Before the
Member Committee ("MC" / "Member Committee")
of
National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex, Mumbai – 400051
held on November 21, 2025

In the matter of the Review Request of Member and Core Settlement Guarantee Fund Committee ("MCSGFC" / "Committee") order dated January 27, 2025, with respect to Show Cause Notice ref: NSE/INVG/2023/ 120441 dated January 31, 2023, placed by Moneywise Finvest Limited

CORAM:

Shri. Srinivas Injeti	- Chairperson
Justice (Retd.) Smt. Abhilasha Kumari	- Committee Member
Shri. Essaji Vahanvati	- Committee Member

ALSO PRESENT:

Shri. Piyush Chourasia	- Chief Regulatory Officer
Shri. Ankit Sharma	- Chief Regulatory Officer
Mr. Bireshwar Chatterjee	- Senior Vice President - Surveillance & Investigation
Mr. Vishnu Gupta	- Chief Manager - Investigation
Mr. Vikram Narvekar	- Senior Manager - Investigation
Ms. Vasundhara Singh	- Manager - Investigation

INTRODUCTION

1. **Moneywise Finvest Limited** (hereinafter referred to as **"Moneywise**") vide its Letter dated March 10, 2025, requested a review of penalty levied by the Exchange vide Order dated January 27, 2025.

2. The matter was placed before the Member Committee and the said Committee after evaluating the review request along with the documents provided by Moneywise passed the order as under:

BACKGROUND

3. M/s. Moneywise Finvest Limited having SEBI Registration No. INZ000185137 is a registered Trading Member of the National Stock Exchange of India Limited ("**NSEIL**"/ "**Exchange**"), enabled for trading in the Capital Market ("**CM**") segment and Futures and Options ("**F&O**") segment and Currency Futures Segment since December 2018.

4. As a penalty of Rs. 6,34,400 (Rupees Six Lakhs Thirty-Four Thousand and Four Hundred) was levied vide Exchange letter dated January 27, 2025, through which, the Exchange had communicated the Order dated January 27, 2025, passed by the Member and Core Settlement Guarantee Fund Committee ("**MCSGFC/Committee**").

5. The above-mentioned order pertained to the impugned transactions in the Equity Call Option Contract, where Moneywise was the trading member on one side for client Dhruv Maulik Shah ("**DMS**") and a related entity of Moneywise (the holding company of Moneywise) was the trading member on the other side of the trade. Subsequently the reversal transactions were executed with the same counterparty by placing order in a synchronized manner, for which a penalty of Rs. 6,34,400/- (Rupees Six Lakhs Thirty-Four Thousand and Four Hundred) (being 100% of profit earned / loss incurred for both profit and loss making abnormal / non-genuine transactions) was levied on Moneywise as per the terms of the Exchange Circular No. NSE/INVG/2020/46662 dated December 16, 2020.

6. The details of the impugned transactions on which penalty has been levied are as under:

Trade date	**Contract**	**Buy Client**	**Sell Client**	**Trd Qty**	**Avg Trade Price (Rs.)**	**SOD – Positive (P)/ Negative (N) (Rs. Lakhs)**	**Perc to Market Gross on the day in the scrip/ contract**	**Reversal %**	**Synchronized time**
19-Dec-22	IPCALAB -780-CE-25Jan23	DMS	Related client of DMS	7800	41.00	DMS – SOD – P – 6.34 Related client – SOD – N – 6.34	49.98%	100%	Within 60 sec
19-Dec-22		Related client of DMS	DMS	6500*	121.00		41.65%		
22-Dec-22		Related client of DMS	DMS	1300*	129.00		9.09%		

*Weighted Average of Trade Price for sell transactions is Rs.122.33.

7. Observations, considerations & findings of the Committee as mentioned in the Exchange order dated January 27, 2025:

7.1. The Committee found that in respect to the impugned transactions, Moneywise was the Trading Member on one side of the trade, and the counterparty Trading Member was the holding company of Moneywise.

7.2. The Committee observed that as per the Unique Client Code (**"UCC"**) records of the Exchange, the clients, Dhruv Maulik Shah, trading through Moneywise, and the related client trading through the holding company of Moneywise share common contact details. These include (a) common mobile number [redacted] (b) common email address [redacted] and (c) common address [redacted] Therefore, the buy-side and sell-side clients involved in the mentioned transactions are related to each other.

