



**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
(ADJUDICATION ORDER NO: Order/JS/VC/2026-27/32400)**

UNDER SECTION 15-I OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 1995.

**In respect of:
Prrsaar Sampada Private Limited
(PAN: AAACK1089Q)**

**In the matter of Front Running of trades of Axis Mutual Fund by a client of
Prrsaar Sampada Private Limited**

BACKGROUND OF THE CASE

1. Prrsaar Sampada Private Limited (formerly known as Prrsaar Commodities Private Limited) (hereinafter referred to as “**Noticee**”) is registered with Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) as a stock broker.
2. SEBI conducted an investigation with respect to an entity namely, M/s. Wessel Consultancy Pvt. Ltd. (hereinafter referred to as “**Wessel**”) who traded through Noticee and was suspected of having front-run the trades of Axis Mutual Fund (hereinafter also referred to as “**Axis MF**”). The said investigation was conducted for the period starting from April 01, 2020 to March 31, 2022 (hereinafter referred to as “**investigation period**”).
3. Based on the findings of investigation, SEBI initiated adjudication proceedings against Noticee for alleged violation of the provisions of clause A(1), A(2) and A(5) of Schedule II read with regulation 9(f) and regulation 26(xix) of SEBI (Stock Brokers) Regulations, 1992 (hereinafter referred to as “**Stock Brokers Regulations**”) and clause 33.7.1 and 33.7.4 of SEBI Master Circular no. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/90 dated June 17, 2025 (hereinafter referred to as “**SEBI Circular dated June 17, 2025**”).



APPOINTMENT OF ADJUDICATING OFFICER

4. SEBI appointed the undersigned as Adjudicating Officer vide communique dated January 09, 2026, under section 15-I (1) of the SEBI Act read with rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as “**Rules**”) and section 19 of the SEBI Act, to inquire into and adjudge the alleged violations by the Noticee under the provisions of section 15HB of the SEBI Act.

SHOW CAUSE NOTICE, REPLY AND HEARING

5. Show Cause Notice bearing Ref. No. DIS/5835/2026 dated February 16, 2026 (hereinafter referred to as “**SCN**”) was issued to the Noticee in terms of the provisions of rule 4(1) of the Rules read with section 15-I of the SEBI Act, requesting Noticee to show cause as to why an inquiry should not be held against it and why penalty, if any, should not be imposed upon the Noticee under section 15HB of the SEBI Act for the alleged violations.

6. The SCN dated February 16, 2026, *inter alia*, alleged the following:

- (a) *During the course of investigation, it was observed that Wessel was suspected to have front run the trades of Axis MF on 70 instances (20 instances pertained to equity segment and remaining 50 instances pertained to equity derivative segment). Out of such 70 instances, five suspected front running instances on which Wessel made the highest profits were examined in detail during investigation.*
- (b) *It was observed that traded quantity of Wessel matched with Axis MF in the range of 26.98% to 92.29% in four instances. However, traded quantity of Wessel did not match with Axis MF in remaining one instance. Further, Wessel’s traded quantity compared to Axis MF’s traded quantity was in the range of 2.54% to 10.80% on said five front running instances. It was also observed that Axis MF’s trading volume was in the range of 1.98% to 45.87% of the particular day’s trading volume on said five front running instances.*

Analysis of dealer wise profit of front running instances:

- (c) *Noticee vide email dated January 08, 2025 had provided details of dealers, IP and MAC ID pertaining to said 70 suspected front running instances. Dealer wise profit analysis with respect to these 70 suspected front running instances is given below:*

Table-1

Sr. No.	Name of Dealer	No. of instances	Profit (Rs.)	Avg. profit per instance (Rs.)
1	Mr. Vikas Narang	22	31,03,768.90	1,41,080.40
2	Mr. Rajesh Kumar	11	1,84,448.75	16,768.07
3	Mr. Tarun Saini	10	1,70,290.00	17,029.00
4	Ms. Nisha Bansal	3	46,693.75	15,564.58



Sr. No.	Name of Dealer	No. of instances	Profit (Rs.)	Avg. profit per instance (Rs.)
5	Ms. Purnima	1	29,475.00	29,475.00
6	Ms. Rekha Rani Upadhyay	5	21,705.00	4,341.00
7	Mr. Manoj Kumar Singh	2	19,937.50	9,968.75
8	Mr. Zuber	6	18,460.00	3,076.67
9	Mr. Rakesh Sharma	2	14,245.00	7,122.50
10	Mr. Amit Bagaria	2	10,060.00	5,030.00
11	Mr. Saurabh Jain	1	7,650.00	7,650.00
12	Mr. Anurag	1	6,880.95	6,880.95
13	Mr. Amrit Pal Singh	2	3,605.00	1,802.50
14	Ms. Vaishali	1	1,962.50	1,962.50
15	Ms. Deepti Gupta	1	1,150.00	1,150.00
	Grand Total	70	36,40,332.35	52,004.75

- (d) From the above table, it was observed that Mr. Vikas Narang (PAN: AQAPN9361M) executed 22 trades out of 70 suspected front running trades and he was top dealer in terms of profit, i.e., Rs. 31,03,768.90 (i.e., 85.26% of Rs. 36,40,332.35/-). Wessel vide email dated March 15, 2025, submitted that since, the time period was long back in 2021, Wessel was not able to remember the name of the dealer Mr. Vikas Narang or other person who placed the trades. It was observed that the said trades were executed from Terminal id, viz., 1002 assigned to dealer, Mr. Vikas Narang during the period from April 22, 2021 to August 20, 2021. Details of said 22 trades are given below:

