**BEFORE THE ADJUDICATING OFFICER**
**SECURITIES AND EXCHANGE BOARD OF INDIA**
**ADJUDICATION ORDER No.: Order/SM/SM/2026-27/32351**

---

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

In respect of

**Growthlift Investment Advisories Private Limited**
(PAN/ Reg No.: AAHCG4872E/ INA200014283)

In the matter of Growthlift Investment Advisories Private Limited

---

## A. BRIEF BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") had issued order for Inspection to BSE Administration and Supervision Limited (hereinafter referred to as "BASL") to conduct inspection of Growthlift Investment Advisories Private Limited (hereinafter referred to as "Growthlift / "the Company / "Noticee). The inspection was conducted by the BASL on December 06, 2023 to look into various compliance requirements adhered to by the Noticee with respect to the provisions of SEBI (Investment Advisers) Regulations, 2013 (hereinafter referred to as "IA Regulations, 2013") and applicable SEBI Circulars. The inspection was conducted for the period beginning April 01, 2022 to October 31, 2023.

2. Pursuant to inspection, SEBI initiated Adjudication Proceedings under Section 15 I of the SEBI Act, 1992 (hereinafter also referred as 'SEBI Act') in respect of Growthlift Investment Advisories Private Limited (hereinafter also referred as ('Growthlift'/ 'Noticee'/ 'IA'), in the subject matter, under the following provisions and alleged violations thereof:

2.1. Under Section 15EB of SEBI Act, 1992 for the alleged violations of the following provisions:

2.1.1. Para 113 - 119 of SEBI Master Circular Number SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 on Know Your Client (KYC) norms for the securities market dated October 12, 2023.

2.1.2. Regulation 7(1)(c) of SEBI Investment Advisers Regulations, 2013.

2.1.3. Regulation 15A of SEBI Investment Advisers Regulations, 2013 and Clause 1.2(iii) of SEBI Master Circular for Investment Advisers number SEBI/HO/ MIRSD-PoD-2/P/CIR/2023/89 dated June 15, 2023.

2.1.4. Clause 61 and 62 of SEBI Master Circular dated 03.02.2023 titled 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 and Rules framed thereunder.

## B. APPOINTMENT OF ADJUDICATING OFFICER

3. Whereas, the Competent Authority was prima facie of the view that there were sufficient grounds to adjudicate the alleged violations by the Noticee. Therefore, in exercise of the powers conferred under Section 19 of the SEBI Act read with Section 15I (1) of the SEBI Act and Rule 3 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred as the 'SEBI Rules') the Competent Authority appointed Ms. Barnali Mukherjee, Chief General Manager, SEBI, as Adjudicating Officer vide order dated August 13, 2024, to inquire into and adjudge under Section 15EB of the SEBI Act, for the aforesaid alleged violations by the Noticee. Pursuant to superannuation of Ms. Barnali Mukherjee, vide order dated January 15, 2025, Shri.

Amar Navlani, General Manager, SEBI (erstwhile AO) was appointed as the Adjudicating Officer. Pursuant to transfer of erstwhile AO, vide order dated September 11, 2025, the undersigned was appointed as Adjudicating officer in the matter.

## C. SHOW CAUSE NOTICE, REPLY AND HEARING

4. A Show Cause Notice No. SEBI/EAD/BM/DS/26062/1-2/2024 dated August 16, 2024 (hereinafter also referred to as 'SCN' / 'SCN dated August 16, 2024 in short) was served upon the Noticee under Rule 4 of SEBI Adjudication Rules, 1995 to show cause as to why an inquiry should not be held against it and why penalty be not imposed under Section 15EB of SEBI Act, 1992 for the alleged violations, as stated. The SCN was duly served upon the Noticee through Speed Post Acknowledgment Due (SPAD).

5. In this regard, following was inter alia observed and alleged in respect of the Noticee:

"…

1. *The details of the violations alleged to have been committed by the Noticee are provided in the forthcoming paragraphs.*

*<u>Not obtaining registration with CKYC and KRA</u>*

2. *It was observed that the Noticee had not obtained registration from CKYC and KRA. During the inspection, the Noticee had informed that it was under the process of registration with KRA and CKYC.*

3. *The provisions of Para 113 - 119 of SEBI Master Circular number SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 on Know Your Client (KYC) norms for the securities market dated October 12, 2023 provides compliances with respect to Central KYC Records Registry (CKYCR). Para 115 of aforesaid circular requires the registered intermediary to file the electronic copy of the client's KYC records with the CKYCR within ten days after the commencement of an account-based relationship with a client.*

4. *In its reply to the communication of findings (enclosed as Annexure – 1), the Noticee submitted that it verifies KYC of the investors through an independent source viz. CVL KRA: https://www.cvlkra.com/ and provides services to only those investors whose KYC is registered and verified by the KRA's registered with the SEBI.*

5. *It was observed that the Noticee was in the process of obtaining registration with CKYC and it had not provided any comments on registration with KRA. In view of the same, it has been alleged that the Noticee has violated the provisions of Para 113 - 119 of SEBI Master Circular number*