7.3. The Committee noted that 100% of traded quantity in the first leg of the impugned transaction was reversed with the same counter party in the second leg.

7.4. The Committee noted that the second leg was carried out on two days i.e. 83.33% traded quantity in the reversal transactions was executed on December 19, 2022, which constituted 91.63% of the total traded quantity of the market on that day, while the remaining 16.67% traded quantity in the reversal transactions was executed on December 22, 2022, which constituted 9.09% of the total traded quantity of the market on that day.

7.5. The Committee observed that the traded quantity in impugned transactions, as a percentage of the total traded quantity of the client in the scrip/contract on respective days was 100%.

7.6. The Committee found that the time difference between the placement of the buy order and sell order was less than 15 seconds in more than 91% of the trades. Thus, 91% of the transactions were synchronized in nature. These orders were placed through Internet based trading ("**IBT**").

7.7. The Committee noted from Moneywise's response that it did not influence or interfere in any client's investment decisions, and that the orders were placed by the client through IBT.

7.8. The Committee found that placement of these orders was in a synchronized manner, with 100% of the first leg being reversed with the same counterparty.

These reversal transactions constituted 91.63% on December 19, 2022, and 9.09% on December 22, 2022, of the market's traded quantity for the contract on the respective days. The Committee found that there were no trades in the said contract in the five preceding trading days of the impugned transactions, which implies that there was an increase in volume of the traded quantity on the days of reversal transactions, and that the increase in volumes can be attributed to the impugned transactions. In view of the above, the Committee found that the impugned transactions created a false or misleading appearance with respect to the market (Regulation 4.5.4(c)(i)) and to create an artificial appearance of activity in such security thereby violating the Exchange Regulation 4.6.2.1(b) of NSEIL Regulations (F&O Segment). The Committee observed that as far as the Exchange is concerned, as the transactions are not meant for meaningful change in ownership of the Contract, the same are considered non-genuine in nature and the trading system of the Exchange cannot be a medium for executing Trade Reversals for any purpose.

7.9. Thus, the Committee was of the opinion that the above act attracts provisions of abnormal/ non-genuine transactions as mentioned in Circular NSE/INVG/2020/46662 dated December 16, 2020. Moneywise, by executing such trades, has violated the provisions of Regulation 4.5.4(c)(i) and Regulation 4.6.2.1(b) of NSEIL Regulations (F&O Segment). In accordance with the Rules/Regulations and Byelaws of the Exchange, the Committee held that Moneywise has facilitated non-genuine trades and violated legal provisions as mentioned above. Therefore, in the facts and circumstances of the case, the Committee was of the view that 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 of Rs. 6,34,400/- and Moneywise was the trading member on one side of the transaction, the amount of 100% penalty amounts to Rs. 6,34,400/- (being 100% of profit earned / loss incurred for both profit and loss making abnormal / non-genuine transactions).

REVIEW REQUEST OF MONEYWISE

8. M/s Moneywise Finvest Limited filed a review request vide letter dated March 10, 2025, stating the following:

8.1. That it appears the penalty levied by the committee is on the basis of assumptions and conjecture without taking into account the complete facts, lacking any concrete or direct evidence to substantiate the conclusions drawn against the trading member. Moneywise therefore requests your kind consideration of the following submissions.

8.2. As observed in SCN, the transactions executed by the said client were matched and reversed with the same counterparty, resulting in a close-out difference in the mentioned trades.

8.2.1. As per the UCC records of the Exchange, the buy-side and sell-side clients in the said transactions were related parties, with a complete match of traded quantity in the first leg of the trade being reversed with the same counterparty in the second leg at another Trading Member on multiple days

8.2.2. Moneywise Finvest Limited was the trading member on one side of the trade, while the counterparty Trading Member was a parent company of Moneywise.

8.3. Moneywise contended that the observations made in the SCN are subjective in nature and lack a cogent basis. The details of the same are as follows:

8.3.1. The Committee's consideration that Moneywise's counterparty client in the matched trades belongs to its parent company is unjustified, as both Trading Members operate as separate legal entities with independent obligations and functions. Moneywise had no role in the execution of the counterparty's trades, and the mere existence of a corporate relationship does not imply regulatory non-compliance. Given Moneywise's extensive client base and the execution of lakhs of trades daily, it is inappropriate to single out specific transactions based solely on an affiliation between two distinct entities. Moreover, no evidence has been provided to substantiate any collusion or intent to execute non-genuine trades. Also, there is no regulatory requirement for a Trading Member to monitor client transactions in conjunction with those of clients registered under its parent company. Moneywise does not maintain a combined transaction monitoring surveillance system across independent Trading Members, as both entities operate at arm's length while strictly adhering to client data confidentiality norms. Therefore, penalizing Moneywise purely based on a corporate relationship between two legally independent entities is both unwarranted and inconsistent with regulatory principles.