Table-2

Sr. No.	Date	Security Name / Contract	Buy Qty.	Sell Qty.	Turnover (In Rs. thousands)	Profit (in Rs.)	FR Qty. as % Axis MF Qty.	Axis MF Qty. as % Market Vol.
1	22-04-2021	BAJAJFINSV	125	125	2448.67	21,168.75	0.33%	5.68%
2	01-06-2021	RELIANCE	17,000	17,000	74,357.72	1,25,877.35	2.54%	5.18%
3	02-06-2021	MOTHERSUMI	2,11,036	2,11,036	1,11,572.96	7,76,063.05	10.55%	1.98%
4	03-06-2021	HDFCBANK	16,000	16,000	48,524.40	1,02,100.00	3.99%	7.79%
5	03-06-2021	ICICIBANK	40,000	40,000	52,047.33	32,669.75	4.34%	3.90%
6	03-06-2021	INFY	8,772	8,772	24,339.72	54,932.85	1.75%	9.77%
7	09-06-2021	TORNTPOWER	1,21,500	1,21,500	1,21,298.63	9,12,075.00	10.80%	7.68%
8	16-06-2021	BHARTIARTL	48,997	48,997	52,559.86	32,699.90	3.92%	12.67%
9	16-06-2021	NH	1,660	1,660	1,584.98	3,259.65	1.92%	32.20%
10	17-06-2021	GSPL	25,872	25,872	16,674.04	42,746.00	6.47%	14.27%
11	22-06-2021	HDFCBANK	23,513	23,513	70,770.96	102,539.20	6.18%	5.30%
12	22-06-2021	NAUKRI	2,000	2,000	19,750.46	34,794.00	3.33%	6.60%
13	22-06-2021	TATACONSUM	8,009	8,009	12,029.73	3,953.65	4.26%	5.62%
14	29-06-2021	TTKPRESTIG	1,336	1,336	24,873.89	32,081.40	8.91%	25.33%
15	02-07-2021	ASTRAL	3,846	3,846	15,628.81	20,879.25	10.93%	12.05%
16	06-07-2021	AARTIIND	13,900	13,900	23,701.24	54,639.20	5.56%	21.36%
17	20-07-2021	ULTRACEMCO	4,000	4,000	60,005.68	1,03,225.00	5.00%	4.79%
18	03-08-2021	ULTRACEMCO	1,900	1,900	29,429.16	15,680.00	5.12%	7.89%
19	05-08-2021	GLAND	5,768	5,768	45,609.37	3,83,747.30	5.77%	24.30%
20	05-08-2021	SUPREMEIND	4,618	4,618	19,832.48	2,19,686.30	4.62%	39.41%
21	20-08-2021	HONAUT	38	38	2,986.80	13,668.05	2.28%	45.87%
22	20-08-2021	WHIRLPOOL	1,000	1,000	4,021.72	15,283.25	5.58%	12.34%



- (e) It was observed that the traded quantity of Axis MF was in the range of 1.98% to 45.87% as compared to day's market volume whereas the traded quantity of Wessel was in the range of 0.33% to 10.93% as compared to day's market volume of Axis MF. Further, the turnover of Wessel in above instances was in the range of Rs. 15.85 lakh to Rs. 12.13 crore and the profit made by Wessel in said trades was in the range of Rs. 3,259.65 to Rs. 9,12,075.00.
- (f) Further, it was observed that Mr. Vikas Narang (dealer) passed away in November 2020. Even after demise of the dealer, Mr. Vikas Narang, continuous usage of trading terminal in his name was observed. Noticee vide emails dated March 15, 2025 and October 29, 2025, inter alia, submitted that the terminal ID was allocated to the Authorised Person (AP), Mr. Karan and the said terminal was operated by his employee, Mr. Vikas Narang. It was stated that all formal communications from Noticee's side were routed to and received from the AP, Mr. Karan only. Noticee did not directly communicate with any of his employees for regulatory or operational matters. This statement appeared contradictory to its statement made vide email dated April 17, 2025, wherein Noticee stated that it was in touch with Mr. Vikas Narang's family to arrange for a copy of his death certificate.
- (g) Vide said email dated March 15, 2025, Noticee also stated that it came to know about Mr. Vikas Narang's demise in July 2021 and it could not inform the stock exchange about his demise due to widespread Covid-19 pandemic during the relevant period. Vide email dated April 19, 2025, Noticee provided the copy of death certificate of Mr. Vikas Narang. As per death certificate, Mr. Vikas Narang had passed away on November 20, 2020.
- (h) In view of the above, it was observed that Noticee continued to allow usage of terminal ID in the name of Mr. Vikas Narang, dealer, even after his demise and failed to intimate the change in information about Mr. Vikas Narang's demise to stock exchange.
- (i) Therefore, it was alleged that Noticee violated the provisions of clause A(1), A(2) and A(5) of Schedule II read with regulation 9(f) and regulation 26(xix) of Stock Brokers Regulations and clause 33.7.1 and 33.7.4 of SEBI Circular dated June 17, 2025.