*SEBI/HO/MIRSD/SECFATF/P/CIR/ 2023/169 on Know Your Client (KYC) norms for the securities market dated October 12, 2023.*

*Qualification and Certification requirements*

6. *As per the provisions of Regulation 7(1)(c) of IA Regulations, 2013, persons associated with investment advice (PAIA) shall meet the following minimum qualifications, at all times-*

   *6.1. A professional qualification or post-graduate degree or post graduate diploma (minimum two years in duration) in finance, accountancy, business management, commerce, economics, capital market, banking, insurance or actuarial science from a university or an institution recognized by the Central Government or any State Government or a recognised foreign university or institution or association or a professional qualification by completing a Post Graduate Program in the Securities Market (Investment Advisory) from NISM of a duration not less than one year or a professional qualification by obtaining a CFA Charter from the CFA Institute; and*

   *6.2. an experience of at least two years in activities relating to advice in financial products or securities or fund or asset or portfolio management.*

7. *It was observed that the Noticee had not intimated SEBI and BASL regarding the appointment of Mr. Yogesh Acharya, who is assisting the Principal officer in his research, while providing Investment Advice. It was observed that Mr. Yogesh Acharya does not have the requisite qualifications and Certifications, as required under Regulation 7(1)(c) of IA Regulations, 2013.*

8. *It was also observed that the Noticee had a client facing sales team of 98 employees, which it had not intimated to SEBI and BASL, so as to register them as Persons associated with Investment Advice (PAIA). It was further observed that these 98 employees did not have the requisite qualifications and certifications as required under Regulation 7(1)(c) of IA Regulations, 2013, to work as a PAIA (details of the 97 employees provided as* ***Annexure – 3****).*

9. *In this regard, the Noticee submitted that Mr. Yogesh Acharya was just assisting the Principal officer in conducting research, and was not a PAIA, hence there is no such requirement of intimation to the SEBI/BASL of person involved in assisting the Principal Officer.*

10. *The Noticee further submitted that it is registered as a non- individual investment adviser and its Principal Officer possesses the necessary NISM certifications. However, its employees are not involved in any aspect of investment advice for clients and their sole responsibility is onboarding new clients. All other activities pertaining to investment advice, including risk profiling and rendering investment advice, are exclusively performed by the Principal Officer himself. Therefore, the requirement for NISM certifications for employees does not apply in this case.*

11. *As per the definition of PAIA provided in regulation 2(r) of IA Regulations, 2013, all client-facing persons such as sales staff, service relationship managers, client relationship managers, etc.,by whatever name called shall be deemed to be persons associated with investment advice (PAIA). Considering the Noticee's submissions that sole responsibility of its employees was onboarding new clients, it was inferred that all these employees were deemed as PAIA.*

12. *In view of the foregoing observations, it has been alleged that the Noticee has violated the provisions of Regulation 7(1)(c) of IA Regulations, 2013.*

*Charging of excess fees*

13. *As per the provisions of Regulation 15A of SEBI Investment Advisers Regulations, 2013 and clause 1.2(iii) of SEBI Master Circular for Investment Advisers number SEBI/HO/ MIRSD-PoD-2/P/CIR/2023/89 dated June 15, 2023, an investment adviser shall not charge fees more than ₹1,25,000 per annum per client under fixed fee mode, across all services offered by the IA.*

14. *It was observed that the Noticee has charged more than ₹1,25,000/- per annum from 16 clients during the Inspection period and it has collected the fee of ₹190678/- from 3 clients whose pan card details were not available with the Noticee. The details of the excess fees charged from the clients is enclosed as* ***Annexure – 4****. In view of the same, it has been alleged that the Noticee has violated the provisions of Regulation 15A of SEBI Investment Advisers Regulations, 2013 and clause 1.2(iii) of SEBI Master Circular for Investment Advisers number SEBI/HO/ MIRSD-PoD-2/P/CIR/2023/89 dated June 15, 2023.*

*Failure to communicate appointment of principal officer and designated director to FIU-IND*

15. *It was observed that the Noticee did not intimate to FIU-IND, with respect to appointment of principal officer and designated director, for ensuring compliance with provisions of PMLA.*

16. *As per the provisions of Clause 61 and 62 of Master Circular dated 03.02.2023 titled 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 and Rules framed there under, all registered investment advisers are required to intimate names, designation and addresses (including email addresses) of 'Principal Officer' including any changes therein shall also be intimated to the Office of the Director-FIU-IND. They are also required to designate a person as 'Designated Director', and intimate the same to the FIU-IND.*

17. *As the Noticee had not intimated the FIU-IND with respect to appointment of principal officer and designated director, during the inspection period, it has been alleged that the Noticee has violated the provisions of Clause 61 and 62 of Master Circular dated 03.02.2023 titled 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 and Rules framed there under.*

…".