8.3.2. In this case, Moneywise's role was strictly limited to facilitating the client's order placement on the Exchange platform, with all trades being executed directly by the client through Internet-Based Trading. The Exchange's electronic order-matching system operates on an anonymous basis, ensuring that Moneywise had no visibility or control over the counterparty's identity or intent at the time of execution. It is crucial to note that Moneywise's platform was used for only one leg of the trades, and the counterparty executing the

trades was not routed through Moneywise, further reinforcing the lack of information at Moneywise to conclude the alleged trade reversals as non-genuine. Given that the Exchange has full access to real-time trade data and possesses the capability to detect and prevent such trades proactively, it is neither fair nor justified to impose a penalty on Moneywise for transactions that were entirely beyond its control.

8.3.3. It has been assumed in SCN that there was no change in beneficial ownership; however, this principle is primarily applicable in cases where trades are executed between accounts with the same PAN, classified as "Self- Trades." Wherein the Exchange's self-trade prevention mechanism automatically cancels such orders when they match against the same UCC. In the present case, as informed in SCN that the UCCs in question have different PANs, indicating distinct and independent beneficial owners.

8.3.4. On December 19, 2022, the client's reversal trade was executed within a price range of ₹41 to ₹121, while the day's high was ₹125.95. Subsequently, on December 22, 2022, the single-leg reversal of the trade for the position created on December 19, 2022, was executed at ₹129, while the day's high and low were ₹146 and ₹64, respectively. This clearly indicates that the trades took place within the normal market price range, with no evidence of price manipulation. Notably, the SCN does not raise concerns regarding abnormal price movements, and the sole basis for treating these trades as non-genuine primarily due to trade matching among common contact details persons. However, if price manipulation was not observed, the mere fact that trades matched within normal market conditions cannot be the sole criterion for categorizing them as non-genuine.

8.4. Moneywise has conducted its business as a Stock Broker and has not violated any SEBI or Exchange provisions. The allegations in the SCN lack substantial evidence and are based on circumstantial speculation rather than actual wrongdoing. Imposing a penalty on Moneywise for client-driven trades facilitated through an anonymous Exchange platform is unfair and contrary to the principles of natural justice. Moneywise requested to drop the allegations against it and to reconsider the imposed penalty of 6,34,400. Moneywise further requested that the transactions in question were beyond Moneywise' s control, and no lapses occurred on its part.

ISSUES FOR DETERMINATION

9. The following issues arise for determination:

   9.1. Whether the facts and circumstances warrant waiver or reduction of penalty imposed under Exchange Circular.

PROCEEDINGS BEFORE THE MEMBER COMMITTEE HELD ON NOVEMBER 21, 2025

10. The Review Request was placed before the Member Committee in its Meeting dated November 21, 2025. The Committee Members were apprised of the facts of the case and the review request submitted by Moneywise.

OBSERVANCE OF PRINCIPLES OF NATURAL JUSTICE

11. The Committee has considered the written submissions submitted by Moneywise.

12. The Committee is satisfied that adequate opportunity of representation has been provided, and therefore the requirements of the principles of natural justice have been duly complied with.

STANDARD OF PROOF IN REGULATORY PROCEEDINGS

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

14. The applicable standard of proof in such proceedings is the test of preponderance of probabilities.

15. The findings recorded in this order are therefore based on evaluation of the material on record and the submissions of Moneywise viewed through the standard of preponderance of probabilities.

COMMITTEE'S OBSERVATIONS ON MONEYWISE'S REVIEW REQUEST POST MC ORDER DATED JANUARY 27, 2025

16. After duly considering the Review Request dated March 10, 2025, in the MC Meeting held on November 21, 2025, with respect to the Exchange Order dated January 27, 2025, the findings of the Committee are as under:

16.1. The Committee notes that the counterparty's trading member is the holding company of Moneywise as per the records available with the Exchange.

