



[QJA/BS/MIRSD/MIRSD-SEC-3/32247/2025-26]

SECURITIES AND EXCHANGE BOARD OF INDIA

FINAL ORDER

UNDER SECTION 12 (3) OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH REGULATION 27 OF SECURITIES AND EXCHANGE BOARD OF INDIA (INTERMEDIARIES) REGULATIONS, 2008.

IN RESPECT OF:

NOTICEE	SEBI Registration No.	PAN
Rajiv Kumar Singh (Proprietor of Elite Investment Advisory Services)	INA000003668	BZZPS6587H

In the matter of inspection of Elite Investment Advisory Services

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A. BACKGROUND

1. The present matter emanates from post enquiry show cause notice (“**SCN**”) dated December 09, 2025 issued to **Rajiv Kumar Singh (Proprietor of Elite Investment Advisory Services)** (hereinafter referred to as “**Noticee**”) under regulation 27 (1) of SEBI (Intermediaries) Regulations, 2008 (hereinafter referred to as “**Intermediaries Regulations**”). The Noticee was registered with Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) as an Investment Adviser (“**IA**”) with SEBI registration no. INA000003668.
2. SEBI conducted an inspection of the Noticee from January 18, 2024 to January 19, 2024 at the registered office of the Noticee concerning various compliance requirements with respect to the provisions of SEBI (Investment Advisers) Regulations, 2013 (hereinafter referred to as “**IA Regulations**”) and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as “**PFUTP Regulations**”). The inspection was conducted for the period beginning April 01, 2022 to December 31, 2023 (hereinafter referred to as “**Inspection period**”).
3. SEBI’s inspection, *inter alia*, observed that the Noticee had violated various provisions of IA Regulations and PFUTP Regulations. These findings/ observations of the inspection were communicated to the Noticee by SEBI vide letter dated March 07, 2024 for furnishing a response and a reminder email dated March 15, 2024 was also sent to the Noticee. However, the Noticee did not submit any response to the observations.

B. PROCEEDINGS BEFORE DESIGNATED AUTHORITY

4. Pursuant to findings/observations made in the course of inspection, SEBI initiated Enquiry proceedings under Chapter V of the Intermediaries Regulation against the Noticee.



5. The Designated Authority (“**DA**”) issued a show cause notice dated January 17, 2025 (hereinafter referred to as “**pre-Enquiry SCN**”) to the Noticee under regulation 25 (1) of the Intermediaries Regulations to show cause as to why appropriate recommendation should not be made against it in terms of Regulations 26 of the Intermediaries Regulations for the alleged violations. The pre-enquiry SCN was delivered to the Noticee via email dated January 17, 2025 and through newspaper publication on March 28, 2025.

6. Since, the Noticee did not file any reply to the pre-enquiry SCN, the matter was proceeded *ex-parte* against the Noticee. Based on the allegations levelled against the Noticee in the pre-Enquiry SCN and the material available on record, the DA concluded the Enquiry Proceedings and submitted the Enquiry Report (“**Enquiry Report**”) dated July 18, 2025 in terms of regulation 26 of the Intermediaries Regulations.

7. The DA in the report has observed the following against the Noticee:
 - 7.1. The Noticee and its employees were not holding requisite qualifications and certifications to act as Investment Adviser.
 - 7.2. The Noticee had not taken registration as an IA in the non-individual category despite exceeding the threshold of 150 clients as is required under the IA Regulations.
 - 7.3. The Noticee was carrying out his activities as an investment adviser dishonestly, non-transparently, without integrity and in complete violation of IA regulations.
 - 7.4. The Noticee has charged fees from various clients, in excess of the maximum prescribed limit of INR 1.25 lakh per client.
 - 7.5. The Noticee has not carried out risk profiling and suitability assessment of its clients.
 - 7.6. The Noticee has failed to disclose all material information to its clients.
 - 7.7. The Noticee has not maintained records of clients as mandated under IA Regulations
 - 7.8. The Noticee has promised assured returns and guaranteed recovery of losses to its clients.



7.9. The Noticee has failed to display information about grievance redressal mechanism and did not resolve the complaints received from its clients.