Analysis of IP and MAC IDs:

- (j) Vide email dated January 08, 2025, Noticee had provided MAC IDs from which said 70 suspected front running trades were placed. SEBI inspected the premises of Noticee to verify the veracity of the information provided by it. It was observed that 10 out of 15 computers bearing below mentioned MAC IDs were physically available at Noticee's office located at 17A/35, 2nd Floor, West Punjabi Bagh, New Rohtak Road, Delhi-110 026. Whereas, in respect of remaining five MAC IDs, Noticee submitted that those computers/machines were not working. Details of the computer/machine IDs are tabulated as under:

Table-3

Sr. No.	MAC ID	Remarks
1	A0-48-1C-84-F8-26	Computer/machine available at Broker's office
2	00-5F-67-0A-E2-A5	Computer/machine available at Broker's office
3	E0-D5-5E-44-4D-2D	Computer/machine available at Broker's office
4	D8-9E-F3-35-83-14	Computer/machine available at Broker's office
5	74-46-A0-9A-29-E9	Computer/machine available at Broker's office
6	A0-48-1C-93-35-29	Computer/machine available at Broker's office
7	50-9A-4C-57-54-39	Computer/machine available at Broker's office



Sr. No.	MAC ID	Remarks
8	E8:39:35:45:1E:17	Computer/machine available at Broker's office
9	C8-1F-66-24-20-4A	Computer/machine available at Broker's office
10	B4:B5:2F:D5:84:23	Computer/machine available at Broker's office
11	1C-1B-0D-77-D9-0D	Not working
12	E0-69-95-E4-D7-CA	Not working
13	00-01-6C-4B-98-26	Not working
14	78-45-C4-3E-1F-66	Not working
15	78-E3-B5-C8-C5-22	Not working

- (k) It was observed that out of 70 instances, 42 instances were executed through the said non-working PCs/terminals. Details of the said 42 instances are given below in the table:

Table-4

Sr. No.	MAC ID	No. of Instances	Name of the dealer
1	00-01-6C-4B-98-26	2	Mr. Manoj Kumar Singh
2	1C-1B-0D-77-D9-0D	22	Mr. Vikas Narang
3	78-45-C4-3E-1F-66	10	Mr. Tarun Saini
4	78-E3-B5-C8-C5-22	6	Mr. Zuber
5	E0-69-95-E4-D7-CA	2	Mr. Amit Bagaria
Total Instances		42	

- (l) It was noted that the said five sample instances selected for detailed examination were executed by the dealer, Mr. Vikas Narang through the computer having MAC ID - 1C-1B-0D-77-D9-0D.
- (m) Vide email dated October 29, 2025, Noticee was requested to provide information that in the absence of Mr. Vikas Narang, who had placed orders from terminal with MAC ID- 1C-1B-0D-77-D9-0D during the IP. Noticee vide email dated November 04, 2025, inter alia, informed that due to the impact of the Covid-19 pandemic and the associated work-from-home arrangements, it was unable to retrieve specific user activity records pertaining to the user ID assigned to Mr. Vikas Narang, linked to MAC ID: 1C-1B-0D-77-D9-0D. The operational environment during this period involved remote access from various locations, which limited its ability to trace the exact user operating the said ID. Vide email dated November 10, 2025, Noticee was once again advised to provide information regarding usage of terminal with MAC ID - 1C-1B-0D-77-D9-0D post the demise of Mr. Vikas Narang.
- (n) Noticee vide email dated November 13, 2025, reiterated that during the relevant period, the Covid-19 pandemic had severely impacted all the origination including their operations. A significant number of backend, frontend, and dealer personnel were affected, which led to unavoidable disruptions in routine compliance activities. The lapse in compliance measures was not intentional but a consequence of the extraordinary circumstances prevailing at that time. Also, that they again inquired with all the dealers and as per their observation Ms. Purnima and Mr. Zuber Khan appeared to have placed orders from the MAC ID 1C-1B-0D-77-D9-0D of Mr. Vikas Narang as all the dealers used to sit and work at the same place.
- (o) Noticee vide email dated March 11, 2025, provided the screenshot of MAC IDs of 10 working computers which were available at Noticee's office. With respect to remaining five MAC IDs, Noticee vide email dated March 12, 2025, submitted that these were refurbished PCs and no invoices were available with them.



Analysis of IPs:

- (p) Noticee vide email dated January 08, 2025, provided the IP details in respect of 70 suspected front running instances. Upon verification of said IPs from URL <https://www.whois.com>, it was observed that the said IPs were on private network.

Table-5

Sr. No.	IP	Sr. No.	IP
1	192.168.1.33	8	192.168.1.111
2	192.168.1.27	9	192.168.1.30
3	192.168.1.190	10	192.168.1.115
4	192.168.1.24	11	192.168.1.22
5	192.168.1.125	12	192.168.1.26
6	192.168.1.121	13	192.168.1.4
7	192.168.1.53	14	192.168.1.38

- (q) Noticee vide letter dated November 28, 2024, provided connection log for the period from March 01, 2020 to March 31, 2022. It was observed from the analysis of said connection log that location of following IPs were showing outside India:

Table-6

Sr. No.	IP	Country
1	200.200.200.250	Brazil
2	200.200.200.131	Brazil
3	200.200.200.252	Brazil
4	103.47.58.18	United States of America (USA)
5	103.47.58.8	United States of America (USA)
6	103.47.58.21	United States of America (USA)
7	103.47.58.19	United States of America (USA)
8	103.47.58.5	United States of America (USA)
9	103.47.58.11	United States of America (USA)
10	103.47.58.26	United States of America (USA)
11	103.47.58.29	United States of America (USA)
12	103.47.58.23	United States of America (USA)
13	103.47.58.27	United States of America (USA)
14	103.47.58.3	United States of America (USA)
15	103.47.58.28	United States of America (USA)
16	103.47.58.17	United States of America (USA)
17	103.47.58.20	United States of America (USA)
18	103.47.58.1	United States of America (USA)
19	43.252.27.0	Ukraine

- (r) Noticee vide email dated March 15, 2025, submitted that pursuant to verification and under the professional guidance of vendor, the source IP addresses of the said IPs was showing within India. LAN IP addresses which was connected to different network environments was showing outside India. The source IP address is the IP address of the device originating a network packet, while a LAN IP address is a private IP address assigned to devices within a Local Area Network (LAN). It is a private IP address used within a local network (like within home or office network). Source IP address is the IP address of the device that is sending data or initiating a network request. It is used to identify the origin of network traffic. All the IPs belong to the same address and actual location of the address only originates from the source IP address.