16.2. The Committee also observes that both the clients, Dhruv Maulik Shah, trading through Moneywise, and the related client trading through the holding company of Moneywise share common contact details. These include the (a) common mobile number [redacted] (b) common email address [redacted], and (c) common address [redacted] Consequently, the buy-side and sell-side clients involved in the mentioned transactions are related to each other.

16.3. Moneywise's contention that Moneywise and its parent company are separate legal entities has come up for the first time in its responses. The Committee after considering in the meeting that both the Trading Members were under one group and that both the clients were related, levied the penalty vide MCSGFC order as it is also mentioned in para 8.1 of the penalty order 'The Committee finds that in the impugned transactions, Moneywise was Trading Member on one side of the trade, and the counterparty Trading Member was the holding company of Moneywise'.

16.4. The traded quantity in the reversal transactions constituted 91.63% of the total market quantity on December 19, 2022, and 9.09% on December 22, 2022.

16.5. The second leg of the reversal transaction was carried out on two days i.e. 83.33% traded quantity in the reversal transactions was executed on December 19, 2022 and it constituted 91.63% of the total traded quantity of the market on that day, while the remaining 16.67% traded quantity in the reversal transactions was executed on December 22, 2022 which constituted 9.09% of the total traded quantity of the market on that day.

16.6. The Committee finds that there were no trades in the said contract in the 5 preceding trading days of the impugned transactions, which implies that there was an increase in volume of the traded quantity on the days of reversal transactions, and that the increase in volumes can be attributed to the impugned transactions.

16.7. The Committee notes that Exchange vide Circular reference NSE/INVG/2019/40175 dated February 07, 2019, has provided certain indicative scenarios in order to assist trading members in identifying abnormal/non-genuine transactions. One of such scenarios was *"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."

16.8. The Committee further notes that, vide Exchange Circular ref NSE/SURV/48818 dated July 01, 2021, on Surveillance Obligation for Trading Members, Exchange has provided indicative themes on which Trading Members may formulate their own alerts. One such theme was "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."

16.9. The Committee finds that in spite of such indicative scenarios and themes provided by the Exchange, Moneywise has not provided any evidence that it had identified the concentrated activity of its client (DMS) in a particular contract on December 19, 2022, and/or taken any action on the same to alert/caution the client.

16.10. The Committee notes Moneywise's reply, wherein it is submitted that Moneywise's role was limited to order facilitation via IBT, is not acceptable as the Exchange, vide its circular ref NSE/SURV/48818 dated July 01, 2021, on Surveillance Obligation for Trading Members, casted responsibility on the Trading members to supervise the trading activity of its clients and the Exchange has also provided indicative themes on which Trading Members may formulate their own alerts. One such theme was "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."

16.11. The Committee note Moneywise's reply, wherein it has mentioned that the Exchange's anonymous matching system meant it had no visibility over the counterparty's identity or intent, only one leg of the trades ran through Moneywise, and since the Exchange itself had real-time surveillance capability to detect and prevent such trades, penalising Moneywise for transaction entirely beyond its control was neither fair nor justified. The Committee notes that 'Internet Based Trading' platforms are provided by Moneywise to its respective clients. Thus, the trading Members have closer supervision and are in possession of considerably more information about their clients. The Committee further finds that the Impugned Transactions constituted 91.63% of the total market quantity on December 19, 2022, and 9.09% on December 22, 2022; On December 19, 2022, Moneywise's client, DMS bought 7800 quantity of the said contract at an average price Rs. 41 and reversed 6500 quantity of the same contract, i.e., sold at an average price of Rs. 121. Moneywise was already in possession of the data (trades executed by its client, market volume) to deduce that a significant proportion i.e., 91.63% of

the gross market is constituted by the impugned transaction and that 83.33% of the trades were reversed on the first day itself by Moneywise's client, DMS.