6. Vide letter/email dated September 21, 2024, Noticee submitted its reply to the SCN. Key submissions of the Noticee as reply to the SCN are as under:

*"…*

*Limitation*

*The Noticee hereby declare that the said Show Cause Notice is dated 16t August, 2024, which was served to the Noticee vide email on the same day. Further, the Noticee had sought time for filing the reply till 215 September, 2024. Hence, the present reply is filed within the extended stipulated time.*

*Facts /Observations of the Notice against which the Reply is filed:*

*The BASL had conducted an inspection pursuant to the directions of the Hon'ble SEBI on December 06, 2023 for the period April 1, 2022 to October 31, 2023 and thereafter SEBI has issued the said Show Cause Notice and has sought reply from the Noticee. In that regard, the Noticee would like to give following reply/ clarifications to the alleged violations as mentioned in the said SEBI Notice:*
*At the outset, the Noticee would like to state that nothing contained in the said Notice shall be deemed to be admitted by virtue of it not having been specifically denied herein unless the same has been expressly admitted.*

1. *Not obtaining registration with CKYC and KRA:*

*It has been alleged that the Noticee has violated provisions of Para 113-119 of SEBI Master Circular SEBI/HO/MIRSD/SECFATE/P/CIR/2023/169*

*With regard to the said alleged violation, the Noticee would like to state that the Noticee has duly obtained the CKYC Registration (Institution Code: IN7713), details of registration and a mail in this regard from the CKYC is enclosed in* ***Exhibit-A.*** *Further, the Noticee has also started verifying and downloading the KYC documents from the CKYC Portal in compliance with the said Circular.*

*Furthermore, the Noticee has collected basic KYC documents viz. PAN and Aadhaar card from all of his clients and has verified the client's KYC records from a reliable independent source viz. CVL KRA (SEBI registered KRA): https:/ /www.cvlkra.com/, prior to rendering advisory services to them. The Noticee has never rendered advisory services to the clients without verifying their KYC records.*

*Since, the Noticee is registered with CKYC and is duly following the said compliance in the true letter of spirit and hence the said violation shall be removed upon.*

*2. Qualification and Certification requirements*

*It has been alleged that Noticee has violated the provisions of Regulation 7(1)(c) of IA Regulations, 2013*

*With regard to the said alleged violation, the Noticee would like to state that no employee has ever been appointed as an "Investment Advisor" or any other role involving investment advice activity. The investment advice is rendered only through the Principal Officer, who is duly qualified as per the Regulations. Moreover, all the activities relating to the advice such as risk profiling, market research, suitability assessment is done by the Principal Officer.*

*Further, currently the Noticee is under process in getting the employees certified to ensure the comprehensive compliance of the Regulations*

*3. Charging of excess fees:*

*It has been alleged that Noticee has violated the provisions of Regulation 15A of IA Regulations, 2013.*

*The Noticee does admit the said mistake as due to an inadvertent calculation error, it has resulted in exceeding the prescribed fee limit for a small number of clients (16).*

*The maximum fees prescribed by the SEBI is Rs.1,25,000/-, which comes to Rs.1,47,500/- (inclusive of GST), and the Noticee had charged on an average excess fee of Rs.18,000, which the Noticee has duly refunded back to the clients as it was charged mistakenly due to a calculation error. Evidence of refund of excess fees is enclosed in **Exhibit-B.***

*Since, the Noticee has taken the corrective action and has refunded back the excess fees charged from the clients, the Noticee shall be provided leniency and the said allegation shall be removed upon. Also, the Noticee affirm that these types of mistakes would not be repeated in future.*

*4. Failure to communicate appointment of Principal Officer and Designated Director to FIU-IND:*

*It has been alleged that Noticee has violated the provisions of Anti Money Laundering*

*With regard to the said alleged violation, the Noticee would like to state that the Noticee is already registered with the Financial Intelligence Unit (FIU) and has also intimated the appointment of Principal Officer and Designated Director to FIU-IND in compliance with the provisions of PMLA. The same can be verified from the screenshot of the FIU Portal enclosed in Exhibit-c.*

*Since, the Noticee is in compliance with the said provision and hence the said alleged violation shall be removed upon.*

*PRAYER*

*The foregoing submissions unequivocally demonstrate that the Noticee is in compliance with the Regulations apart from a minor violation, for which the Noticee has taken the corrective action. The Noticee has a proven track record of serving thousands of clients in the span of 5 years of its registration, by adhering to the compliance of the Regulations.*

*Also, the Noticee would like to refer the Order of Hon'ble Securities Appellate Tribunal dated 16.06.2011, in the matter of Religare Securities Limited Vs. SEBI (Appeal No. 23 of 2011), it was held that "5. It must be remembered that the purpose of carrying out inspection is not punitive and the object is to make the intermediary comply with the procedural requirements in regard to*

*the maintenance of records. We also cannot lose sight of the fact that every minor discrepancy/irregularity found during the course of inspection is not culpable and the object of the inspection could well be achieved by pointing out the irregularities/ deficiencies to the intermediary at the time of inspection and making it compliant. This will, of course, depend on the nature of the irregularity noticed and we hasten to add a caveat that it is not being suggested that if any serious lapse is found during the course of the inspection, the Board should not proceed against the delinquent. For the reasons recorded above, the appeal is allowed and the impugned order set aside with no order as to costs."*

