) Ms. Abhilasha Kumari	-	Committee Member
Prof. G. Sivakumar	-	Committee Member
Shri. Vijai Pratap Singh	-	Committee Member
Shri. Essaji Vahanvati	-	Committee Member

ALSO PRESENT:

Shri. Piyush Chourasia	-	Chief Regulatory Officer
Shri. Ankit Sharma	-	Chief Regulatory Officer
Shri. Vishnu Gupta	-	Chief Manager – Investigation
Shri. Vikram Narvekar	-	Senior Manager – Investigation
Smt. Vasundhara Singh	-	Manager – Investigation
Shri. Kush Sodhi	-	Deputy Manager – Investigation

BACKGROUND OF THE CASE:

1. **Way2wealth Brokers Private Limited** ("**Noticee**") having its address 3/1, Rukmini Towers, 3rd floor & 4th floor platform road near Swathi Hotel or Apollo Hospital, Seshadri Puram, Bangalore, 560020, is a registered broker of National Stock Exchange of India Limited ("**NSEIL**"/ "**Exchange**") bearing SEBI Registration No. INZ000178638 for Equity ("**CM**") Segment.

2. The Exchange during monitoring of the trading activity in the Equity Segment in December 2025, observed that certain transactions (**"Impugned Transactions"**) were executed by the Noticee as a Trading Member on both sides of the transaction. The clients involved in these transactions were Nitin [redacted] (**NJAH**) and Pratima [redacted] (**PA**), wherein both the buy and sell orders were placed in a synchronized manner and reversed with the same counterparties.

3. On December 11, 2025, and December 16, 2025, the Noticee's clients, **NJAH** and **PA** executed the impugned transactions by placing orders in a synchronized manner in the scrip Oriental Aromatics Limited ("**OAL**"), wherein the Noticee's client, **PA** made a positive close out difference of Rs. 4,89,785/- whereas **NJAH** made a negative close out difference of Rs. 4,89,785/-.

4. Relationship of the clients of the Noticee

As per the details in UCC database of the Exchange and Know Your Clients ("**KYC**") Documents submitted by the Noticee's Clients, the details pertaining to the clients and the relationship established is as mentioned in the tables below:

4.1. The details as per KYC Documents submitted by the Noticee's Clients:

Particulars	**KYC DETAILS OF CLIENTS**	
Name of the Client	Nitin [redacted] (**NJAH**)	Pratima [redacted] (**PA**)
Details of the Client	[redacted]	[redacted]
Client Address	[redacted]	[redacted]
Name of AP	[redacted]	[redacted]
Introducer Name	[redacted]	[redacted]
Dealer Name	[redacted]	[redacted]

As per the details in the above table, the clients NJAH, PA are apparently related to each other due to following:

4.1.1. The clients are related to each other as spouse
4.1.2. The clients share a common address
4.1.3. The Noticee's clients have a common Introducer/broker, i.e. "Himanshu Ashar".
4.1.4. The Introducer/broker of both clients share a common Surname i.e., "Ashar" with the Noticee's clients involved in the trade.

4.1.5. As per the trade details with the Exchange, the dealer for placing buy and sell orders for both the clients is common i.e., “Himanshu Ashar”.

4.2. The details as per UCC database of the Exchange:

Client/ Dealer PAN	Client/ Dealer Name	Client/ Dealer Mobile Number	Client/ Dealer Email ID	Client/ Dealer Address
[redacted]	Nitin [redacted]	[redacted]	[redacted]	[redacted]
[redacted]	Pratima [redacted]	[redacted]	[redacted]	[redacted]
[redacted]	Himanshu [redacted]	[redacted]	[redacted]	[redacted]

As per the details in the above UCC submissions it is observed that the Noticee’s clients NJAH and PA involved in the impugned transactions share:

4.2.1. Common mobile numbers viz, [redacted]”
4.2.2. Common email id viz, [redacted]
4.2.3. Similar address viz “[redacted].”
4.2.4. Further, the common dealer between both clients i.e., “Himanshu Ashar”, shares the same address as that of both the clients.