16.12. The Committee notes that, Moneywise has not provided any evidence that it had identified the concentrated activity of its client (DMS) in a particular contract on December 19, 2022, and/or taken any action on the same to alert/caution the client. With reference to above, Committee notes that the Exchange vide Circular reference NSE/INVG/2019/40175 dated February 07, 2019, has provided certain indicative scenarios in order to assist trading members in identifying abnormal/non-genuine transactions. One of such scenarios was "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." Further, the Committee notes that, vide Exchange Circular ref NSE/SURV/48818 dated July 01, 2021, on Surveillance Obligation for Trading Members, the Exchange has provided indicative themes on which Trading Members may formulate their own alerts. One such theme was "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. The Committee notes Moneywise's submission, that the assumption of no change in beneficial ownership is a principle that applied to same PAN, self-trades which the Exchange's own system auto-cancels. In the present case, the UCCs involved have different PANs, indicating distinct and independent beneficial owners.

The Committee finds as under:

16.13.1. The 100% of traded quantity in the first leg of the impugned transactions was reversed with the same related counter party in the second leg resulting in no meaningful change in the ownership.

16.13.2. As per Exchange Circular NSE/SURV/48818 dated July 01, 2021, the Trading Members are obligated to generate alerts at their end to fulfil surveillance obligations to facilitate effective surveillance at the member's end.

16.14. The Committee notes the submission wherein it is stated that the reversal trade on December 19, 2022, was executed within a price range of ₹41 to ₹121, while the day's high was ₹125.95. The single leg reversal on December 22, 2022, was executed at ₹129, while the day's high and low was ₹146 and ₹64 which were within the normal range. The SCN does not allege abnormal price movements, and the only basis for treating these trades as non-genuine

is trade matching among persons sharing common contact details, therefore mere fact of matching orders in normal market conditions cannot be the sole criteria. The Committee finds that the impugned transactions constituted 91.63% on December 19, 2022, and 9.09% on December 22, 2022, of the market's traded quantity for the contract on the respective days. 83.33% of the trades were reversed on the first day itself i.e., on December 19, 2022. It was also observed that there were no trades in the said contract in the five preceding trading days of the impugned transactions, which implies that there was an increase in volume of the traded quantity on the days of reversal transactions, and that the increase in volumes can be attributed to the impugned transactions. Moneywise had the visibility that its client has contributed to more than 90% volume in a particular contract on December 19, 2022.

On December 19, 2022, Moneywise's client DMS was present for the trades executed in the said contract for 6500 quantities out of total 7800 quantity traded in the market, either as buyer or seller. Further, there were no trades in the said contract in 5 preceding trading days of the impugned transactions, Therefore, Moneywise's contention that "*the trades took place within the normal market price range, with no evidence of price manipulation"* is not tenable as its client, DMS was present in significant proportion of the trades executed in the said contract.

16.15. Additionally, the Committee observed that the Noticee has not given any additional/ new facts in the review request, other than the contention that the Noticee and the related Trading Member (holding company of Moneywise) are two separate legal entities. The Committee noted that, considering the facts and circumstances of this case, the argument given in Noticee's application does not appear to be true.

16.16. The Committee has carefully considered the submissions of Moneywise seeking waiver/reduction of the penalty imposed under Exchange Circular No. NSE/INVG/2020/46662 dated December 16, 2020. The Committee observes that the said Circular provides for levy of a penalty equivalent to 100% of the profit earned/loss avoided arising from the execution of abnormal/non-genuine transactions.

16.17. The Committee further observes that the surrounding circumstances including the execution of trades within short time intervals; reversal of a substantial quantity with the same counterparty; relationship between the entities involved;
concentration of trading volume, collectively establish that the transactions were non-genuine in nature on the test of preponderance of probabilities.

16.18. The Committee has also considered whether Moneywise has brought on record any new mitigating circumstance, or sufficient ground warranting interference with the penalty imposed in the earlier order. However, the Committee finds that no exceptional circumstance has been placed on record which was not already considered while passing the order dated January 27, 2025.

16.19. In view of the aforesaid facts and circumstances and considering the nature and pattern of the impugned transactions, the Committee does not find any sufficient ground warranting waiver of or reduction in the penalty imposed under the applicable Exchange Circular. Accordingly, the Committee finds no reason to interfere with the penalty levied in the order dated January 27, 2025.

DECISION OF THE COMMITTEE

17. The Committee, after considering the submissions of Moneywise in its review application and the MC order, decided that no change is required in MC order dated January 27, 2025, and thus rejected the review request filed by M/s Moneywise Finvest Limited.

Sd/-	Sd/-	Sd/-
Srinivas Injeti	Abhilasha Kumari	Essaji Vahanvati
(Chairperson)	(Committee Member)	(Committee Member)

Date: July 31, 2026