*Since, no serious lapses were found in the inspection, the SEBI shall opt for a lenient view in the instant case with also keeping in mind the fact that the Noticee has already taken corrective measures and therefore no monetary penalty under the provisions of Section 15EB of the SEBI Act shall be imposed upon.*

*In view of the foregoing, the Noticee hereby submits that the Show Cause Notice suffers from the legal infirmity and therefore warrants interference and is therefore prayed that directions may please be given:*

1. *This Hon'ble SEBI may be pleased to not to impose any monetary penalty under the provisions of Section 15EB of the SEBI Act;*

2. *This Hon'ble SEBI may be pleased to consider the submissions of the Noticee and not to take any action in this matter;*

3. *This Hon'ble SEBI may be pleased to dispose of the proceedings without any adverse action;*

4. *This Hon'ble SEBI may be pleased to issue just a warning to the Noticee in respect of few non-compliances observed by the Noticee;*

5. *This Hon'ble SEBI may be pleased to provide an opportunity of personal hearing to present the facts and submissions prior to reaching any conclusion in this matter.*

*…".*

7. Having regard to the principles of natural justice, vide Hearing Notice dated September 27, 2024, an opportunity of personal hearing was provided to the Noticee on October 17, 2024. Vide email dated October 10, 2024, Noticee requested for rescheduling of the hearing due to unavailability of authorised representative. Vide email dated October 15, 2024, hearing was re-scheduled on October 16, 2024. On the re-scheduled date of hearing viz., October 16, 2024, the Noticee availed the opportunity of hearing through its Authorized Representative by appearing in person and opting hearing to be held through video conferencing. During the hearing, the Noticee relied upon and reiterated the submissions made by Noticee vide its letter/email dated September 21, 2024. The AR confirmed that the submissions may be considered as final.

8. Pursuant to transfer of erstwhile AO and appointment of the undersigned as the AO, vide hearing letter dated March 20, 2026, Noticee was provided an opportunity to file additional submission if any, in regard to the SCN along with the relevant supporting documents. Further, in the interest of principles of natural justice, Noticee was provided an opportunity of hearing on March 27, 2026. On the scheduled date of hearing viz., March 27, 2026, the Noticee availed the opportunity of hearing through its Authorized Representative by appearing in person and opting hearing to be held through video conferencing. During the hearing, the Noticee

relied upon and reiterated the submissions made by Noticee vide its letter/email dated September 21, 2024.

## D. CONSIDERATION OF ISSUES AND FINDINGS

9. The issues that arise for consideration in the instant matter are as following:

**Issue No. I: Whether the Noticee had violated the provisions of SEBI Investment Advisers Regulations, 2013 and SEBI Master Circulars, as alleged?**

**Issue No. II: If yes, whether the Noticee is liable for imposition of monetary penalty under Section 15EB of SEBI Act, 1992?**

**Issue No. III: If yes, what should be the monetary penalty that can be imposed upon the Noticee?**

**Issue No. I: Whether the Noticee had violated the provisions of SEBI Investment Advisers Regulations, 2013 and SEBI Master Circulars, as alleged?**

9.1. Not obtaining registration with CKYC and KRA

9.1.1. It was inter alia observed that the Noticee had not obtained registration from CKYC and KRA. During the inspection, the Noticee had informed that it was under the process of registration with KRA and CKYC.

9.1.2. The provisions of Para 113 - 119 of SEBI Master Circular number SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 on Know Your Client

(KYC) norms for the securities market dated October 12, 2023 provides compliances with respect to Central KYC Records Registry (CKYCR). Para 115 of aforesaid circular requires the registered Intermediary to file the electronic copy of the client's KYC records with the CKYCR within ten days after the commencement of an account- based relationship with a client.

9.1.3. In its reply to the communication of findings, the Noticee submitted that it verifies KYC of the investors through an independent source viz. CVL KRA: https://www.cvlkra.com/ and provides services to only those investors whose KYC is registered and verified by the KRAs registered with the SEBI.

9.1.4. It was observed that the Noticee was in the process of obtaining registration with CKYC and it had not provided any comments on registration with KRA. In view of the same, it was alleged that the Noticee has violated the provisions of Para 113– 119 of SEBI Master Circular number SEBI/HO/MIRSD/SECFATF/P/CIR/ 2023/169 on Know Your Client (KYC) norms for the securities market dated October 12, 2023.

9.1.5. The relevant text of the provisions alleged to have been violated is reproduced below:

SEBI Master Circular number SEBI/HO/MIRSD/SECFATF/P/CIR/ 2023/169

"…

*Central KYC Records Registry (CKYCR)*

*113. Government of India has authorized the Central Registry of Securitization Asset Reconstruction and Security interest of India (CERSAI), set up under sub-section (1) of Section 20 of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, to act as, and to perform the functions of, the Central KYC Records Registry under the PML Rules, 2005, including receiving, storing, safeguarding and retrieving the KYC records in digital form of a "client", as defined in clause (ha) sub-section (1) of Section 2 of the PMLA, 2002.*

*114. As required under the PML Rules, registered intermediaries shall capture the KYC information for sharing with the Central KYC Records Registry in the manner mentioned in the PML Rules, as per the KYC template finalised by CERSAI.*

