

**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
SETTLEMENT ORDER No. SO/AK/2025-26/8336**

In respect of:

Name of the applicant	Application No.	PAN of the applicant
Groww Invest Tech Private Limited (Formerly known as Nextbillion Technology Private Limited)	8336/2024	AAFCE2181H

**In the matter of comprehensive inspection of Groww Invest Tech Private
Limited (formerly known as Nextbillion Technology Private Limited)**

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') had initiated adjudication proceedings under SEBI Act, 1992 (hereinafter referred to as "**SEBI Act**") and Securities Contracts (Regulations) Act, 1956 (hereinafter referred to as "**SCR Act**") against Groww Invest Tech Private Limited (Formerly known as Nextbillion Technology Private Limited) (hereinafter referred to as **Applicant**) for alleged violation of following;
 - 1.1 Clause 12(e) of Annexure-A of SEBI Circular SEBI/MIRSD/SE/Cir-19/2009 dated December 03, 2009 read with Clause 8.1.4 of Annexure of SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016;
 - 1.2 Clause B (1) of the Code of Conduct as specified in Schedule II of Regulation 9(f) of SEBI (Stock Brokers) Regulations, 1992 (hereinafter referred to as "Stock Broker Regulations");
 - 1.3 SEBI circular CIR/MRD/DRMNP/CIR/P/2018/145 dated November 27, 2018 and Exchange notice 20210302-19 dated March 02, 2021;
 - 1.4 Rule 8(3)(f) of Securities Contracts (Regulations) Rules, 1957 (hereinafter referred to as "SCRR") read with Exchange Notice 20210209-41 dated February 09, 2021;
 - 1.5 Clause 11 (vi) of Client Due Diligence (CDD) of SEBI/HO/MIRSD/MIRSD-SEC-5/P/CIR/2023/022 dated February 03, 2023 on Guidelines on Anti-Money

Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) /Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 (hereinafter referred to as “PMLA”);

2. SEBI appointed Ms. Asha Shetty as the Adjudicating Officer (AO), vide communique dated October 25, 2024, u/s 19 of the SEBI Act r/w Section 15-I(1) of SEBI Act and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as ‘**Adjudication Rules**’), u/s 23-I of the SCR Act r/w Rule 3 of the Securities Contracts (regulations) (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005 (hereinafter referred as the SC(R) Rules) to inquire into and adjudge u/s 15HB of SEBI Act and 23H of SCR Act for violations of Stock Brokers Regulations, SCRR, circulars and guidelines issued by SEBI. Subsequently, vide communique dated December 18, 2024, undersigned was appointed as AO in the matter.
3. A Show Cause Notice dated November 25, 2024 (hereafter referred to as “**SCN**”) was issued to the Applicant in terms of the provisions of Rule 4(1) of the Adjudication Rules r/w Section 15-I of SEBI Act, calling upon the Applicant to show cause why an inquiry should not be held and penalty not imposed u/s 15HB of the SEBI Act and 23H of the SCR Act against it for alleged violation of the aforesaid provisions. The said SCN was issued to the Applicant for the following alleged violations;
 - 3.1 Applicant had sent retention statement containing incorrect information to clients viz. discrepancy in financial ledger balance and margin obligation in 38 instances.
 - 3.2 During demo session of Applicants online trading app, it was observed that option of getting best available market price is not available to the investor and the ‘trading avenue preference’ coming as same as last used selection of the trading avenue for a given scrip.

3.3 During Demo session of Applicants online trading app and the RMS it was observed that Applicant had failed to provide the facility of Interoperability across Clearing Corporations to the investors.

3.4 Applicant was facilitating/offering non-securities product (payments via UPI as registered TPAP, lending, payment of utility bills i.e. electricity, internet) to its clients under the secured login of its trading app "Groww". It was further observed that Applicant was offering payment service via UPI such as P2P, P2M, Bill payment and other payments under capacity of Third Party Application Providers (TRAP) through Applicant's app which may involve personal financial liability in the event of dispute redressal with respect to a UPI transaction on trading application of the stock broker.

3.5 Further, during Risk Management System (RMS)/Order Management System (OMS) walk through and analysis of technical glitch, it was observed that:

3.5.1 Applicant failed to implement additional Solution where clients can access their trading activities in the event of failure of the app and web to minimize the impact on the investors' opportunity to trade or option to exit from their open positions, due to major technology related risk.

3.5.2 Business Continuity Plan (BCP) was reviewed annually instead of reviewing the policy on half-yearly basis to minimize the incidents affecting the business continuity.

3.6 Applicant failed to implement a surveillance framework where the trading activities are analyzed through financial ability of the client and also failed to conduct necessary due diligence and Applicant did not update the financial/income details in 83 instances of 41 clients.

3.7 Applicant had no system/alert in place to identify/measures margin/pay-in obligation which does not commensurate with financial capacity of the client.

4. Pending Adjudication Proceedings, the Applicant proposed to settle the instant proceedings initiated against it, without admitting or denying the facts and

conclusion of law, through a settlement order and filed a settlement application with SEBI, bearing Application No. 8336/2024 dated January 30, 2025, in terms of the provisions of SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as “**Settlement Regulations**”).

5. After attending meeting with the Internal Committee of SEBI on February 21, 2025 in terms of the Settlement Regulations, applicant, vide letter dated February 21, 2025, proposed revised settlement terms. The High Powered Advisory Committee (hereinafter referred to as '**HPAC**'), in its meeting held on March 13, 2025, considered the settlement terms proposed and recommended that the case may be settled upon payment of INR 47,85,000/- (Forty-Seven Lakhs Eighty-Five Thousand Only) by the applicant as settlement amount towards the settlement terms.
6. The Panel of Whole Time Members of SEBI approved the said recommendation of the HPAC on May 02, 2025 and the same was communicated by SEBI to the Applicant on May 05, 2025. Applicant, vide email dated May 06, 2025 informed about the remittance of the settlement amount, the receipt of which is confirmed.
7. Therefore, in view of the acceptance of the settlement terms and the receipt of settlement amount as above by SEBI, the adjudication proceedings initiated against Applicant vide SCN dated November 25, 2024 is disposed of in terms of section 15JB of the SEBI Act read with regulation 23(1) r/w Regulation 28 of the Settlement Regulations on the basis of the settlement terms.
8. This order is without prejudice to the right of SEBI to take enforcement actions, in terms of regulation 28 of the Settlement Regulations, including restoring or initiating the proceedings in respect of which the settlement order is passed against the applicants, if:

8.1 It comes to the notice of the Board that the applicant has not made full and true disclosure;

8.2 Applicant has violated the undertakings or waivers:

8.3 There was a discrepancy while arriving at the settlement terms

9. This settlement order shall come into force with immediate effect.

10. In terms of regulation 25 of the Settlement Regulations, copies of this order are being sent to the Applicant and also to SEBI.

Date: May 14, 2025

Place: Mumbai

**AMIT
KAPOOR**

Digitally signed by
AMIT KAPOOR
Date: 2025.05.14
10:52:16 +05'30'

**AMIT KAPOOR
ADJUDICATING OFFICER**