- (s) Subsequently, vide email dated December 09, 2025, Noticee stated that IP addresses of the terminal ID were showing different locations due to Static IP/Public IP not fixed by the service provider. However, IP addresses which connected different networks environments showing different addresses was due to different internet service providers using dynamic IP which can show different locations. The said response of Noticee was observed to be vague and unsatisfactory as these IPs cannot be assigned on a private network. It was inferred from the response of Noticee that either the dealer id credentials were shared with persons located outside India or the trading systems were accessed from unauthorised locations. Despite repeated queries, Noticee failed to submit a satisfactory reply as to why the location of these IPs were showing outside India.
- (t) It was further observed that the aforesaid IPs were allotted to terminal ID 1002 (IP address from Sr. No. 1 to 18), which was assigned to dealer, Mr. Vikas Narang and terminal ID 1065 (IP address for Sr. No. 19), which was assigned to dealer, Mr. Mohan Lal Sharma.
- (u) In view of the above, it was alleged that Noticee violated the provisions of regulation 26(xix) of Stock Brokers Regulations.

7. Vide letter dated March 17, 2026, Noticee submitted its reply to the SCN. The relevant extracts of the Noticee's reply dated March 17, 2026 are, *inter alia*, as under:

- (a) Wessel is Noticee's registered client since November 16, 2016. Wessel has been regularly trading on the stock exchange across all segments, including:
- (i) Equity Segment;
 - (ii) Equity Derivative Segment.
- (b) Wessel has engaged in normal trading activity with consistently high volumes over the last three financial years having stable participation in the securities market:
- (i) Equity Segment:
 - FY 2019-20- 6,603,980
 - FY 2020-21- 1,211,880,401
 - FY 2021-22- 241,445,241,667
 - (ii) Equity Derivative Segment:
 - FY 2019-20- 20,895,586,674
 - FY 2020-21- 80,992,495,926
 - FY 2021-22- 211,030,975,637
- (c) As per paragraph 10.1 of the executive summary, summary of trades carried out during period April 1, 2020 to March 31, 2022 at NSE carried out by the Wessel:
- Total Securities / Contracts Traded:
- (i) Total Equity scrips = 590
 - (ii) Total Derivative contracts = 208
- Total = 590 + 208 = 798
- Total Buy Quantity
 - (i) NSE Equity Buy Qty = 29,48,50,246
 - (ii) NSE Derivative Buy Qty = 61,43,77,969Total Buy Qty = 90,92,28,215
 - Total Sell Quantity



- (i) NSE Equity Sell Qty = 29,46,45,312
- (ii) NSE Derivative Sell Qty = 61,66,61,910
- Total Sell Qty = 91,13,07,222

- Total Turnover (Buy + Sell) (All values in ₹ thousand)
- (i) Equity Buy Value = 78,682,070.41
- (ii) Equity Sell Value = 76,861,484.07
- (iii) Derivative Buy Value = 140,069,987.57
- (iv) Derivative Sell Value = 140,080,775.30
- Total Turnover = 4,35,694,317.35, i.e., ₹43569.43 crore

(d) As per Table 2 of Paragraph 8 of the SCN, 22 trades out of 70 trades in question:

- Total Security / Contract - 22
- % of Total Security / Contract - $22/798 = 2.76\%$
- Total buy quantity - 560890
- % of Total buy quantity - $560,890 / 90,92,28,215 = 0.0617\%$
- Total Sell quantity - 560890
- % of Total sell quantity - $560,890 / 91,13,07,222 = 0.0615\%$
- Total Turnover (Buy + Sell) (In ₹ thousand) - 2938205.61
- % of Total Turnover - $2,938,205.61 / 4,35,694,317.35 = 0.674\%$

(e) The computations clearly demonstrate that:

- (i) The trades in question constitute less than 3% of the total securities/contracts traded;
- (ii) The buy and sell quantities involved in the questioned trades are only about 0.06% of the total quantities traded;
- (iii) Even in value terms, the questioned turnover is less than 1% of the total turnover during the inspection period.

Therefore, it is evident that Wessel was consistently trading as a regular investor with large volumes across a wide basket of securities/contracts. It is pertinent to mention here that the client also had huge volumes in commodity markets also and was not merely concentrated in share market trading. The client was an active trader in all segments. The trades highlighted in the SCN form an extremely insignificant proportion of the overall trading activity and do not establish any pattern or linkage indicative of front-running or any coordinated activity.

(f) Also, Paragraph 10.2 of the executive summary clearly stated that:

“it is observed that Wessel has executed trades, both in Equity and Derivative Segment, in several scrips, with a significant traded quantity / Value and is a regular investor in the securities market.”

Accordingly, it stands established that Wessel, being a regular investor, routinely participates in the buying and selling of the securities under reference in the SCN, in addition to actively trading across several other scrips with substantial traded quantities and values.

Finding from SEBI's analysis:

(g) Paragraph 1.5 of the executive summary clearly stated that:

“From the analysis of CDRs available on record, no information flow could be established between Wessel and Axis MF and/or Mr. Viresh Joshi and Mr. Prijesh



Kurani and Mr. Deepak Agarwal. From the analysis of bank statements, no fund trail could be ascertained.”

This observation itself confirms that no communication link, information flow, or financial connection has been identified between our client and the individuals/entities involved in the alleged front running matter.