*115. Registered intermediaries shall within ten days after the commencement of an account-based relationship with a client, file the electronic copy of the client's KYC records with the CKYCR.*

*116. Registered intermediaries shall ensure that all existing KYC records of legal entities and of individual clients are uploaded on to CKYCR when the updated information is obtained/received from the client.*

*117. The Central KYC Records Registry User Manual for uploading KYC records on CKYCR finalised by CERSAI is available at https://www.ckycindia.in/ckyc/assets/doc/User_Manual_1.12.1.pdf.*

*118. Registered intermediaries shall ensure compliance with requirements contained in the PML Rules in this regard.*

*119. For addressing any difficulty in uploading KYC records to CKYCR, CERSAI has operationalised a help desk. Contact details of the CKYCR Helpdesk: Phone: 022-61102592 /022 50623300Email: helpdesk@ckycindia.in*

*…".*

9.1.6. In this regard, I note that Noticee has inter alia submitted as part of reply to the SCN that "…*the Noticee has collected basic KYC documents viz., PAN and Aadhaar card from all of its clients and has verified the client's KYC records from a reliable independent source viz., CVLKRA (SEBI registered KRA): https://www.cvlkra.com/, prior to rendering advisory services to them…".*

9.1.7. In this regard, I note that para 114 of aforesaid circular requires that registered intermediaries shall capture the KYC information for sharing with the Central KYC Records Registry in the manner mentioned in the PML Rules, as per the KYC template finalised by CERSAI. Further, para 115 of aforesaid circular requires the registered Intermediary to file the electronic copy of the client's KYC records with the CKYCR within ten days after the commencement of an account- based relationship with a client. I also note that clause 118 of the aforesaid master circular states that Registered intermediaries shall ensure compliance with requirements contained in the PML Rules in this regard.

In this regard, I note that Noticee's submission that Noticee has verified the client's KYC records from a reliable independent source viz. CVL KRA (SEBI registered KRA): //WWW.CVLKRA.COM/, prior to rendering advisory services to them cannot be accepted as the Noticee was required to obtain registration with CKYCRR.

9.1.8. Further, I note that Noticee as part of its reply to the SCN has inter alia submitted that "*Noticee has duly obtained the CKYC Registration (Institution Code: IN7713), details of registration and a mail in this regard from the CKYC is enclosed in Exhibit-A. Further, the Noticee has also started verifying and downloading the KYC documents from the CKYC Portal in compliance with the said Circular.*"

9.1.9. In this regard, it is noted that the Noticee has submitted an email from the CKYC as an Exhibit-A to its submissions to substantiate its aforesaid submissions. However, I note that the email fails to specify a formal date, referencing only 'yesterday'. This indicates that the Noticee's CKYC registration was finalized immediately prior to the filing of the reply to the Show Cause Notice (SCN) and Noticee was not registered with CKYC during the inspection period. Therefore, Noticee's submission in this regard cannot be accepted.

9.1.10. Further, I note that as regards the allegation of registration with KRA, Noticee has not made any submission as part of reply to the SCN. In the absence of any submission in this regard, it shall be presumed that Noticee has admitted the aforesaid allegation. In this regard, reliance is also placed on Hon'ble Securities Appellate Tribunal (SAT) order dated December 08, 2006 in the matter of Classic Credit Ltd. vs. SEBI wherein Hon'ble SAT had, inter alia, observed that, "......*the appellants did not file any reply to the second show-cause notice. This being so, it has to be presumed that the charges alleged against them in the show cause notice were admitted by them".*

9.1.11. In view thereof, I hold that Noticee has violated the provisions of Para 113- 119 of SEBI Master Circular number SEBI/HO/MIRSD/SECFATF/P/CIR/ 2023/169 on Know Your Client (KYC) norms for the securities market dated October 12, 2023.

## 9.2. Qualification and Certification requirements

9.2.1. As per the provisions of Regulation 7(1(c) of IA Regulations, 2013 at the relevant time, persons associated with investment advice (PAIA) shall meet the following minimum qualifications, at all times-

9.2.2. A professional qualification or post-graduate degree or post graduate diploma (minimum two years in duration) in finance, accountancy, business management, commerce, economics, capital market, banking, insurance or actuarial science from a university or an institution recognized by the Central Government or any State Government or a recognised foreign university or institution or association or a professional qualification by completing a Post Graduate Program in the Securities Market (Investment Advisory) from NISM of a duration not less than one year or a professional qualification by obtaining a CFA Charter from the CFA Institute; and an experience of at least two years in activities relating to advice in financial products or securities or fund or asset or portfolio management.

9.2.3. It was observed that the Noticee had not intimated SEBI and BASL regarding the appointment of Mr. Yogesh Acharya, who is assisting the Principal Officer in his research, while providing Investment Advice. It was observed that Mr. Yogesh Acharya does not have the requisite qualifications and Certifications, as required under Regulation 7(1)(c) of IA Regulations, 2013.