4.3. In view of the above, the clients NJAH, PA are prima-facie related to each other.

5. The Noticee is the trading member on both buy and sell side of the transaction. Transactions are executed in the scrip OAL. Relevant details of the impugned transactions are as mentioned below:

Trade Date	Buy Client	Sell Client	Trade Quantity	Trade Price (Rs.)	Square off difference (SOD) – Positive (P)/ Negative (N) (Rs. lakh)	% to Market Gross on the day in the scrip	Reversal %	Synchronized Time	Buy and Sell Side Dealer (Same Dealer)
11-12-2025	PA	NJAH	21477	281.00	PA – SOD/P – 4.89 NJAH – SOD/N – (4.89)	69.92	99.59	Within 35 Seconds	Himanshu Ashar
16-12-2025	NJAH	PA	21388	303.90		66.97			

5.1. With respect to the impugned transactions, the Noticee is the Trading Member on both side and the transactions were reversed with the same counterparties.

5.2. The Noticee's client PA made a positive close out difference of Rs. 4,89,785/- whereas the other client, NJAH made a negative close out difference of Rs. 4,89,785/-

5.3. The traded quantity in the impugned reversal transactions constituted 69.92% of the market traded quantity of the scrip on December 11, 2025, and 66.97% on December 16, 2025.

5.4. The quantity traded in the first leg is 21,477 and in the second leg, 21,388 i.e. reversal percentage of the traded quantity constitutes 99.59%.

5.5. The buy and sell orders were placed in a synchronized manner i.e., the time difference between placement of the buy orders and sell orders in the scrip were within 35 seconds. The orders were placed through the CTCL terminal, where the buy and sell orders for both the clients of both the legs were placed through the same dealer of the Noticee.

ISSUE OF SHOW CAUSE NOTICE:

6. Based on the above-mentioned observations of the Exchange, the Exchange issued a Show Cause Notice ("**SCN**") bearing ref. no. NSE/INVG/2025/149973 dated January 20, 2026.

RELEVANT REGULATORY PROVISIONS:

7. At the outset, it is appropriate to refer to the relevant regulatory provisions alleged to have been violated by the Noticee, extracts whereof are reproduced below:

7.1. NSE Regulation 4.5.4(c)(i) and Regulation 4.6. of NSEIL Regulations (CM Segment).

"4.5.4 General Guidelines

(c) Misleading Transactions:

A Trading Member shall not –

(i) make bids and/or offers for securities with an intention of creating a false or misleading appearance with respect to the market for, or the price of any security or…"

"4.6. Unfair Trading Practices:

4.6.1. No Trading Member shall execute or cause to be executed or participate in an account for which there are executed purchases of any eligible security at successively higher prices, or executed sales of any such security at successively lower prices, for the purpose of creating or inducing a false, misleading or artificial appearance of activity in such security or for the purpose of unduly or improperly influencing the market price for such security or for the purpose of establishing a price which does not reflect the true state of the market in such security.

4.6.2. No Trading Member shall, for the purpose of creating or inducing a false or misleading appearance of activity in an eligible security or creating or inducing a false or misleading appearance with respect to the market in such security,

(a) enter any order or orders for the purchase of such security with knowledge that an order or orders of substantially the same size, and at substantially the same price, for the sale of any such security, has been or will be entered by or for the same or different parties, or

(b) enter any order or orders for the sale of such security with the knowledge that an order or orders of substantially the same size, and at substantially the same price for the purchase of such

security has been or will be entered by or for the same or different parties."

7.2. Extract from the Exchange Circular No. NSE/INVG/39647 dated December 13, 2018 -

"Sub: Abnormal/Non-Genuine Transactions – In this regard, Trading Members are advised to refrain from entering into abnormal/ non-genuine transactions executed by the market participants primarily with an objective of transferring profit/loss between the concerned entities or creation of artificial volume in securities/contracts."

7.3. Extract from the Exchange Circular No. NSE/INVG/2019/40175 dated February 07, 2019 -

"Sub: Guidance note on Abnormal / Non-Genuine trades - This is in continuation of NSE Circular No. NSE/INVG/39647 dated December 13, 2018 with respect to "Abnormal / Non-Genuine transactions" inter alia advising trading members to refrain from entering abnormal / non – genuine transactions executed by the market participants primarily with an objective of transferring profit / loss between the concerned entities or creation of artificial volume in securities / contracts.