- (h) *In the absence of any suspicious or linked trading pattern based on SEBI’s own findings, Noticee’s internal review, and the trading behaviour observed over the years, there was no direct or indirect link has been established to suggest that the Wessel’s trading pattern had any connection with the alleged front running instances. All trades executed by the Wessel were based solely on its own knowledge, judgement, and independent decision making, without any external influence, communication, or intervention.*

Response to the allegations:

- (a) *Appointment and terminal allocation:*
- (i) *Mr. Karan was appointed as Noticee’s AP and terminal IDs were allocated based on compliance with required conditions such as possession of a valid NISM Certificate and employment under the respective AP;*
 - (ii) *Terminal ID was allotted to Mr. Vikas Narang, who was an employee of AP, Mr. Karan;*
 - (iii) *As informed earlier, all formal communications were always routed through the respective APs only, no direct communication was made with employees of APs for regulatory or operational purposes.*
- (b) *Discontinuation of AP:*
- (i) *Mr. Karan ceased to be associated with Noticee as an AP with effective from January 23, 2023;*
 - (ii) *Following the demand for a death certificate, Noticee attempted to obtain the required documents, made diligent efforts to gather contact details of Mr. Vikas Narang’s family and eventually collected the death certificate, as SEBI Officials followed about it.*
- (c) *Impact of Covid-19 pandemic:*
- (i) *Timely communication to the stock exchange regarding the demise of the dealer could not be made as Noticee did not get information of his death at that time as there was a lot of panic and chaos all over due to Covid-19. The staff was working from home or office as the situation allowed then to work.*
 - (ii) *Physical verification of terminals was also impractical during that period. Noticee’s priority was to maintain continuity of broking operations and provide uninterrupted services to clients.*
- (d) *Compliance with regulations:*
- (i) *Noticee submitted that it did not violate the provisions of the Stock Brokers Regulations:*
 - *Noticee provide trading terminals to authorized persons (APs), operated by their employees. Noticee’s verification, supported by professional guidance from Noticee’s vendor, confirmed that the source IP addresses for these IDs originate from within India.*
- To clarify key terms:*
- *Source IP address: The public IP of the device initiating network traffic, identifying its geographic origin (in this case, India).*



- LAN IP address: A private IP used internally within a local network (e.g., office LAN), which may appear varied or "outside India" due to network segmentation but does not reflect the actual location.
 - During the COVID-19 pandemic, IP service providers acquired bulk IP blocks to ensure service continuity. Examples: IPs address like 49.36.xxx.xxx, 49.36.xxx.xxx, and 49.37.xxx.xxx—all from the same block, serving the same Indian location via the source IP. Thus, the actual trading location is determined solely by the source IP address, confirming full compliance.
 - Clause 33.7.4: The said clause is not applicable in the present case, as there was no change in the actual AP location. The trading activities were only carried out from the Head Office on a temporary basis due to the closure of AP offices during the pandemic period.
- (ii) No violation of Stock Brokers Regulations had occurred. All actions taken were in good faith, under extraordinary circumstances caused by the Covid-19 pandemic. Noticee's foremost priority was to ensure continuity of operations and client service while adhering to regulatory requirements to the best possible extent. As share market was declared under essential services and not closed even at the peak of pandemic.

Analysis of IP and MAC IDs:

- (a) Summary of trades and terminal details
- (i) A total of 70 trades under reference were routed through 15 computers/terminals. Out of these, 10 computers (identified through their respective MAC IDs) were physically available and verified at Noticee's Head Office located at- 17A/35, 2nd Floor, West Punjabi Bagh, New Rohtak Road, Delhi- 110026.
 - (ii) The remaining five computers/terminals corresponding to the identified MAC IDs were non-functional/obsolete at the time of verification due to technology upgrades and normal hardware replacement cycles.
- (b) Verification conducted by SEBI officials
- (i) The MAC ID data for terminals was verified by SEBI officials on March 11, 2025. The trades in question pertain to FY 2021-22, and despite the passage of time and hardware changes, Noticee successfully produced 10 functional machines for verification.
 - (ii) The remaining five machines were refurbished systems, no longer operational, and no invoices were available, as already intimated by its email dated March 12, 2025.
- (c) Clarification regarding trades executed through five non-functional terminals
- (i) The trades executed through said five terminals (now non-functional) were carried out during FY 2021-22 when these systems were fully operational.
 - (ii) These terminals were subsequently replaced due to routine technology upgrades and therefore, could not be physically produced during the 2025 verification exercise.
- (d) Specific observation regarding MAC ID- 1C-1B-0D-77-D9-0D
- (i) As per the SCN, 22 trades were executed through MAC ID- 1C-1B-0D-77-D9-0D, earlier operated by Mr. Vikas Narang (Dealer).
 - (ii) After the unfortunate demise of Mr. Vikas Narang during the Covid-19 pandemic, the said terminal was operated by Ms. Purnima and Mr. Zuber Khan, who were available at the Head Office as per the best available information.



- (iii) During the pandemic, a significant number of backend, frontend, and dealing personnel were affected, resulting in operational disruptions.
- (iv) To ensure continuity of business operations, terminals were operated through different internet connections at that time by any available authorised dealer. Also, the dealers were made to sit at distances/floors to maintain the Covid compliance.