7.10. The Noticee failed to co-operate and deliberately attempted to hinder the inspection.

8. Based on the aforesaid findings, the DA held that the violations pertaining to IA Regulations and PFUTP Regulations stood established against the Noticee. Accordingly, the DA recommended the following:

“In light of the above, in terms of regulation 26(1) (ii) of Intermediaries Regulations, I hereby recommend that the certificate of registration granted to Mr. Rajiv Kumar Singh, Proprietor Elite Investment Advisory Services, with SEBI Registration No. INA000003668 may be cancelled.”

C. SHOW CAUSE NOTICE, REPLY AND HEARING

9. Pursuant to the submission of the Enquiry Report, SCN dated December 09, 2025 in the matter was issued to the Noticee. Vide the above-mentioned SCN, Noticee was called upon to show cause as to why action as recommended by the DA or any other directions as deemed fit should not be issued/imposed on it in terms of Intermediaries' regulation. The SCN was issued enclosing along with the Enquiry Report of the DA dated July 18, 2025 to the Noticee. Hence, any reference in this Order to the allegations made in the SCN must also be read to include the conclusions arrived at in the Enquiry Report.

10. The SCN was served on the Noticee through digitally signed email at the email address: eliteresearchinfo@gmail.com. It is relevant to note that the said email address is the registered email address of the Noticee, as available with SEBI, which was provided during the registration process.

11. In response to the SCN, the Noticee *vide* e-mail dated January 07, 2026 informed that he is not in a position to continue his services as an Investment Advisor due to financial constraints and health issues. He submitted that it has become unviable for



him to continue further and accepted the recommendation of DA to cancel the registration granted to him.

12. Subsequently, a hearing notice dated January 19, 2026 was issued to the Noticee granting him an opportunity of personal hearing on February 03, 2026. Reminders were also sent to the Noticee through emails dated January 29, 2026 and February 03, 2026. However, the Noticee failed to appear before me on the said date. Thereafter, an email dated February 04, 2026 was also sent to the Noticee informing him that since he failed to appear before me, it is presumed that he has nothing further to state and the matter will be proceeded with on the basis of material available on record. In this regard, no reply has been received from the Noticee.

D. CONSIDERATION OF ISSUES AND FINDINGS

13. I have perused the pre-enquiry SCN, Enquiry Report and other material available on record. In the extant proceedings, it is required to ascertain whether the Noticee has violated the provisions of securities law as mentioned in the Enquiry report.
14. I note that the SCN was served on the Noticee at the registered email address available on record and the Noticee has not refuted the allegations made in the SCN. Further, the Noticee in his response has agreed to the recommendation made by the DA for cancellation of his registration. I also note that Noticee did not avail an opportunity of personal hearing before me, despite sending multiple reminders.
15. Therefore, I note that no prejudice has been caused to the Noticee and principles of natural justice has been duly complied with in the present matter. Accordingly, I am inclined to take the view that Noticee has nothing further to submit and the matter is being proceeded with based on the material available on record
16. Before proceeding, I find it appropriate to reproduce below the relevant provisions of the regulations and circulars alleged to have been violated by the Noticee:



SEBI Act, 1992

Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control.

12A. No person shall directly or indirectly—

(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;

(b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;

(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;

SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003

3. Prohibition of certain dealings in securities

No person shall directly or indirectly—

(a) buy, sell or otherwise deal in securities in a fraudulent manner;

(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;

(c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;

(d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.

4. Prohibition of manipulative, fraudulent and unfair trade practices

(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a manipulative, fraudulent or an unfair trade practice in securities markets.

Explanation.—For the removal of doubts, it is clarified that any act of diversion, misutilisation or siphoning off of assets or earnings of a company whose securities are listed or any concealment of such act or any device, scheme or artifice to manipulate the books of accounts or financial statement of such a company that would directly or indirectly manipulate the price of securities



of that company shall be and shall always be deemed to have been considered as manipulative, fraudulent and an unfair trade practice in the securities market.

(2) Dealing in securities shall be deemed to be a manipulative fraudulent or an unfair trade practice if it involves any of the following:—

- (a) disseminating information or advice through any media, whether physical or digital, which the disseminator knows to be false or misleading in a reckless or careless manner and which is designed to, or likely to influence the decision of investors dealing in securities
- (b) fraudulent inducement of any person by a market participant to deal in securities with the objective of enhancing his brokerage or commission or income;
- (c) mis-selling of securities or services relating to securities market;

Securities and Exchange Board of India (Investment Advisers) Regulations, 2013

Qualification and certification requirement.