9.2.4. It was also observed that the Noticee had a client facing sales team of 98 employees, which it had not intimated to SEBI and BASL, so as to register them as Persons associated with Investment Advice (PAIA). It was further observed that these 98 employees did not have the requisite qualifications and certifications as required under Regulation 7(1)(c) of IA Regulations, 2013, to work as a PAIA.

9.2.5. The relevant text of the provisions alleged to have been violated is reproduced below:

*"…*

*7.(1) An individual investment adviser or a principal officer of a non-individual investment adviser registered as an investment adviser under these regulations, shall have the* *following minimum qualification, at all times –*

*(c) Persons associated with investment advice shall meet the following minimum qualifications, at all times –*

*(i) a professional qualification as provided in clause (a) of sub-regulation (1) of regulation 7; and*

*(ii) an experience of at least two years in activities relating to advice in financial products or securities or fund or asset or portfolio management:*

*Provided that [the] investment advisers registered under these regulations as on the date of commencement of these regulations shall ensure that the individual investment adviser or principal officer of a non-individual investment adviser registered under these regulations and persons associated with investment advice [shall] comply with [the] qualification and experience requirements within [such time as may be specified by the Board]:*

*Provided further that the requirements at clauses(a) and (b) shall not apply to such existing individual investment advisers as may be specified by the Board.*

…".

*Regulation 2(r) of Securities and Exchange Board of India (Investment Advisers) Regulations, 2013*

*2[(r) "persons associated with investment advice" shall mean any member, partner, officer, director or employee or any sales staff of such investment adviser including any person occupying a similar status or performing a similar function irrespective of the nature of association with the investment adviser who is engaged in providing investment advisory services to the clients of the investment adviser;*

*Explanation. —*

*All client-facing persons such as sales staff, service relationship managers, client relationship managers, etc., by whatever name called shall be deemed to be persons associated with investment advice, but do not include persons who discharge clerical or office administrative functions where there is no client interface.*

9.2.6. In this regard, I note that Noticee as part of reply to the SCN has inter alia submitted that Mr. Yogesh Acharya was just assisting the Principal officer in conducting research, and was not a PAIA, hence there is no such requirement of intimation to the SEBI/BASL of person involved in assisting the Principal Officer. The Noticee further submitted that it is registered as a non- individual investment adviser and its Principal Officer possesses the necessary NISM certifications. However, its employees are not involved in any aspect of investment advice for clients and their sole responsibility is onboarding new clients. All other activities pertaining to investment advice, including risk profiling and rendering investment advice, are exclusively performed by the Principal Officer himself. Therefore, the requirement for NISM certifications for employees does not apply in this case.

9.2.7. I note that in the SCN it was inter alia observed that Noticee had not intimated SEBI and BASL regarding the appointment of Mr. Yogesh Acharya who was assisting in his research. I note that Noticee has not denied that the Mr. Yogesh Acharya was not his employee instead in his reply to the SCN, Noticee has inter alia admitted that '*Mr. Yogesh Acharya was just assisting the Principal officer in conducting research'*. In my view, Mr. Yogesh Acharya was the employee of the Noticee and he was assisting the principal officer in conducting research which facilitated the principle officer in providing investment advices to its clients and therefore, Mr. Yogesh Acharya falls within the definition of 'persons associated with investment advice' and therefore he was required to comply with Regulation 7(1)(c) of IA Regulations, 2013 during the relevant time.

9.2.8. I also note from material available on record that Noticee had 98 employees who were having respective designations with Manager, Senior Executive and team leader were client-facing persons and therefore, shall be deemed to be persons associated with investment advice as per explanation of Regulation 2(r) of IA Regulations. In this regard, explanation of Regulation 2(r) of IA Regulations inter alia states that "*All client-facing persons such as sales staff, service relationship managers, client relationship managers, etc. by whatever name called shall be deemed to be persons associated with investment advice...*"

9.2.9. In this regard, I also note that Noticee's comments to the findings of inspection to SEBI are also in nature of admission in so far as Noticee had submitted that *"…Their sole responsibility is onboarding new clients…".*

9.2.10. Further, details of the aforesaid 98 employees were provided to the Noticee as part of Annexures to the SCN. However, it is noted that

Noticee as part of reply to the SCN has not denied that the said 98 employees of the Noticee were not client facing. Instead, Noticee had merely submitted that *“no employee has ever been appointed as an "Investment Advisor" or any other role involving investment advice activity”.*

In view thereof, I hold that the Noticee has violated the provisions of Regulation 7(1)(c) of IA Regulations, 2013.

### 9.3. Charging of excess fees

9.3.1. As per the provisions of Regulation 15A of SEBI Investment Advisers Regulations, 2013 and clause 1.2(iii) of SEBI Master Circular for Investment Advisers number SEBI/HO/ MIRSO-PoD-2/P/CIR/2023/89 dated June 15, 2023, an investment adviser shall not charge fees more than 1,25,000 per annum per client under fixed fee mode, across all services offered by the IA.

9.3.2. It was observed that the Noticee has charged more than 1,25,000/- per annum from 16 clients during the Inspection period and it has collected the fee of 1,90,678/- from 3 clients whose pan card details were not available with the Noticee. In view of the same, it has been alleged that the Noticee has violated the provisions of Regulation 15A of SEBI Investment Advisers Regulations, 2013 and clause 1.2(iii) of SEBI Master Circular for Investment Advisers number SEBI/HO/ MIRSD-PoD-2/P/CIR/2023/89 dated June 15, 2023.