Analysis of IPs:

- (e) Facts of the case
 - (i) Verification method: IP addresses associated with the trades were verified using URL (whois.com) and cross-checked against connection logs by the inspection officials.
 - (ii) Log period: Connection logs cover March 1, 2020 to March 31, 2022.
 - (iii) Geolocation result: Several IPs in the logs geolocate outside India; these were verified from URL (whois.com).
 - (iv) Observed IP types: Logs contain both public source IPs and private LAN IPs (examples: 192.168.x.x, 10.x.x.x).
 - (v) Network behaviour: Source IPs that appear within India correspond to our public, internet-facing IPs assigned by an Indian ISP. Private LAN IPs are internal-only addresses and are not routable on the public Internet.
- (f) Technical clarification on IP addressing
 - (i) Visibility
 - Public Source IP- Visible to external servers and used to identify the origin of internet traffic.
 - Private LAN IP- Visible only within the local network; not routable on the public Internet and therefore cannot be used to determine geographic origin.
 - (ii) Purpose
 - Public Source IP- Identifies the ISP assigned endpoint that external services see.
 - Private LAN IP- Used for internal device communication and NAT translation; external services never see this address.
 - (iii) Network Transitions
 - When a device moves between networks (home Wi-Fi, office VPN, mobile hotspot), the device retains its private LAN IP internally while the public source IP changes to the ISP assigned address for that network. External servers and trading platforms record the public source IP only.
- (g) Explanation of observed geolocation variance
 - (i) IP block allocation and rotation: During the Covid-19 period, Indian ISPs acquired and used large IP blocks for load balancing and redundancy.
 - (ii) Effect on geolocation: Multiple public IPs from the same ISP block can appear in logs and may geolocate to nearby or different coordinates within India, this does not indicate a change of the physical trading location outside India when the recorded source IP is an Indian ISP allocation.
- (h) Conclusion and position based on best available sources:
 - (i) Primary fact: The actual trading location is determined by the public source IP address recorded by the trading platform and servers.
 - (ii) Rebuttal: Private LAN IPs (192.168.x.x, 10.x.x.x) appearing in logs are internal addresses and cannot be used to establish an external geographic location.



(iii) *Finding: All trades attributed to Noticee's account were consistent with originating from its public, Indian ISP assigned source IPs, therefore, the allegation that trading occurred outside India is not supported by the technical evidence.*

8. Vide notice of hearing dated April 08, 2026, an opportunity of personal hearing on April 21, 2026 was granted to the Noticee. On said date, authorised representatives of the Noticee, viz., Mr. Ved Prakash Gupta (Director) and Mr. Ravi Kant (Compliance Officer) (hereinafter referred to as “ARs”), attended the personal hearing through video-conferencing and reiterated the submissions made by the Noticee vide reply dated March 17, 2026.

CONSIDERATION OF ISSUES AND FINDINGS

9. I have carefully perused the charges levelled against Noticee in the SCN, its replies, submissions made during personal hearing and material available on record. The issues that arise for consideration in the present case are as follows:

I. Whether the Noticee allowed usage of terminal ID in the name of Mr. Vikas Narang, dealer, even after his demise and failed to intimate the said change in information to the stock exchange, thereby violated the provisions of clause A(1), A(2) and A(5) of Schedule II read with regulation 9(f) and regulation 26(xix) of Stock Brokers Regulations and clause 33.7.1 and 33.7.4 of SEBI Circular dated June 17, 2025?

II. Whether the dealer id credentials were shared with persons located outside India or the trading systems were accessed from unauthorised locations, thereby violated the provisions of regulation 26(xix) of Stock Brokers Regulations?

III. Does the violation, if any, attract monetary penalty under section 15HB of the SEBI Act?

IV. If so, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in section 15-J of the SEBI Act read with rule 5(2) of the Rules?

10. Before proceeding further, it is pertinent to refer to the provisions of Stock Brokers Regulations and SEBI Circular, which are allegedly violated by the Noticee, as under:



Stock Brokers Regulations

“Conditions of registration.

9. Any registration granted by the Board under regulation 6 shall be subject to the following conditions, namely,-

(f) he shall at all times abide by the Code of Conduct as specified in Schedule II;

...

Schedule II

A. General.

(1) *Integrity: A stock-broker, shall maintain high standards of integrity, promptitude and fairness in the conduct of all his business.*

(2) *Exercise of due skill and care: A stock-broker shall act with due skill, care and diligence in the conduct of all his business.*

...

(5) *Compliance with statutory requirements: A stock-broker shall abide by all the provisions of the Act and the rules, regulations issued by the Government, the Board and the Stock Exchange from time to time as may be applicable to him.”*

“Liability for monetary penalty.

26. A stock broker shall be liable for monetary penalty in respect of the following violations, namely—

(xix) *Extending use of trading terminal to any unauthorized person or place.”*

SEBI Master Circular no. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/90 dated June 17, 2025

“33.7. Obligations of Stock Broker

33.7.1. *The stock broker shall be responsible for all acts of omission and commission of his authorised person(s) and/or their employees, including liabilities arising there from.*

33.7.2. *If any trading terminal is provided by the stock broker to an authorised person, the place where such trading terminal is located shall be treated as branch office of the stock broker.”*

11. The issues raised in this matter are dealt in the following paragraphs.

Issue I. Whether the Noticee allowed usage of terminal ID in the name of Mr. Vikas Narang, dealer, even after his demise and failed to intimate the said change in information to the stock exchange, thereby violated the provisions of clause A(1), A(2) and A(5) of Schedule II read with regulation 9(f) and regulation 26(xix) of Stock Brokers Regulations and clause 33.7.1 and 33.7.4 of SEBI Circular dated June 17, 2025?

12. It was observed that Wessel was suspected to have front run the trades of Axis MF on 70 instances and traded quantity of Wessel matched with Axis MF and Mr. Vikas



Narang executed 22 trades out of 70 suspected front running trades and he was top dealer in terms of profit, i.e., Rs. 31,03,768.90 made by Wessel from the said trades. Further, it was observed that Mr. Vikas Narang (dealer) passed away in November 2020. Even after demise of the dealer, Mr. Vikas Narang, continuous usage of trading terminal assigned to him, viz., 1002 was observed and the said trades were executed from his terminal ID during the period from April 22, 2021 to August 20, 2021. Therefore, it was alleged that Noticee permitted the continued use of a deceased dealer's terminal and failed to intimate about the Mr. Vikas Narang's demise to the stock exchange.