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-

(a) 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;

(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.

(2) An individual investment adviser or principal officer of a non-individual investment adviser, registered under these regulations and persons associated with investment advice shall have, at all times a certification on financial planning or fund or asset or portfolio management or investment advisory services-

- (a) from NISM; or



(b) from any other organization or institution including Financial Planning Standards Board of India or any recognized stock exchange in India provided such certification is accredited by NISM:

Provided that fresh certification must be obtained before expiry of the validity of the existing certification to ensure continuity in compliance with certification requirements:

Provided further that fresh certification before expiry of the validity of the existing certification shall not be obtained through a CPE program.

Conditions of certificate.

13. The certificate granted under regulation 9 shall, *inter alia*, be subject to the following conditions:-

(b) the investment adviser shall forthwith inform the Board in writing, if any information or particulars previously submitted to the Board are found to be false or misleading in any material particular or if there is any material change in the information already submitted;

(e) individuals registered as investment advisers whose number of clients exceed one hundred and fifty in total, shall apply for registration as non-individual investment adviser within such time as may be specified by the Board.

General responsibility.

15. (1) An investment adviser shall act in a fiduciary capacity towards its clients and shall disclose all conflicts of interests as and when they arise.

(2) An investment adviser shall not receive any consideration by way of remuneration or compensation or in any other form from any person other than the client being advised, in respect of the underlying products or securities for which advice is provided.

(3) An investment adviser shall maintain an arms-length relationship between its activities as an investment adviser and other activities.

(4) An investment adviser which is also engaged in activities other than investment advisory services shall ensure that its investment advisory services are clearly segregated from all its other activities, in the manner as prescribed hereunder.

(5) An investment adviser shall ensure that in case of any conflict of interest of the investment advisory activities with other activities, such conflict of interest shall be disclosed to the client.

(7) An investment advisor shall not enter into transactions on its own account which is contrary to its advice given to clients for a period of fifteen days from the day of such advice. Provided that during the period of such fifteen days, if the investment adviser is of the opinion that the situation has changed, then it may enter into such a transaction on its own account after giving such revised assessment to the client at least 24 hours in advance of entering into such transaction.

(8) An investment advisor shall follow Know Your Client procedure as specified by the Board from time to time.

(9) An investment adviser shall abide by Code of Conduct as specified in Third Schedule.



(13) It shall be the responsibility of the investment adviser to ensure compliance with the certification and qualification requirements as specified under Regulation 7 at all times.

Fees.

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

Risk profiling.

16. Investment adviser shall ensure that,-

(a) it obtains from the client, such information as is necessary for the purpose of giving investment advice, including the following:-

(i) age;

(ii) investment objectives including time for which they wish to stay invested, the purposes of the investment;

(iii) income details;

(iv) existing investments/ assets;

(v) risk appetite/ tolerance;

(vi) liability/borrowing details.

(b) it has a process for assessing the risk a client is willing and able to take, including:

(i) assessing a client's capacity for absorbing loss;

(ii) identifying whether client is unwilling or unable to accept the risk of loss of capital;

(iii) appropriately interpreting client responses to questions and not attributing inappropriate weight to certain answers.

(c) where tools are used for risk profiling, it should be ensured that the tools are fit for the purpose and any limitations are identified and mitigated;

(d) any questions or description in any questionnaires used to establish the risk a client is willing and able to take are fair, clear and not misleading, and should ensure that:

(i) questionnaire is not vague or use double negatives or in a complex language that the client may not understand;

(ii) questionnaire is not structured in a way that it contains leading questions.

(e) risk profile of the client is communicated to the client after risk assessment is done;

(f) information provided by clients and their risk assessment is updated periodically.

Suitability.

17. Investment adviser shall ensure that,-

(a) All investments on which investment advice is provided is appropriate to the risk profile of the client;

(b) It has a documented process for selecting investments based on client's investment objectives and financial situation;

(c) It understands the nature and risks of products or assets selected for clients;

(d) It has a reasonable basis for believing that a recommendation or transaction entered into:

(i) meets the client's investment objectives;



(ii) is such that the client is able to bear any related investment risks consistent with its investment objectives and risk tolerance;

(iii) is such that the client has the necessary experience and knowledge to understand the risks involved in the transaction.