In this regard, in order to assist trading members in identifying such type of transactions, certain indicative scenarios have been listed below which may need additional attention and examination by the trading member.

- *Trading activity of client(s) concentrated in a specific security / contract which is/are not traded very frequently or trading with low volumes with client squaring up its position within a short span of time. Additionally, factors such as clients earning significant profit or incurring losses on account of such transactions, their consistent contribution to daily average volumes of security / contract may also be looked at.*

- *Securities /contracts where the total traded volume of the client vis a vis the average daily traded volumes in that security is significant.*

Trading Members may please note that these alerts and guidance note is indicative and not exhaustive and hence should exercise necessary caution and due diligence at all times."

7.4. Extract from the Exchange Circular No. NSE/INVG/2020/46662 dated December 16, 2020 -

"Sub: Penalty on Abnormal / Non-Genuine Transactions- The Exchange shall send necessary advice/caution letter to Trading Members and initiate appropriate disciplinary actions against the members concerned in case the activity is observed to be abnormal/non-genuine. Exchange shall levy a penalty of 100% of the traded value/ profit made/ loss incurred as a result of the trades on the trading members for both profit and loss making abnormal / non-genuine transactions after following the due process & providing necessary opportunity to the trading member for clarification in the matter.

The decision whether a trade or trades is / are abnormal / non-genuine would be of the Exchange which would be final and binding.

The Exchange may also consider taking appropriate disciplinary actions against the member concerned for multiple instances of such abnormal / non-genuine trades as per the Rules, Regulations and Byelaws of the Exchange.

RESPONSE OF THE NOTICEE TO THE SHOW CAUSE NOTICE:

8. The Noticee responded to the SCN Ref No. NSE/INVG/2026/149973 dated January 20, 2026, vide email dated January 30, 2026. The Reply of the Noticee is reproduced below:

Quote

8.1. [redacted]

[redacted]

8.2. During the analysis, it was noted that the transactions occurred between relatives/family members and also the fact that such monetary gains fall within the purview of Section 56(2) of the Income Tax Act, 1961 as transactions within relatives. Since the alert is under RFI TM3 synchronized Trade Alert, a Suspicious Transaction Report (STR) was found to be appropriate by the Principal Officer and accordingly the STR has been filed with all requisite details, as referred herein above.

8.3. As per the relevant provisions of the SEBI circular no. SEBI/HO/MIRSD/MIRSDSECFATF/P/CIR/2024/78, June 06, 2024, on AML/CFT guidelines, extract reproduced below:

75. Registered Intermediaries shall not put any restrictions on operations in the accounts where an STR has been made. Registered intermediaries and their directors, officers and employees (permanent and temporary shall be prohibited from disclosing ("tipping off") the fact that a STR or related information is being reported or provided to the FIU-IND. This prohibition on tipping off extends not only to the filing of the STR and/ or related information but even before, during and after the submission of an STR. Thus, it shall be ensured that there is no tipping off to the client at any level.

We also draw attention to relevant provisions in point no. 6 of AMUCFT FIU Guidelines ref. 9-2/2021/intermediaries/FIU-IND dtd. 3 J/12/2024 for the detection of suspicious transactions, issued under Rule 7(3) of the PML Rules, and extract reproduced below:

6. It should be noted that the process and analysis of the alerts should be carried out by the RE within its AMVCFT organizational setup in a manner that it should not lead lo tipping-off. In this regard, Res are cautioned that the requirement of confidentiality regarding reporting of transactions to FIU-IND extends not only to the customers concerned but also to other Res. While sharing alerts with other Res or otherwise, care must be taken

to ensure that the fact of whether an STR has been filed in relation to a specific transaction or alert is no/ directly or indirectly disclosed. Any deviation in this regard will be viewed strictly.

We wish to clarify that, in compliance with the above-referenced circulars of SEBI and FIU- IND, no restrictions were imposed on the client's account in connection with detailed analysis and subsequent decision for STR identification and reporting. Confidentiality and safeguards against tipping-off were maintained at all times.

As adherence to AML regulations for us is important and primary being a Regulated Entity under the PMLA regulations 2002 and Rules framed thereunder, we have followed the due process in this case and would deny any violation of applicable regulations in discharging our role as intermediary.