13. In response to above allegations, Noticee submitted that Mr. Karan was appointed as its AP and said terminal ID was allotted to Mr. Vikas Narang, who was an employee of AP, Mr. Karan. Noticee stated that all formal communications were always routed through the respective APs only, no direct communication was made with employees of APs for regulatory or operational purposes. Following the demand for a death certificate, Noticee attempted to obtain the required documents, made diligent efforts to gather contact details of Mr. Vikas Narang's family and eventually collected the death certificate. Noticee further submitted that timely communication to the stock exchange regarding the demise of the dealer could not be made as Noticee did not get information of his death at that time as there was a lot of panic and chaos due to Covid-19 and the staff was working from home or office as the situation allowed then to work.
14. It is noted that Mr. Vikas Narang (dealer) had passed away in November 2020 and Noticee vide email dated March 15, 2025 to SEBI, admitted that it became aware of his death in July 2021. It is observed that Noticee was aware of Mr. Vikas Narang's demise since July 2021, however, it did not inform the stock exchange about his demise. In this regard, the plea that Covid-19 disruptions prevented timely communication is untenable, as the Noticee remained silent well after learning of the death in July 2021 and period thereafter, a period when offices had largely resumed normal operations. Furthermore, allowing continued trade executions from Mr. Narang's terminal ID until August 2021, even after learning of his death, is a serious lapse in oversight by the Noticee. In this context, Noticee admitted the violation and



submitted that after the demise of Mr. Vikas Narang during the Covid-19 pandemic, the said terminal was operated by Ms. Purnima and Mr. Zuber Khan, who were available at the Head Office as per the best available information. Therefore, Noticee cannot make Covid-19 pandemic as an excuse for its failure to intimate the stock exchange regarding the demise of the dealer and its failure to restrict the unauthorised usage of Mr. Vikas Narang's terminal ID, despite being aware of his death.

15. In view of the above, I hold that Noticee violated the provisions of clause A(1), A(2) and A(5) of Schedule II read with regulation 9(f) and regulation 26(xix) of Stock Brokers Regulations and clause 33.7.1 and 33.7.4 of SEBI Circular dated June 17, 2025.

Issue II. Whether the dealer id credentials were shared with persons located outside India or the trading systems were accessed from unauthorised locations, thereby violated the provisions of regulation 26(xix) of Stock Brokers Regulations?

16. In respect of alleged 70 suspected front running instances, it was observed that the IPs were on private network. However, from the connection log provided by the Noticee to the Investigating Authority, for the period from March 01, 2020 to March 31, 2022, it was observed that location of 19 IPs, as indicated in Table-6 above, was outside India. Therefore, it was alleged that either the dealer id credentials were shared with persons located outside India or the trading systems were accessed from unauthorised locations.
17. In response to above allegations, Noticee submitted that during Covid-19 period, Indian ISPs acquired and used large IP blocks for load balancing and redundancy. Multiple public IPs from the same ISP block can appear in logs and may geolocate to nearby or different coordinates within India, this does not indicate a change of the physical trading location outside India when the recorded source IP is an Indian ISP allocation. Noticee further contended that the actual trading location is determined by the public source IP address recorded by the trading platform and servers. Private LAN IPs (192.168.x.x, 10.x.x.x) appearing in logs are internal addresses and cannot



be used to establish an external geographic location. Noticee argued that all trades attributed to its account were consistent with the fact that the trades originated from its public, Indian ISP assigned source IPs, therefore, the allegation that trading occurred outside India is not supported by the technical evidence. Noticee also submitted that when a device moves between networks (home Wi-Fi, office VPN, mobile hotspot), the device retains its private LAN IP internally while the public source IP changes to the ISP assigned address for that network.

18. Upon perusal of the connection logs, it is observed that out of total 23,100 records, successful logins were made in 10,916 instances. Further, it is noted that the connection log shows IP addresses in pairs for all successful logins. Some of these IP addresses were found to be public IP addresses, whereas the others were on private IP addresses. In all successful logins where public USA IP addresses were shown, the corresponding IP address was private IP address. Out of said 23,100 records, only 54 records were found wherein alleged logins were made from public USA IPs. In all these 54 instances, other IP address (in the pair) in the connection log (ranging from 192.168.1.34 to 192.168.1.49) was that of a private LAN network. Notably, similar LAN IP network ID (192.168.1.133) was found in the lone login using an alleged Ukraine based public IP address. However, for all successful logins where a Brazil based IP was noticed, the corresponding public IP address was of New Delhi, supporting the Noticee's claim of domestic origin.
19. Given the aforesaid nature of connection logs, it is difficult to conclude that the trades were in fact made from a terminal located outside India. On the contrary, the IP address in pairs were one Brazil IP had corresponding Indian IP address gives credence to the said conclusion. This contradicts the allegation of trades being executed logins from outside of India as its lacks the pattern to establish the foreign logins and in the light of Noticee's claim that IP addresses of the terminal ID were showing different locations due to use of VPNs, static IP/public IP not fixed by the ISP, different ISPs were using dynamic IPs which could show different locations, etc.
20. Further, analysis of one of the observed foreign login using Brazil based IP, i.e., 200.200.200.250 on May 18, 2021 at 15:33:56 hours indicate that on same day, subsequent to the said login, dealer attempted to login four times at 15:36:07 hours,



