



**BEFORE THE ADJUDICATING OFFICER  
SECURITIES AND EXCHANGE BOARD OF INDIA  
[ADJUDICATION ORDER NO. Order/JS/YK/2025-26/32272]**

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

**In respect of  
Growth Securities Private Limited  
PAN: AABCG7715L**

**In the matter of TradeTron and other Algo Platforms**

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**BACKGROUND**

1. Growth Securities Private Limited (hereinafter referred to as “**Noticee**”) has been registered with the Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) as a stock broker. The registration number of Noticee is INZ000299236. SEBI conducted an examination in the matter of TradeTron (hereinafter referred to as “**TT**”) and other algo platforms. Based on the findings of examination, it was alleged that Noticee had violated the provisions of clause 4.2 of SEBI Circular SEBI/HO/MIRSD/DOP/P/CIR/2022/117 dated September 02, 2022 (hereinafter referred to as “**SEBI Circular dated September 02, 2022**”) and clauses A(2) and A(5) of Schedule II read with regulation 9(f) of Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 (hereinafter referred to as “**Brokers Regulations**”).

**APPOINTMENT OF ADJUDICATING OFFICER**

2. Pursuant to the transfer of the erstwhile Adjudicating Officer (hereinafter referred to as “**AO**”) who had been appointed so vide communiqué dated June 18, 2024, the undersigned was appointed as AO in this matter vide communiqué dated May 20, 2025 under section 15-I of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI Act**”) read with rule 3 of SEBI (Procedure for Holding



Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as “**Rules**”), to inquire into and adjudge under the provisions of section 15HB of the SEBI Act.

### **SHOW CAUSE NOTICE, REPLY AND HEARING**

3. Show Cause Notice Ref. No. SEBI/HO/EAD-8/AS/RM/31139/1/2024 dated October 03, 2024 (hereinafter referred to as “**SCN**”) was issued to Noticee in terms of rule 4 of the Rules read with section 15-I of the SEBI Act to show cause as to why an inquiry should not be held against it and why penalty, if any, should not be imposed on it in terms of the provisions of section 15HB of the SEBI Act for the aforementioned violations alleged to have been committed by Noticee.

4. The SCN, *inter alia*, alleged the following:

(a.) *It was observed by SEBI that certain algorithm trading strategies displayed on a website, i.e., TradeTron (TT) were offering assured returns and some stock brokers registered with SEBI were associated with aforesaid website. In view thereof, SEBI examined whether the stock brokers were associated with aforesaid platform.*

(b.) *During the examination, it was observed that TT was an algo trading platform which facilitated algorithmic trading, where strategy creators sell their algo strategy to subscribers by charging fees, either fixed monthly fee or on profit sharing basis or as a combination of both. TT was a Software as a Service (SAAS) platform and charge a fixed subscription fee to its users for usage of its website for algo strategies. It had developed a software to run automated algorithmic strategy bots without any coding. TT gave users the ability to use these bots. Each bot could run one user defined strategy.*

(c.) *As per submissions by TT, in India, all operations/income/expenditure was handled solely by Neutrino Trading Pvt. Ltd. (Neutrino) which is located at Mumbai.*

(d.) *During examination, on analysis of various strategies available on TT website on sample basis, it was observed that a few strategies were giving guaranteed returns/misleading content. Gist of assured returns/ consistent profit provided in various strategies are as follows:*

Table 1

<b>Sr. No.</b>	<b>Name of the Strategy</b>	<b>Gist of Assured return/ misleading content mentioned in the Strategy</b>
1	Trending Nifty and Banknifty Intraday Directional Diamond(H)	Success rate is more than 52% with excellent risk reward ratio. Avg Monthly Profit per lot: 25K



<b>Sr. No.</b>	<b>Name of the Strategy</b>	<b>Gist of Assured return/ misleading content mentioned in the Strategy</b>
2	STS Profit Express 2	This Strategy Has Fixed Profit of Rs. 1666 for a day
3	SOW500 SSALGO	Monthly you will get profit 5% upto 40% some times more than that MYBE 80
4	PE Anytime-Banknifty Option Super-W 400	our algo catches intraday heavy momentum 1000 -3000points in BNF & Rs 100 strike ce or pe option converted into around Rs 1000 in intraday itself & it means investment rs 2500 converted into rs 22500 +++
5	Green Day Trading_Nifty Option Buying_v1.6	Most of the time the strategy will give you profit 7 out of 10 times before 9.45 am. The strategy has successful net positive returns month on month Stratgy win rate is >70%. Max Drawdown is 20%. Monthly Return > 40%
6	Banknifty Option Super-M500	Super Super Strategy Huge Profits No Tension