8.4. We have complied with the provisions of the SEBI Master Circular on AML and SEBI Circular No. SEBI/HO/MIRSD/MIRSDSECFATF/P/CIR/2024/78 dated June 06, 2024, including Clause 75, as well as the FIU-IND dtd. 31/12/2024, Red Flag Indicators (RFIs) issued from time to time. The prohibition on tipping-off is strictly adhered to in accordance with Section 12(2) of Chapter IV of the Prevention of Money Laundering Act (PMLA), 2002. Transaction monitoring is conducted through our Transaction Monitoring System implemented via application name TrackWizz, ensuring timely detection and reporting of suspicious transactions.

Unquote

ISSUES FOR DETERMINATION

9. The following issues arise for determination:

9.1 Whether the Noticee has violated the relevant provisions, NSEIL Rules and Regulations and Exchange Circulars, as stated in the SCN?

9.2 Whether the violations, if any, attract penalty under Exchange Circular No. NSE/INVG/2020/46662 dated December 16, 2020.

PROCEEDINGS BEFORE MEMBER COMMITTEE:

10. The Exchange, vide its email dated April 10, 2026, granted Way2wealth Brokers Private Limited an opportunity of personal hearing before the Member Committee dated April 17, 2026.

11. The Noticee was represented by, Ms. Sandhya (Compliance Officer), and Mr. G. S. Shridhar (Designated Director) who appeared and made oral submissions and reiterated its submissions made in the Reply to SCN before the Committee.

The Committee, after evaluating the SCN, and the Noticee's submissions, passed the order as under.

OBSERVANCE OF PRINCIPLES OF NATURAL JUSTICE

12. The Committee has considered the submissions submitted by the Noticee.

13. The Committee is satisfied that adequate opportunity of representation has been provided in its meeting dated April 17, 2026, and therefore the requirements of the principles of natural justice have been duly complied with.

STANDARD OF PROOF IN REGULATORY PROCEEDINGS

14. Proceedings of this nature are regulatory and quasi-judicial in character.

15. The applicable standard of proof in such proceedings is the test of preponderance of probabilities. The findings recorded in this order are therefore based on evaluation of the material on record and the submissions of the Noticee viewed through the standard of preponderance of probabilities.

OBSERVATIONS, CONSIDERATIONS & FINDINGS OF THE COMMITTEE:

Issue 1: Whether the Noticee has violated provisions, NSEIL Rules and Regulations and Exchange Circulars, as stated in the SCN?

16. After considering the oral and written submissions made by the Noticee on the charges mentioned in the SCN, the Committee observes as under:

16.1. The Committee observes that with respect to the impugned transactions, the Noticee is the Trading Member on both sides of the impugned transactions, and the transactions were reversed with the same counterparties.

16.2. The Committee observes that the Noticee's client PA made a positive close out difference of Rs. 4,89,785/- while the other client, NJAH made a negative close out difference of Rs. 4,89,785/- on all the above-mentioned impugned transactions.

16.3. The Committee observes that the traded quantity in the impugned reversal transactions constituted 69.92% of the market traded quantity of the scrip on December 11, 2025, and 66.97% on December 16, 2025.

16.4. The Committee observes that, the quantity traded in the first leg is 21,477 on December 11, 2025, and in the second leg the quantity traded was 21,388 on December 16, 2025. The reversal percentage was 99.59% i.e within 3 trading days, 99.59% of the impugned trades were reversed amongst the clients of the Noticee.

16.5. The Committee observes that the buy and sell orders were placed in a synchronized manner as the time difference between placement of the buy orders and sell orders in the scrip were within 35 seconds. The orders were placed through the CTCL terminal.

The Committee also noted that the buy and sell trades for both the clients was placed through the Noticee's dealer "**Himanshu Ashar"**

16.6. The Committee further finds that as per the details in the KYC Documents submitted by the Noticee's Clients and the UCC database of the Exchange, the Noticee's Clients NJAH, PA are related due to the following findings:

16.6.1. As per KYC Documents, the clients are related to each other by virtue of marriage
16.6.2. As per KYC Documents, the clients share a common address
16.6.3. As per KYC Documents, the Noticee's clients have a common Introducer/broker, i.e. "Himanshu [redacted]".

16.6.4. As per KYC Documents, the Introducer/broker of both clients share a common Surname i.e., "Ashar" with the Noticee's clients involved in the trade.