(e) Whenever a recommendation is given to a client to purchase of a particular complex financial product, such recommendation or advice is based upon a reasonable assessment that the structure and risk reward profile of financial product is consistent with clients experience, knowledge, investment objectives, risk appetite and capacity for absorbing loss.

Disclosures to clients.

18. (1) An investment adviser shall disclose to a prospective client, all material information about itself including its business, disciplinary history, the terms and conditions on which it offers advisory services, affiliations with other intermediaries and such other information as is necessary to take an informed decision on whether or not to avail its services.

(4) An investment adviser shall disclose to the client its holding or position, if any, in the financial products or securities which are subject matter of advice.

(5) An investment adviser shall disclose to the client any actual or potential conflicts of interest arising from any connection to or association with any issuer of products/ securities, including any material information or facts that might compromise its objectivity or independence in the carrying on of investment advisory services.

(6) An investment adviser shall, while making an investment advice, make adequate disclosure to the client of all material facts relating to the key features of the products or securities, particularly, performance track record.

(7) An investment adviser shall draw the client's attention to the warnings, disclaimers in documents, advertising materials relating to an investment product which it is recommending to the client.

Maintenance of records.

19. (1) An investment adviser shall maintain the following records,-

(a) Know Your Client records of the client;

(b) Risk profiling and risk assessment of the client;

(c) Suitability assessment of the advice being provided;

(d) Copies of agreements with clients, incorporating the terms and conditions as may be specified by the Board;

(e) Investment advice provided, whether written or oral;

(f) Rationale for arriving at investment advice, duly signed and dated;

(g) A register or record containing gist of the clients, the date of advice, nature of the advice, the products/securities in which advice was rendered and fee, if any charged for such advice.

(2) All records shall be maintained either in physical or electronic form and preserved for a minimum period of five years:

Provided that where records are required to be duly signed and are maintained in electronic form, such records shall be digitally signed.



Redressal of client grievances.

21.(1) *The Investment Adviser shall redress investor grievances promptly but not later than twenty-one calendar days from the date of receipt of the grievance and in such manner as may be specified by the Board.*

(2)*An investment adviser shall have adequate procedure for expeditious grievance redressal.*

(3)*Client grievances pertaining to financial products in which investments have been made based on investment advice, shall fall within the purview of the regulator of such financial product.*

(4)*Any dispute between the investment adviser and his client shall be submitted to a dispute resolution mechanism that includes mediation and/or conciliation and/or arbitration in accordance with the procedure specified by the Board or through Ombudsman authorized or appointed for the purpose by any regulatory authority, as applicable.*

Client level segregation of advisory and distribution activities.

22. (1) *An individual investment adviser shall not provide distribution services.*

(2) *The family of an individual investment adviser shall not provide distribution services to the client advised by the individual investment adviser and no individual investment adviser shall provide advice to a client who is receiving distribution services from other family members.*

(3) *A non-individual investment adviser shall have client level segregation at group level for investment advisory and distribution services.*

Explanation. —

(i) *The same client cannot be offered both advisory and distribution services within the group of the non-individual entity.*

(ii) *A client can either be an advisory client where no distributor consideration is received at the group level or distribution services client where no advisory fee is collected from the client at the group level.*

(iii) *'Group' for this purpose shall mean an entity which is a holding, subsidiary, associate, subsidiary of a holding company to which it is also a subsidiary or an investing company or the venturer of the company as per the provisions of Companies Act, 2013 for non-individual investment adviser which is a company under the said Act and in any other case, an entity which has a controlling interest or is subject to the controlling interest of a non-individual investment adviser.*

(4) *Non-individual investment adviser shall maintain an arm's length relationship between its activities as investment adviser and distributor by providing advisory services through a separately identifiable department or division.*

(5) *Compliance and monitoring process for client segregation at group or family level shall be in accordance with the guidelines specified by the Board.*

Implementation of advice or execution

22A. (1) *Investment adviser may provide implementation services to the advisory clients in securities market:*



Provided that investment advisers shall ensure that no consideration including any commission or referral fees, whether embedded or indirect or otherwise, by whatever name called is received; directly or indirectly, at investment adviser's group or family level for the said service, as the case maybe.