9.3.3. The relevant text of the provisions alleged to have been violated is reproduced below:

Regulation 15A of SEBI Investment Advisers Regulations, 2013

*15A. Investment Adviser shall be entitled to charge fees for providing investment advice from a client [64][, including an accredited investor] in the manner as specified by the Board.*

SEBI Master Circular for Investment Advisers number SEBI/HO/ MIRSD-PoD-2/P/CIR/2023/89 dated June 15, 2023

*"…*

*(iii) Fees*

*Regulation 15A of the IA Regulations provides that IAs shall be entitled to charge fees from a client in the manner as specified by SEBI.*

*Accordingly, IAs shall charge fees from the clients in either of the two modes:*

*(A) Assets under Advice (AUA) mode*

*(a) The maximum fees that may be charged under this mode shall not exceed 2.5 percent of AUA per annum per client across all services offered by IA.*

*(b) IA shall be required to demonstrate AUA with supporting documents like demat statements, unit statements etc. of the client.*

*(c) Any portion of AUA held by the client under any pre-existing distribution arrangement with any entity shall be deducted from AUA for the purpose of charging fee by the IA.*

*(B) Fixed fee mode*

*The maximum fees that may be charged under this mode shall not exceed INR 1,25,000 per annum per client across all services offered by IA.*

*…".*

9.3.4. In this regard, I note that Noticee's submission are in nature of admission in so far as Noticee has submitted that *"…Noticee does admit the said mistake as due to an inadvertent calculation error, it has resulted in exceeding the prescribed fee limit of a small number of clients…The maximum fees prescribed by the SEBI is Rs 1,25,000/-, which comes to Rs.1,47,500/- (inclusive of GST), and the Noticee had charged on an average excess fee of Rs.18,000…the Noticee has taken the corrective action and has refunded back the excess fee charged from the clients, the Noticee shall be provided leniency and the said allegation shall be removed upon…".*

9.3.5. In view thereof, I hold that Noticee has violated Regulation 15A of SEBI Investment Advisers Regulations, 2013 and clause 1.2(iii) of SEBI Master Circular for Investment Advisers number SEBI/HO/ MIRSD-PoD-2/P/CIR/2023/89 dated June 15, 2023.

## 9.4. Failure to communicate appointment of principal officer and designated director to FIU- IND

9.4.1. It was observed that the Noticee did not intimate to FIU-IND, with respect to appointment of principal officer and designated director, for ensuring compliance with provisions of PMLA.

9.4.2. As per the provisions of Clause 61 and 62 of SEBI Master Circular dated 03.02.2023 titled 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 and Rules framed there under, all registered investment advisers are required to intimate names, designation and addresses (including email addresses) of 'Principal Officer' including any changes therein to the Office of the Director-FIU-IND. They are also required to designate a person as 'Designated Director', and Intimate the same to the FIU-IND.

9.4.3. As the Noticee had not intimated the FIU-IND with respect to appointment of principal officer and designated director, during the inspection period, it has been alleged that the Noticee has violated the provisions of Clause 61 and 62 of Master Circular dated 03.02.2023 titled 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 and Rules framed there under.

9.4.4. The relevant text of the provisions alleged to have been violated is reproduced below:

> *"…*
>
> *Designation of officers for ensuring compliance with provisions of PMLA*
>
> *61.Appointment of a Principal Officer: To ensure that the registered intermediaries properly discharge their legal obligations to report*

*suspicious transactions to the authorities, the Principal Officer would act as a central reference point in facilitating onward reporting of suspicious transactions and for playing an active role in the identification and assessment of potentially suspicious transactions and shall have access to and be able to report to senior management at the next reporting level or the Board of Directors. Names, designation and addresses (including email addresses) of 'Principal Officer' including any changes therein shall also be intimated to the Office of the Director-FIU-IND. As a matter of principle, it is advisable that the 'Principal Officer' is of a sufficiently senior position and is able to discharge the functions with independence and authority.*

*62.Appointment of a Designated Director: In addition to the existing requirement of designation of a Principal Officer, the registered intermediaries shall also designate a person as a 'Designated Director'. In terms of Rule 2 (ba) of the PML Rules, the definition of a Designated Director reads as under: "Designated director means a person designated by the reporting entity to ensure overall compliance with the obligations imposed under chapter IV of the Act and the Rules and includes –*

*a) the Managing Director or a Whole-Time Director duly authorized by the Board of Directors if the reporting entity is a company,*

*b) the managing partner if the reporting entity is a partnership firm,*

*c)the proprietor if the reporting entity is a proprietorship firm,*

*d)the managing trustee if the reporting entity is a trust,*

*e) a person or individual, as the case may be, who controls and manages the affairs of the reporting entity if the reporting entity is an unincorporated association or a body of individuals, and*

*f) such other person or class of persons as may be notified by the Government if the reporting entity does not fall in any of the categories above".*

*…".*

9.4.5. I note that the Noticee as part of reply to the SCN has inter alia submitted that *"…Noticee is already registered with the Financial Intelligence Unit (FIU) and has also intimated the appointment of Principal Officer and Designated Director to FIU-IND in compliance with the provision of PMLA. The same can be verified from the screenshot of the FIU Portal enclosed in Exhibit-C."*

9.4.6. I note that the inspection in the instant matter was conducted from the period beginning April 01, 2022 to October 31, 2023. In this regard, it is noted from the Exhibit-C which is submitted by Noticee as part of reply to the SCN to substantiate the aforesaid submission that the said intimation was made on 05/02/2024 i.e after the inspection period in the matter. Therefore, Noticee's submission in this regard cannot be accepted.