- (e.) Further, it was observed that in few strategies, strategy creators had mentioned referral link for opening an account with stock brokers and in few cases it was also observed that they had provided the strategy on a discount basis or for free, if the user opens an account through the referral link.
- (f.) It was further observed from TT website that 89 stock brokers were mentioned as partners.
- (g.) From submissions made by TT/Neutrino, it was observed that TT/Neutrino had charged some of the stock brokers a one-time fee for integrating their trade Application programming interface (API) for algo trading. From list of stock brokers provided by TT/Neutrino, it was observed that API of 119 stock brokers (including Noticee) have been integrated with TT website. Out of aforesaid 119 stock brokers, in respect of 86 stock brokers, TT collected one-time charge for integrating with their trade APIs and collected Rs. 1.21 Crore from the said 86 stock brokers during the period from July 01, 2020 to August 07, 2023.
- (h.) Clause 4.2 of SEBI Circular dated September 02, 2022 reads as follows:  
"Stock brokers who are directly/indirectly referring to any past or expected future return/performance of an algorithm or are associated with any platform providing such reference, shall remove the same from their website and/or disassociate themselves from the platforms providing such references, as the case may be, within seven days from the date of this circular."
- (i.) In view of the above provision, stock brokers should not have associated themselves with TT, as it was providing a platform, where strategies providing guaranteed returns/consistent profit were hosted. Despite the same, 119 stock



brokers (including Noticee) had their APIs integrated with TT website and details as provided by TT are as follows:

Table 2

<b>Particulars</b>	<b>No.</b>	<b>Communicated before 8 Sep, 2022</b>	<b>Communicated after 8 Sep, 2022</b>	<b>Traded using TT's API</b>	<b>Disconnection request made to TT(*)</b>
<i>Stock Brokers having integration with TT and made payments for such integration</i>	86	30	10	72	3
<i>Stock Brokers having integration with TT but have not made any payments for such integration</i>	33	5	10	25	2
<b>Total</b>	<b>119</b>	<b>35</b>	<b>20</b>	<b>97</b>	<b>5</b>

\*The requests were made by the stock brokers in July/August 2023

(j.) Comments in respect of compliance with SEBI Circular dated September 02, 2022 was sought from aforesaid 119 stock brokers (including Noticee). Upon analyzing the reply of Noticee and TT's submissions, it was alleged that API of Noticee remained integrated with TT and thereby, the Noticee was associated with the TT which was providing references in respect of return/performance of an algorithm even after SEBI Circular dated September 02, 2022 was enforced. In view of the same, it was alleged that Noticee had violated the provisions of clause 4.2 of SEBI Circular dated September 02, 2022 and clauses A(2) and A(5) of Schedule II read with regulation 9(f) of Brokers Regulations.

5. The SCN was duly served upon Noticee in consonance with the Rules. Noticee vide email dated October 18, 2024 submitted its reply. The relevant extracts of Noticee's reply are as under:

(a.) Although Noticee was approached by TT, it neither engaged their services nor did any sort of integration with their platform. Consequently, Noticee categorically denied its association with any platform that provided strategies promising guaranteed returns/consistent profits;

(b.) Noticee highlighted an indispensable fact that in Annexure 5 which lists partners exhibited on website of TT, Noticee's name was not included and no set-up instructions related to it had been mentioned. Thus, it is clearly established and proved that Noticee did not partner with TT. This fact is further substantiated and strengthened by Annexure 8 wherein it was mentioned that trading was not conducted with TT.



6. Subsequently, vide e-mail dated June 06, 2025, Noticee was informed that SEBI had introduced a Settlement Scheme, i.e., Settlement Scheme on Association with Certain Algo Platforms, 2025 (hereinafter referred to as “**the Scheme**”) in terms of section 15JB of the SEBI Act read with regulation 26 of the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as “**Settlement Regulations**”). It was informed that the Scheme provides a one-time opportunity to all stock brokers who were associated with certain algo platforms, against whom proceedings have been initiated and are pending before any authority to settle the proceedings. The applicable period of the Scheme was June 16, 2025 to September 16, 2025. Later, the applicable period of the Scheme was extended to October 16, 2025 by SEBI. Noticee vide e-mail dated August 05, 2025 acknowledged the receipt of intimation e-mail dated August 08, 2025.
7. It was observed that Noticee did not avail the Scheme and accordingly, the adjudication proceedings against the Noticee were resumed. Vide hearing notice dated November 04, 2025, Noticee was granted an opportunity of hearing on November 19, 2025 which was adjourned to December 02, 2025 and thereafter to December 09, 2025 on the request of Noticee. On the scheduled date of hearing, the Noticee appeared through its authorized representative (AR), viz., Mr. Dhruv Gupta. The AR of Noticee reiterated the submissions made vide e-mail dated October 18, 2024. Noticee was also granted time until December 12, 2025 to file its additional submissions, if any. However, Noticee has not filed any additional submissions till date.