15:40:12 hours, 15:44:40 hours and at 16:30:32 hours, however the said login attempts were not successful. Thereafter, on same day, at 16:43:09 hours and again at 17:00:22 hours, said dealer successfully logged in from India based IPs. Similarly, analysis of one of the observed foreign login using USA based IP, i.e., 103.47.58.8 on June 10, 2021 shows that dealer logged in at 13:43:39 hours. Subsequently, on same day, just five minutes later at 13:48:42 hours, another login was made by the dealer from India based IP. Further, login was made at 15:38:15 hours from said USA based IP and in similar pattern, new log in was attempted from India based IP at 15:42:08 hours and dealer successfully logged in at 15:43:24 hours from India based IP. Such successive login transitions between geographically distant locations appears to be inconceivable. This pattern indicates that the alleged foreign logins may not be actual instances of overseas access, rather dynamic ISP routing or geolocation inconsistencies as contended by the Noticee. It could also be due to Indian ISPs utilized large IP blocks (foreign) for load balancing, which resulted in domestic IPs being incorrectly geolocated to foreign coordinates.

21. Further, it is noted that the charge in this regard in the SCN is vague to the extent where the Investigation Report could not conclude whether the Noticee 'shared the dealer id credentials with persons located outside India' or 'the trading system were accessed from unauthorised locations'. In this regard, it is relevant to consider the ruling of the Hon'ble Supreme Court in *Gorkha Security Services v. Government (NCT of Delhi) and Ors. [(2014) 9 SCC 105]*, wherein the Hon'ble Supreme Court, held as under:

"..... The fundamental purpose behind the serving of Show Cause Notice is to make the noticee understand the precise case set up against him which he has to meet. This would require the statement of imputations detailing out the alleged breaches and defaults he has committed, so that he gets an opportunity to rebut the same....."

22. In view of the above, I am inclined to accept the submission of the Noticee that all trades attributed to its account originated from its public, Indian ISP assigned source IPs and the allegation that trades occurred from outside India is not supported by the credible technical evidence. Besides, the instances brought out here are not part of the 70 suspected front running trades. Thus, I hold that the Noticee is entitled to



benefit of doubt and the allegation of violation of regulation 26(xix) of Stock Brokers Regulations by Noticee is not established.

Issue III. Does the violation, if any, attract monetary penalty under section 15HB of the SEBI Act?

23. In the light of findings and observations made against the Noticee in the foregoing paragraphs, it has been established that the Noticee failed to intimate the stock exchange regarding the demise of the dealer, Mr. Vikas Narang and failed to restrict the unauthorised usage of his terminal ID, despite having knowledge of his death. The said violations by the Noticee attract monetary penalty.
24. In this regard, reliance is placed on the judgment of Hon'ble Supreme Court in the matter of *SEBI v. Shriram Mutual Fund*, [2006] 68SC 216(SC), wherein it was, *inter alia*, observed that '*In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of the parties committing such violation becomes wholly irrelevant. A breach of civil obligation which attracts penalty in the nature of fine under the provisions of the Act and the Regulations would immediately attract the levy of penalty irrespective of the fact whether contravention must made by the defaulter with guilty intention or not.*'
25. The aforesaid violation, make the Noticee liable for penalty under section 15HB of the SEBI Act. The said section reads as follows:

“Penalty for contravention where no separate penalty has been provided. 15HB. Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees.”

Issue VI. If so, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in section 15-J of the SEBI Act read with rule 5(2) of the Rules?

26. While determining the quantum of penalty, the following factors stipulated in section 15-J of the SEBI Act are taken into account:



“Factors to be taken into account while adjudging quantum of penalty

15J While adjudging quantum of penalty under 15-I or section 11 or section 11B, the Board or the adjudicating officer shall have due regard to the following factors, namely :—

- (a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;
- (b) the amount of loss caused to an investor or group of investors as a result of the default;
- (c) the repetitive nature of the default.”

27. In this connection, any quantifiable gain or unfair advantage accrued to the Noticee or the extent of loss suffered by the investors as a result of non-compliance to the provisions of provisions of Stock Brokers Regulations and SEBI Circular is not available from the material available on record. With respect to the repetitive nature of the default, I find that vide Adjudication Order dated September 27, 2019 in the matter of M/s Prrsaar Commodities Private Limited, a penalty of ₹5,00,000/- was imposed upon the Noticee for violation of the section 23D of Securities Contracts (Regulation) Act, 1956. In the present matter, based on above findings, it is established that the Noticee failed to intimate the stock exchange regarding the demise of the dealer, Mr. Vikas Narang and also failed to restrict the unauthorised usage of his terminal ID, despite having knowledge of his death. Noticee was under a statutory obligation to abide by the provisions of Stock Brokers Regulations and SEBI Circular, however, it failed to comply, which should be dealt with suitable penalty.

ORDER

28. Taking into account the facts and circumstances of the case, material available on record, submissions of the Noticee, findings hereinabove and factors mentioned in section 15J of the SEBI Act, in exercise of the powers conferred upon me under section 15-I of the SEBI Act read with rule 5 of the Rules, I hereby impose a monetary penalty of ₹ 2,00,000/- (Rupees Two Lakh only), under section 15HB of the SEBI Act, on the Noticee. In my view, the said penalty is commensurate with the violation committed by the Noticee in this case.



29. The Noticee shall remit / pay the said amount of penalty within 45 days of receipt of this order through online payment facility available on the website of SEBI, i.e., www.sebi.gov.in on the following path, by clicking on the payment link:

ENFORCEMENT → ORDERS → ORDERS OF AO → PAY NOW

30. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, recovery proceedings may be initiated under section 28A of the SEBI Act for realization of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties.
31. In terms of rule 6 of the Rules, copy of this order is sent to the Noticee and also to SEBI.

Place: Mumbai

Date: April 30, 2026

**JAI SEBASTIAN
ADJUDICATING OFFICER**