9.4.7. In view thereof, I hold that Noticee has violated Clause 61 and 62 of Master Circular dated 03.02.2023

**Issue No. II: If yes, whether the Noticee is liable for imposition of monetary penalty under Section 15EB of SEBI Act, 1992?**

10. It has been established in the foregoing paragraphs that Noticee had violated the following regulatory provisions:

10.1. Para 113 - 119 of SEBI Master Circular Number SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 on Know Your Client (KYC) norms for the securities market dated October 12, 2023.

10.2. Regulation 7(1)(c) of SEBI Investment Advisers Regulations, 2013.

10.3. Regulation 15A of SEBI Investment Advisers Regulations, 2013 and Clause 1.2(iii) of SEBI Master Circular for Investment Advisers number SEBI/HO/ MIRSD-PoD-2/P/CIR/2023/89 dated June 15, 2023.

10.4. Clause 61 and 62 of Master Circular dated 03.02.2023 titled 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 and Rules framed thereunder.

11. In this regard, it is also noted that the Hon'ble Supreme Court of India in the matter of SEBI v/s Shri Ram Mutual Fund [2006] 68 SCL 216(SC) inter alia held 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 .... "*

12. Therefore, for the established violation, as brought out in the foregoing paragraphs, I find that the Noticee is liable for monetary penalty under Section 15EB of the SEBI Act, which reads as under:

**SEBI Act, 1992**

"…

***Penalty for default in case of investment adviser and research analyst.***
*15EB. Where an investment adviser or a research analyst fails to comply with the regulations made by the Board or directions issued by the Board, such investment adviser or research analyst shall be liable to penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees.]*

*…".*

*(Note: for detailed/ complete text of the provisions, relevant Acts etc., may please be referred.)*

**Issue No. III: If yes, what should be the monetary penalty that can be imposed upon the Noticee?**

13. While determining the quantum of penalty, it is important to consider the factors as stipulated in Section 15J of the SEBI Act, which reads as under:

**SEBI Act, 1992**
*"…*
***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.*

*Explanation —For the removal of doubts, it is clarified that the power to adjudge the quantum of penalty under sections 15A to 15E, clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section.*

*…".*

14. In the instant case, I note that the material available on record does not quantify any disproportionate gain or unfair advantage or loss caused to an investor or group of investors as a result of the violation committed by the Noticee. Further, there is nothing on record to show that the violation committed by the Noticee is repetitive in nature. Further, in respect of the allegation regarding violation of

requirements of educational qualifications and experience by the persons associated with investment advice, it is observed that SEBI has subsequently relaxed the requirements in respect of educational qualifications and experience for Investment Advisers and Persons Associated with Investment Advice. Also, in respect of the allegation of charging of excess fees, it is observed that the Noticee had subsequently taken corrective action by refunding the excess fees charged from few of its clients. While these facts may act as mitigating factors while deciding on the penalty amount in the instant matter, these in no way diminish the requirement on the part of the Noticee as a SEBI registered Investment Advisor to comply with the provisions of securities laws as applicable at the relevant time. I note that the Noticee had failed to comply with the same, as dealt with and brought out in the foregoing and which SEBI is duty bound to enforce compliance of. Such non-compliance accordingly needs to be dealt with suitable penalty.

## E. ORDER

15. After taking into consideration the facts and circumstances of the case, material available on record, submissions made by the Noticee and also the factors mentioned in the preceding paragraphs, in exercise of the powers conferred upon me under section 15-I of the SEBI Act, 1992 read with Rule 5 of the SEBI Adjudication Rules, I hereby impose penalty of ₹3,00,000/-(Rupees Three Lakhs Only) under Section 15EB of the SEBI Act, 1992, upon the Noticee viz., Growthlift Investment Advisories Private Limited. In my view, the said penalty will be commensurate with the violation committed by the Noticee in this case.

16. 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

17. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, SEBI may initiate consequential actions including but not limited to recovery proceedings 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.

18. In terms of the provisions of Rule 6 of the SEBI Adjudication Rules, a copy of this order is being sent to the Noticee and also to the Securities and Exchange Board of India.

SUDEEP MISHRA
Digitally signed by SUDEEP MISHRA
Date: 2026.04.16 15:37:58 +05'30'

**PLACE: MUMBAI** **SUDEEP MISHRA**
**DATE: April 16, 2026** **ADJUDICATING OFICER**