(2) Investment adviser shall provide implementation services to its advisory clients only through direct schemes/products in the securities market.

(3) Investment adviser or group or family of investment adviser shall not charge any implementation fees from the client.

(4) The client shall not be under any obligation to avail implementation services offered by the investment adviser.

Obligation of investment adviser on inspection.

25.(1) It shall be the duty of every investment adviser in respect of whom an inspection has been ordered under the regulation 23 and any other associate person who is in possession of relevant information pertaining to conduct and affairs of such investment adviser, including partners, directors, principal officer and persons associated with investment advice, if any, to produce to the inspecting authority such books, accounts and other documents in his custody or control and furnish him with such statements and information as the inspecting authority may require for the purposes of inspection.

(2) It shall be the duty of every investment adviser and any other associate person who is in possession of relevant information pertaining to conduct and affairs of the investment adviser to give to the inspecting authority all such assistance and shall extend all such co-operation as may be required in connection with the inspection and shall furnish such information as sought by the inspecting authority in connection with the inspection.

(3) The inspecting authority shall, for the purposes of inspection, have power to examine on oath and record the statement of any employees, directors, partners, principal officer and persons associated with investment advice or person responsible for or connected with the activities of investment adviser or any other associate person having relevant information pertaining to such investment adviser.

(4) The inspecting authority shall, for the purposes of inspection, have power to obtain authenticated copies of documents, books, accounts of investment adviser, from any person having control or custody of such documents, books or accounts.

THIRD SCHEDULE - CODE OF CONDUCT FOR INVESTMENT ADVISER

1. Honesty and fairness

An investment adviser shall act honestly, fairly and in the best interests of its clients and in the integrity of the market.

2. Diligence



An investment adviser shall act with due skill, care and diligence in the best interests of its clients and shall ensure that its advice is offered after thorough analysis and taking into account available alternatives.

SEBI Circular No. SEBI/HO/MIRSD-PoD-2/P/CIR/2023/89 dated June 15, 2023 (SEBI Master Circular for Investment Advisers)

https://www.sebi.gov.in/legal/master-circulars/jun-2023/master-circular-for-investment-advisers_72614.html

17. I shall now proceed to deal with the violations alleged, basis the conclusions in the Enquiry report:

I. Qualification and NISM certification requirement

18. The inspection report observed that the Noticee had submitted in his reply to the Pre-Inspection Questionnaire (PIQ) that he holds PGDM and also claimed to have obtained NISM X-A & X-B certifications. However, he did not submit any document in support of his qualifications and certifications. It was further observed that the employees of the Noticee were providing investment advice to the clients without obtaining the requisite qualification and NISM certification.

19. As per the provisions of Regulation 15(13) of IA Regulations, an investment adviser (IA) shall ensure compliance with certification and qualification requirements as specified under Regulation 7 of the aforesaid regulations. As per the extant provisions of IA Regulations during the inspection period, an IA shall have a professional qualification or a post-graduate degree or post graduate diploma in the fields and from the institutions, as specified in Regulation 7(1) (a) of the IA Regulations. Further, persons associated with investment advice shall, at all times, have a professional qualification as provided under Regulation 7(1)(a) and an experience of at least two years in activities related to advice in financial products or securities or fund or asset or portfolio management. As per the provisions of Regulation 7(2) of IA Regulations, the IA and persons associated with investment advice shall at all times, have relevant NISM certification specified by the Board from time to time.



20. The Noticee has not refuted the allegations made in the SCN and has not submitted any proof in support of his contention. Further, a perusal of the NISM Skill Registry Portal reveals that the NISM X-B Certification of Mr. Rajiv Kumar Kumar Singh was not active during the Inspection Period.
21. Hence, I agree with the conclusion of the DA that the Noticee has violated provisions of Regulation 7(1) (a), 7(1) (c), 7(2) and Regulation 15(13) of the IA Regulations.

