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: Indo Money Securities Private Limited

CORAM:

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

BACKGROUND

1. **Indo Money Securities Private Limited ("Indo Money")** 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 January 22, 2007, Futures and Options ('F&O') segment since January 22, 2007, Currency Derivatives ('CD') segment since May 16, 2013 and Debt ('DEBT') segment since May 13, 2013.

2. The Exchange conducted a Regular Inspection of Indo Money's books, registers and records and other relevant documents covering the period from October, 01, 2022 to September, 30, 2023, from the month of October 2023 to December 2023.

3. Post-inspection, the Exchange issued a Show Cause Notice ("SCN") dated March 19, 2024, to Indo Money seeking explanation for the non-compliances with the regulatory provisions observed during the inspection.

INSPECTION OBSERVATIONS

4. Indo Money has engaged as a principal in a business other than that of securities involving personal financial liability.

REGULATORY PROVISIONS

5. The relevant regulatory provisions violated by the Indo Money is as follows:

a) Securities Contracts (Regulation) Rules, 1957

8. The rules relating to admission of members of a stock exchange seeking recognition shall inter alia provide that:

(*3*) No person who is a member at the time of application for recognition or subsequently admitted as a member shall continue as such if—

(f) he engages either as principal or employee in any business other than that of securities or commodity derivatives except as a broker or agent not involving any personal financial liability…..

b) Exchange Circular No. NSE/COMP/50957 dated January 7, 2022

…In consultation with SEBI and other Stock Exchanges, the illustrative list of activities that are construed as non-compliance to Rule 8(1)(f) and 8(3)(f) of SCRR, if undertaken by a member, are provided as below.

1. Issuing Corporate Guarantees towards credit facilities availed by any entity, including group companies such as subsidiaries & associates etc. of the Member, not in connection with or incidental to or consequential upon securities / commodity derivatives business, as applicable.

2. Deposit pledged with the bank for overdraft facilities availed by any entity, including the group companies such as subsidiaries & associates etc. of the Member, not in connection with or incidental to or consequential upon securities / commodity derivatives business, as applicable.

3. Borrowing of funds for the purpose of granting loans to its associates/ group companies or other entities.

4. *Issuing commercial papers to raise money (except as permitted vide Exchange circular No: NSE/COMP/35521 dated August 03, 2017, for providing the margin trading facility) and funding it to any entity including group companies, not in connection with or incidental to or consequential upon securities business.*

5. *Engaging into activities/schemes of unauthorised collective investments/portfolio management, promising or indicating fixed/guaranteed/regular returns/capital protection.*

6. *Entering into any arrangement with clients to extend loans, financing the securities transactions directly/indirectly except as allowed for Margin Trading purposes.*

7. *Any arrangement with registered clients to borrow funds/loans.*

8. *Pledging of client securities with Bank/NBFC for raising funds.*

9. *Entering into any arrangement for extending loans or giving deposits / advances to any entity, including group companies such as subsidiaries & associates etc., not in connection with or incidental to or consequential upon the securities/ commodity derivatives business.*

10. *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. (Ex: Investment in companies engaged in other businesses such as NBFC, Real Estate etc.)*

11. *Entering into any arrangement/scheme for accepting securities from any client/ entity other than through approved Securities and Lending Borrowing mechanism into the own Demat account of the Stockbroker/director/shareholder/entity associated with Trading Member.*

12. *Entering into any arrangement/scheme and providing a platform to the clients for buying and selling of digital gold or any product not covered under the definition of securities as per SCRR.*

CONSIDERATION OF ISSUES AND FINDINGS

AMENDMENT TO RULE 8(3)(f)

6. 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."

7. 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 07, 2022, by deleting Point No. 3 to 12 of illustrative list of activities and modified Point No. 1 & 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: -

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

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

8. The Committee in its meeting dated July 13, 2026, has also considered from what date the amendment, and the consequential changes to the Exchange Circular dated January 07, 2022, must be taken to operate. On that question, the Committee is of the view that:

(a) The proviso added to clause (f) of sub-rules (1) and (3) of rule 8 confers no fresh right and creates no fresh exemption. It only makes explicit what the word "business" in rule 8 has always meant — that a member's investments are not, by themselves, business. The phrase "at all times" puts the matter beyond argument: the character of an investment was never meant to change merely with the passage of time. Being clarificatory and declaratory, the proviso must be read as operating from the date the provision it explains came into force.

(b) Quite apart from this, it is well settled that when a provision which penalises conduct is relaxed, the relaxation enures to the benefit of proceedings that are still pending and have not attained finality.

(c) The illustrative list 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.

9. In this view of the matter, 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. 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. Having regard to the said regulatory developments, the Committee sees no justification for carrying these proceedings in respect of the observation set out in paragraph no. 4 any further.

DECISION OF COMMITTEE

10. Based on the above and in the light of the notification of amendment to SCRR and the modification and deletion as provided in the Exchange Circular Ref. No. NSE/INSP/74836 dated June 23, 2026, the Committee has decided that no action is warranted in respect of the observation set out above and the same stands disposed of. The observation shall not be treated as a past violation of Indo Money while determining the action to be taken, or the quantum of penalty, in any subsequent proceedings.

11. 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/-	Sd/-	Sd/-
Srinivas Injeti	Abhilasha Kumari	Rajeev Vasudeva
(Chairperson)	(Committee Member)	(Committee Member)
Sd/-	Sd/-	Sd/-
P R Ramesh	Vijai Pratap Singh	Essaji Vahanvati
(Committee Member)	(Committee Member)	(Committee Member)
Sd/-		
Ashishkumar Chauhan		
(Committee Member)		

Date: August 13, 2026