16.6.5. As per the trade details with the Exchange, the dealer for placing buy and sell orders for both the clients is common i.e., "Himanshu Ashar".

16.6.6. As per UCC database of Exchange, the clients share a common mobile number viz, "[redacted]"

16.6.7. As per UCC database of Exchange, the clients share a common email id viz, [redacted]

16.6.8. As per UCC database of Exchange, the clients share a common address viz "[redacted]."

16.6.9. As per UCC database of Exchange, the common dealer between both the clients s i.e., [redacted]", shares the same address as that of both the clients.

16.7. The Committee observes that the close-out difference with respect to the reversal trades compared to the close-out difference for the clients PA and NJAH in the scrip of OAL on the respective days of reversal, was more than 99% for both the clients. This indicated that the substantial close out difference of both the Clients on the reversal dates in the said scrip was as a result of the impugned transactions.

16.8. The Committee further observes that the traded quantity in the impugned transactions compared to the total traded quantity in the same scrip on the respective days of reversal was 99.48% for both the clients of the Noticee. This implies that almost the entire quantity traded by the Noticee's client in the scrip on the reversal days was a result of the impugned transactions.

16.9. The clients of the Noticee were not observed to be trading in OAL in the immediately preceding and succeeding 10 days of the impugned transactions.

16.10. The Committee further notes that on December 11, 2025, and December 16, 2025 the average market volume for a 15-minute slot was 404 quantity (wherein the Noticee's clients were not active), however, during the specific 15-minute slot when the impugned transactions were executed by the Noticee's clients, the average volume was 21,826 quantity, which was 5404% more than the average volume in the 15-minute slots where the Noticee's clients were not active.

16.11. Further, the percentage of the traded volume of the impugned transaction to the market traded volume during the 15 minutes slot in which the impugned transaction took place was 99% on December 11, 2025, and 97% on December 16, 2025, as illustrated in the below table:

Date	Time slot	Traded quantity in reversal trade	Market traded volume	% of reversal transactions to market traded volume
11-Dec-2025	14:45 hrs to 15:00 hrs	21,477	21,682	99.05%
16-Dec-2025	12;30 hrs to 12:45 hrs	21,388	21,970	97.35%

16.12. Therefore, the Committee finds that, the impugned reversal transactions constituted significant portion of the market during the 15 minute slot in which the impugned transactions were executed through a synchronized placement of buy and sell orders which were reversed with the same related counterparty.

16.13. The Committee observes that on December 11, 2025, the total market volume was 30,715, out of which 21,477 quantity was bought by PA and sold by NJAH. Thus, the impugned transactions on December 11, 2025, contributed 69.92% (21,477/30,715) of the total market volume. Similarly, on December 16, 2025, the total market volume was 31,939, out of which 21,388 quantity was bought by NJAH and sold by PA. Thus, the impugned transactions on December 16, 2025, contributed 66.97% (21,388/31,939) of the total market volume.

16.13.1. The Committee notes that the Exchange Circular NSE/INVG/2019/40175 dated February 07, 2019, has stated certain indicative scenarios which may need additional attention of the Trading Member. These scenarios include *"Trading activity of client(s) concentrated in a specific security / contract which is/are trading with low volumes with client squaring up its position within a short span of time. Additionally, factors such as clients earning significant profit or incurring losses on account of such transactions, their consistent contribution to daily average volumes of security / contract may also be looked at".*

16.13.2. As per the Exchange circular NSE/SURV/48818 dated July 01, 2021, Brokers have the obligation to frame a surveillance policy and generate suitable alerts. One of the indicative themes mentioned in the said circular is *"Client/group of clients, as identified by the trading member, accounting for a significant percentage of the total trading activity in a scrip /contract as compared to the market."*

16.13.3. The Committee notes that with the help of such themes and indicative scenarios mentioned in the Exchange circulars, Noticee could have identified its' clients concentrated trade in OAL on December 11, 2025, which was reversed by the same set of clients on December 16, 2025.