II. Failure to abide by conditions of registration as mandated under IA Regulations.

22. The inspection report had observed the following:
- a. The Noticee had 1452 clients in FY 2022-23 and 1227 clients in FY 2023-24 (till December 2023). However, the IA- Rajiv Kumar Singh proprietor of Elite Investment Advisory Services had not taken registration as an IA under the non-individual category as required under clause 1.2 (v) SEBI Master Circular for IAs dated June 15, 2023 read with regulation 13 (e) of SEBI IA regulations.
 - b. The Noticee had failed to inform SEBI and BASL regarding the appointments of Mr. Vivek Rana as Head Investment Advisor; and Ms. Anjum Ansari, as an Investment Advisor.
23. Regulation 13 (e) of IA Regulations (as in force during the IP) read with clause 1.2 (v) of SEBI Master Circular for IA dated June 15, 2023 required individuals registered as IAs to apply for registration under the non-individual category, when the number of clients exceed one hundred and fifty. Further, Regulation 13 (b) mandates the IA to inform SEBI regarding any material change in the information with respect to its certificate of registration.
24. I note that the Noticee was registered under the individual category but was servicing large number of clients to the tune of 1452 clients in FY 2022-23 and 1227 clients in FY 2023-24 (till December 2023). As per regulation 13 (e) of SEBI IA regulations



read with SEBI Master Circular for IAs, the Noticee and was required to register as an IA in non-individual category as soon as the client number exceeded 150. The Noticee despite exceeding the threshold of 150 clients failed to register itself as an IA under non-individual category and was in clear violation of regulation 13 (e) of SEBI IA regulations read with clause 1.2 (v) of SEBI Master Circular for IAs dated June 15, 2023.

25. Further, the Noticee had appointed Mr. Vivek Rana as the Head Investment Advisor; and Ms. Anjum Ansari, as an Investment Advisor. As per the regulation 13 (b) of the IA regulations, any material change in the information already submitted to SEBI has to be informed forthwith. The appointments of the aforesaid individuals, who were persons associated with investment advice, being material change in information ought to have been informed to SEBI and BSE Administration & Supervision Limited (being the Investment Advisers Administration and Supervisory Body during the IP). The Noticee by not intimating such information has violated the provisions of regulation 13 (b) of the IA regulations.

26. Hence, I agree with the conclusion of the DA that the Noticee has violated the provisions of regulation 13 (b) and 13 (e) of the IA Regulations read with clause 1.2 (v) of SEBI Master Circular for IAs dated June 15, 2023.

III. Failure to fulfil general responsibilities of IA and maintain client level segregation of advisory and distribution services

27. The SCN alleged that that Mr. Vivek Rana and Ms. Anjum Ansari, who were also persons associated with investment advice, have traded in securities market during the inspection period which may be in conflict with interest of clients of the Noticee. Further, excess credits of ₹2.37 crore was found in the bank account of the Noticee indicating that Noticee may have been receiving money from persons not mentioned in the client list submitted by the Noticee; or may be managing/ handling funds of its registered and/ or non-clients; or may be receiving consideration from persons other than clients being advised in respect of underlying products / securities for which advice is provided; or may also be offering distribution services to the same set of clients to whom it is offering advisory services.



28. Regulation 15 of the IA Regulations provides for general responsibilities of an IA. It *inter-alia* states that an investment adviser shall not receive any consideration by way of remuneration or compensation or in any other form from any person other than the client being advised, shall maintain arms-length relationship and segregate its other activities, any conflict of interest shall be disclosed etc. As per Regulation 22 of the IA Regulations, an individual IA shall not provide distribution services. Further, Clause 1.2(ii) of the said Master Circular provides that the IA shall comply with the guidelines with respect to client level segregation of advisory and distribution activities.
29. The DA has observed that the Noticee had unexplained credit balance of INR 2.37 crores and its employees have traded in the securities while recommending such securities to the client. Further, it was observed that the Noticee's evasive replies responding to requests to provide bank details and not providing the source of unexplained credits raises serious concerns about his genuineness in conducting the activities as an Investment Adviser.
30. In the context of the facts and circumstances of the case, I note that the Noticee has not refuted the aforesaid allegation made in the SCN. Further, there is nothing on record to prove the contrary. Therefore, I agree with the DA's conclusion that the Noticee has violated the provisions of Regulations 15 (1), (2), (3), (4), (5), (7), (8) and (9) and Regulation 22 of IA Regulations read with Clause 1.2(ii) of SEBI Master Circular for IAs.