### **CONSIDERATION OF ISSUES AND FINDINGS**

8. I have perused the allegations levelled against the Noticee in the SCN, its reply and the material available on record. In the instant matter, the following issues arise for consideration and determination:



- I. Whether the Noticee has violated the provisions of clause 4.2 of SEBI Circular dated September 02, 2022 and clauses A(2) and A(5) of Schedule II read with regulation 9(f) of Brokers Regulations?
  - II. Does the violation, if any, on the part of Noticee attract monetary penalty under section 15HB of the SEBI Act?
  - III. If so, what would be the quantum of monetary penalty that can be imposed on Noticee after taking into consideration the factors stipulated in section 15J of the SEBI Act?
9. Before proceeding further, it is pertinent to refer the relevant provisions of securities laws, allegedly violated by Noticee. The same are reproduced as under:

***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***

***CODE OF CONDUCT FOR STOCK BROKERS***

***A. General.***

*.....*

*(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.”*

***SEBI Circular dated September 02, 2022***

*“4.2. Stock brokers who are directly/indirectly referring to any past or expected future return/performance of an algorithm or are associated with any platform providing such reference, shall remove the same from their website and/or*



*disassociate themselves from the platforms providing such references, as the case may be, within seven days from the date of this circular.”*

**Issue I. Whether the Noticee has violated the provisions of clause 4.2 of SEBI Circular dated September 02, 2022 and clauses A(2) and A(5) of Schedule II read with regulation 9(f) of Brokers Regulations?**

10. From the material on record, it was observed that certain algorithmic trading strategies hosted on the website of TT contained references to assured/guaranteed returns and consistent profits. TT operated as an algorithmic trading platform wherein strategy creators offered trading strategies to subscribers for consideration. From the submissions made by TT/Neutrino (all operations of TT in India is handled by Neutrino), it was observed that trading APIs of 119 stock brokers, including the Noticee, had been integrated with the TT platform. Further, certain stock brokers had paid one-time integration charges to TT for enabling such connectivity.
11. Clause 4.2 of SEBI Circular dated September 02, 2022 mandates that stock brokers who are directly or indirectly referring to past or expected future return/performance of an algorithm, or are associated with any platform providing such reference, shall remove such reference and/or disassociate themselves from such platforms within seven days from the date of the Circular.
12. It was alleged that despite the issuance of the aforesaid Circular, the API of Noticee remained integrated with TT. Since TT was hosting strategies containing assured/consistent return claims, the Noticee, by integrating and associating with the said platform, allegedly violated clause 4.2 of SEBI Circular dated September 02, 2022 and clauses A(2) and A(5) of Schedule II read with regulation 9(f) of Brokers Regulations.
13. The Noticee submitted that its API was never integrated with the platform of TT and that it had not made any payment to TT for such integration. The Noticee further



submitted that its name does not appear in the list of partners of TT nor are any set-up instructions relating to the Noticee mentioned in Annexure 5 to the SCN

14. In this regard, from the material available on record, it is found that the Noticee's name does not appear in the list of stock brokers who had made payments to TT for API integration. It is also found that the name of the Noticee does not appear in the list of stock brokers shown as partners of TT. Further, it is observed that the information regarding integration of stock broker APIs with the TT platform was provided by TT to SEBI and the allegation against the Noticee appears to have been based solely on the said list.

15. Since the Noticee has specifically disputed the allegation that its API was integrated with the TT platform, it becomes necessary to examine whether any corroborative material exists on record to substantiate the said allegation. However, upon perusal of the material available on record, no other cogent evidence has been placed to demonstrate that the Noticee had in fact integrated its API with the TT platform. In the absence of any corroborative evidence supporting the allegation, I am inclined to extend the benefit of doubt to the Noticee.

16. In view of the above, since it has not been established that the Noticee had integrated its API with the TT platform, the allegation that the Noticee continued to remain associated with a platform providing references to past or expected returns or performance of algorithmic strategies after the issuance of the SEBI Circular dated September 02, 2022 cannot be sustained. Accordingly, the allegation regarding violation of Clause 4.2 of the SEBI Circular dated September 02, 2022 and Clauses A(2) and A(5) of Schedule II read with Regulation 9(f) of the SEBI (Stock Brokers) Regulations does not stand established.

**Issue II. Does the violation, if any, on the part of Noticee attract monetary penalty under section 15HB of the SEBI Act?**



**Issue III. If so, what would be the quantum of monetary penalty that can be imposed on Noticee after taking into consideration the factors stipulated in section 15J of the SEBI Act?**

17. As the violations alleged against the Noticee are not established, issues II and III do not merit consideration.

**ORDER**

18. In view of the above, after considering all the facts and circumstances of the case and the factors mentioned in the provisions of section 15J of the SEBI Act, I, in exercise of the powers conferred upon me under section 15-I of the SEBI Act read with rule 5 of the Rules, conclude that the adjudication proceedings initiated against the Noticee vide SCN dated October 03, 2024 is disposed of without imposition of any monetary penalty.

19. In terms of the provisions of rule 6 of the Rules, a copy of this order is being sent to Noticee and also to SEBI.

**Date: March 25, 2026**

**Place: Mumbai**

**JAI SEBASTIAN**

**ADJUDICATING OFFICER**