16.14. With respect to the Noticee's submissions that, "the above referred transactions were flagged as Synchronized and Self Trades under Alert Indicator "TM3 Synchronized, Cross, and Self Trades" and consequently, an appropriate investigation and detailed analysis were carried out, leading to the inference for filing a Suspicious Transaction Report (STR)", Also, the Noticee stated that "Transaction monitoring is conducted through our Transaction Monitoring System implemented via application name TrackWizz, ensuring timely detection and reporting of suspicious transactions" the Committee observes that:

16.14.1. The Exchange had issued alerts highlighting the impugned transactions of the Noticee's client to the Noticee on December 16, 2025, as part of its surveillance mechanism. The details of the same are provided in the below table:

Alert Date	Alert Id	Tm Code	Alert Name	Client Code	Client Pan	Client Name	Segment	Symbol	Total Qty	Traded Value	TM Response
16-12-2025	CM1013428	11502	Large Matched Trades	TWC452	AACHN5554L	Nitin J Ashar Huf	CM	OAL	21388	64,99,813.2	Transaction is in line with the Client's income and historic pattern. No scrip concentration. Due diligence done no suspicious activity observed
16-12-2025	CM1013428	11502	Large Matched Trades	P0260	ADNPA7375A	Pratima Ashar	CM	OAL	21388	64,99,813.2	Transaction is commensurate with the Financial Details declared. Client has sold historic holdings. Transaction aligns with the Client's historic pattern and activity.

16.14.2. The alert was sent by the Exchange well in advance of the transaction subsequently reported by the Noticee vide filing of the STR.

16.14.3. In response to the alert issued by the Exchange concerning its clients NJAH and PA, the Noticee had stated that “Transaction is in line with the Client's income and historic pattern. No scrip concentration. Due diligence done no suspicious activity observed” and “Transaction is commensurate with the Financial Details declared. Client has sold historic holdings. Transaction aligns with the Client's historic pattern and activity.” respectively.

16.14.4. The Noticee had therefore submitted a mechanical response to the Exchange without even analysing the trades of its clients, and had filed a STR 41 days after the trades were flagged by the Exchange.

16.14.5. The Committee further notes that the dealer of the Noticee who placed the trades of the two related clients also prima facie seems to be related to the clients by way of common address.

16.14.6. The Committee is unable to accept the Noticee's submission that the filing of a Suspicious Transaction Report (STR) with FIU-IND discharges its obligations in the present matter. The regime under the Prevention of Money-Laundering Act, 2002 and the AML/CFT and FIU-IND guidelines operates in a distinct field and for a distinct purpose. Compliance, or otherwise, with the reporting obligations thereunder neither dilutes nor answers the Noticee's independent and concurrent obligation, as a Trading Member, to refrain from executing or facilitating non-genuine or misleading transactions under Regulations 4.5.4(c)(i) and 4.6 of the NSEIL Regulations (CM Segment). If anything, the Noticee's own decision to file an STR reflects that it regarded the impugned transactions as suspicious, and such a report cannot operate as a shield against a charge of having executed and facilitated those very transactions as the Trading Member on both sides.16.14.6. The Committee is unable to accept the Noticee's submission that the filing of a STR with FIU-IND discharges its obligations in the present matter. The regime under the Prevention of Money-Laundering Act, 2002 and the AML/CFT and FIU-IND guidelines operates in a distinct field and for a distinct purpose. Compliance, or otherwise, with the reporting obligations thereunder neither dilutes nor answers the Noticee's independent

and concurrent obligation, as a Trading Member, to refrain from executing or facilitating non-genuine or misleading transactions under Regulations 4.5.4(c)(i) and 4.6 of the NSEIL Regulations (CM Segment). If anything, the Noticee's own decision to file an STR reflects that it regarded the impugned transactions as suspicious, and such a report cannot operate as a shield against a charge of having executed and facilitated those very transactions as the Trading Member on both sides.

16.14.7. In view of the foregoing observations and findings, the Committee holds that the impugned transactions were non-genuine transactions in terms of Exchange Circular Nos. NSE/INVG/39647 dated December 13, 2018, NSE/INVG/2019/40175 dated February 07, 2019 and NSE/INVG/2020/46662 dated December 16, 2020, and that the Noticee, by executing and facilitating the said transactions through its dealer on behalf of related clients, has violated Regulations 4.5.4(c)(i) and 4.6 of the NSEIL Regulations (CM Segment).