IV. Failure to conduct risk profiling and not ensuring suitability of advice to clients

31. The inspection report had observed that the Noticee failed to provide documented process and the detail questionnaire for risk profiling which are required to find out the risk category of the client and further the Noticee failed to provide risk profile data of sample clients. It was also observed that the Noticee did not have any documented



process which was required to understand the nature and risks of products or assets selected for clients.

32. Regulation 16 of IA Regulations mandates that an IA shall obtain such information from a client as is necessary for the purpose of giving advice and should have a process for assessing the risk of a client. Further, under Regulation 17, an IA is mandated to have a documented process for recommending investments and ensure that the advice must be suitable to the clients experience, knowledge, investment objectives, risk appetite and capacity for absorbing loss. In this regard, clauses 1.2 (viii) and clause 2.2 of SEBI Master Circular for IAs mandates enhanced risk profiling and suitability analysis of non-individual clients.
33. The DA has observed that the Noticee has not carried out risk profiling and suitability assessment of his clients. From the material available on record, there is nothing to show that the Noticee had a documented process to conduct risk profiling and assess suitability of clients. Such processes are mandatory pre-requisites which needs to be conducted by an IA and if advisory services are provided without factoring in the client's financial condition and risk appetite, the same may result in advice which is not suitable for the client.
34. In the absence of any proper reply by the Noticee, I agree with the conclusion of the DA that the Noticee has violated regulation 16 and 17 of the IA Regulations read with clauses 1.2 (viii) and clause 2.2 of SEBI Master Circular for IAs.

V. Failure to charge fees in accordance with SEBI Master Circular for IAs

35. The inspection report observed that although the Noticee claimed that he charged fees on a fixed fee model, but from the client master it was noted that the Noticee was charging fees more than what is allowed under regulation 15A of IA regulations.
36. As per regulation 15A of IA regulations read with clause 1.2 (iii) of SEBI Master Circular, an IA can charge fees either under Assets under Advise (AUA) mode or



Fixed Fee mode. It further provides that under the fixed fee mode, an IA can charge a maximum fees of INR 1, 25,000 per annum per client across all services.

37. I note that the Noticee has claimed that he charged fees under the fixed fee mode. From the client master data, it is noted that the Noticee has charged more fees (excluding taxes) than INR 1.25 lakh in FY 2022-23 from three of his clients. The details of such clients and the annual fees charged to them is provided below:

Sl. No	PAN	Name	Fee charged (Rs.)
1	BMQPD3802A	Hiren Shashikantbhai Dhobi	155508.48
2	CMAPS1474E	Aliasgar Shabbirhusain Saiffee	125398.28
3	AUNPS0725M	Zafar Aftab Sayed	125093.23

38. In view of the said evidence, I agree with the conclusion of the DA that the Noticee has violated the provisions of regulation 15A of the IA Regulations read with clauses 1.2 (iii) of SEBI Master Circular for IAs.

VI. Failure to disclose material information to clients as required under IA Regulations.

39. Regulation 18 of IA Regulations requires an IA to disclose to a prospective client, all material information about itself including its business, disciplinary history, holdings or positions in securities, the terms and conditions on which it offers advisory services, affiliations with other intermediaries, conflict of interests and such other information as is necessary to take an informed decision.

40. The inspection report observed that the Noticee had failed to provide any records to indicate necessary disclosures were provided to its clients as mandated by Regulation 18 of SEBI IA Regulations. The DA had observed that such non-disclosure deprives the clients of vulnerable information and thus prevents clients from making informed decisions and undermines transparency and integrity of advisory services.

41. I note that the Noticee has not refuted the allegation made in the SCN and there is nothing on record to prove the contrary. The Noticee by not making the



appropriate disclosure has deprived its clients of the opportunity to evaluate his objectivity, credibility in providing advice and the potential bias, if any. Hence, I agree with the conclusion of the DA that the Noticee has violated regulation 18 of the IA Regulations.