Issue 2: Whether the violations, if any, attract penalty under Exchange Circular No. NSE/INVG/2020/46662 dated December 16, 2020.

16.15. The findings tantamount to creating a false or misleading appearance with respect to the market, thereby violating Regulation 4.5.4(c)(i)) NSEIL Regulations (Capital Market Segment) and creating an artificial appearance of activity in such security thereby violating the Exchange Regulation 4.6.1. The requisite intention and purpose contemplated by Regulations 4.5.4(c)(i), 4.6.1 and 4.6.2 need not be established by direct evidence and are, on a preponderance of probabilities, to be inferred from the totality of the objective circumstances on record — namely, the placement of the buy and sell orders in a synchronized manner within 35 seconds; the reversal of 99.59% of the traded quantity amongst the same related clients within three trading days; the execution of both legs through the same dealer of the Noticee; the domination by the impugned trades of the traded volume in the relevant 15-minute slots (99.05% on December 11, 2025 and 97.35% on December 16, 2025); and the absence of any trading by the said clients in the scrip OAL in the immediately preceding and succeeding ten trading days. These circumstances, taken cumulatively, admit of no explanation consistent with genuine, arm’s-length trading and establish the requisite

intention and purpose. The Committee observes that, if the transactions are not meant for meaningful change in ownership of the shares, as in the instant case wherein the shares are returned to the original owner as a result of a round-trip synchronized transaction, the same are non-genuine in nature. The trading system of the Exchange cannot be a medium for executing Trade Reversals for any purpose.

16.16. The Committee finds further the act of the dealer of the Noticee was carried out with the knowledge that an order or orders of substantially the same size, and at substantially the same price, for the purchase or sale of such security, has been or would be entered on the other side of the order book, thereby violating Regulation 4.6.2 of the NSEIL Regulations (CM Segment). The Noticee, being the Trading Member on both legs of the impugned transactions and having acted through its dealer, who was himself related to the two related clients by way of a common address, knew or ought to have known of, and thereby facilitated, the said non-genuine transactions, and is responsible for the acts of its dealer.

16.17. The Noticee by executing the impugned transactions through its dealers on behalf of related clients, has violated the provisions of Regulation 4.5.4(c)(i) and Regulation 4.6. of NSEIL Regulations (Capital Market Segment). Further, the transactions executed are non-genuine transactions as per Exchange Circular Nos. NSE/INVG/39647 dated December 13, 2018, NSE/INVG/2019/40175 dated February 07, 2019, and NSE/INVG/2020/46662 dated December 16, 2020. In accordance with the Rules/Regulations and Byelaws of the Exchange, the Committee finds that the Noticee has facilitated non-genuine trades and violated legal provisions as mentioned above.

16.18. Therefore, in view of the facts and circumstances of the present case, the Committee is of the view that an appropriate penalty in terms of Exchange Circular No. NSE/INVG/2020/46662 dated December 16, 2020, is attracted and should be levied. As the close out difference is Rs. 4,89,785/-, since the Noticee is on both sides of the transaction, the amount of penalty comes to Rs. 9,79,570/- (being 100% of profit earned / loss incurred for both profit and loss making abnormal / non-genuine transactions).

MEMBER COMMITTEE'S DECISION:

17. Accordingly, a penalty of Rs. 9,79,570/- (Rupees Nine Lakhs Seventy-Nine Thousand Five Hundred and Seventy only) (being 100% of profit earned / loss incurred for both profit and loss making abnormal / non-genuine transactions) is levied on the Noticee in terms of the Exchange Circular No. NSE/INVG/2020/46662 dated December 16, 2020.

18. The Noticee is also directed to take adequate measures / put in place effective systems and controls to comply with the provisions of the Exchange Regulation 4.5.4(c)(i) and Regulation 4.6. of NSEIL Regulations (CM Segment) and NSE Circulars NSE/INVG/39647 dated December 13, 2018, NSE/INVG/2019/40175 dated February 07, 2019, and NSE/INVG/2020/46662 dated December 16, 2020.

Sd/-
Srinivas Injeti
(Chairperson)

Sd/-
Abhilasha Kumari
(Committee Member)

Sd/-
Vijai Pratap Singh
(Committee Member)

Sd/-
Essaji Vahanvati
(Committee Member)

Date: September 08, 2026