VII. Failure to maintain records as required under IA Regulations.

42. Regulation 19 of IA Regulations mandates an IA to maintain certain records either in physical or electronic form and preserve the same for a minimum period of five years. The records that needs to be maintained include KYC of clients, data pertaining to risk profiling and risk assessment of the clients, suitability assessment of the advice being provided, copies of agreements with clients, investment advice provided etc.
43. The inspection report had observed that during course of investigation, the Noticee failed to provide any client records with respect to KYC, risk profiling and risk assessment, suitability assessment, copies of agreements with clients, investment advice provided, email records, SMS records etc.
44. I note that the Noticee failed to produce the said records during the time of inspection and did not respond to the email sent in this regard by the inspection team. The same leads to the inference that that Noticee has not maintained records as mandated under regulation 19 of IA regulations.
45. In the absence of any proper reply by the Noticee, I agree with the conclusion of the DA that the Noticee has violated provisions of regulation 19 of the IA Regulations.

VIII. Failure to display information about grievance redressal mechanism and non-redressal of complaints made by clients

46. The inspection report observed that the Noticee had not displayed information about investor grievance redressal mechanism at his office. The Noticee also failed to submit the procedure for redressal of client grievances, grievance register and



complete records regarding resolution of these complaints. Therefore, it was alleged that Noticee had violated Clause 6.2 of SEBI Master Circular for IAs read with Regulation 21 of the IA Regulations.

47. As per the provisions of Clause 6.2 of SEBI Master Circular for IAs and Regulation 21 of the IA Regulations, IAs shall prominently display specified information about grievance redressal mechanism in their offices. They are also required to redress investor grievances not later than 21 days from the date of receipt of the grievance; and shall have adequate procedures for expeditious grievance redressal; maintain records of records of the complaints and their resolution.

48. During the inspection it was observed that the Noticee had not displayed information about the investor grievance redressal mechanism in its office and had also failed to submit the procedure for redressal of client grievances, grievance register and complete records regarding resolution of these complaints. It was further observed during the inspection that the Noticee had received 174 complaints from 42 unique complainants and the IA has failed to provide records regarding resolution of these complaints. The Noticee has not refuted the said allegations and there is nothing on record to prove the contrary.

49. Hence, I agree with the conclusion of the DA that the Noticee has violated clause 6.2 of SEBI Master Circular for IAs read with Regulation 21 of the IA Regulations.

IX. Promising assured returns/recovery of losses to clients

50. The inspection report had observed that the Noticee was promising assured profits and guaranteed recovery of losses to its clients, was offering demo/ trial without any risk profiling or suitability analysis; was demanding payment without agreement; was offering only F&O intraday to all the clients; and was seeking login credentials of clients. Therefore, it was alleged that the Noticee had violated Regulation 15(1), 15(9) of the IA Regulations r/w Clause 1 and 2 of Code of Conduct as specified in Third Schedule to IA Regulations; Regulation 3 (a), (b), (c),



(d) and 4(1), 4(2)(k), 4(2)(o) and 4(2)(s) of PFUTP Regulations r/w Section 12A(a),(b) and (c) of the SEBI Act, 1992.

51. As per the provisions of Regulation 3 (a),(b),(c),(d) and 4(1), 4(2)(k), 4(2)(o) and 4(2)(s) of PFUTP Regulations r/w Section 12A(a),(b) and (c) of the SEBI Act, 1992 and Regulation 15(1) of IA Regulations, an IA shall act in a fiduciary capacity towards its clients and shall disclose all conflicts of interest as and when they arise. No person shall disseminate information or advice knowing it to be false or misleading in a careless manner, which is designed to or likely to influence the decision of investors; no person shall fraudulently induce any other person to deal in securities with the objective of enhancing his brokerage, commission or income; or mis-sell securities or services relating to securities market.

52. The inspection report had observed on the basis of the call recordings of employees of the Noticee, that the employees were assuring returns to the clients and surety of loss recovery in order to earn fees. The DA had concluded that the Noticee had promised assured returns and guaranteed recovery of losses to its clients.

53. The Noticee has not submitted any response rebutting this allegation and there is nothing on record for me to take a contrary view. Hence, I am inclined to agree with the conclusion of the DA that the Noticee has violated Regulation 3 (a), (b), (c), (d) and 4(1), 4(2)(k), 4(2)(o) and 4(2)(s) of PFUTP Regulations r/w Section 12A(a),(b) and (c) of the SEBI Act, 1992; Regulation 15(1), 15(9) of the IA Regulations r/w Clause 1 and 2 of Code of Conduct as specified in Third Schedule to IA Regulations.

X. Non-cooperation and deliberate attempt to prevent and hinder the inspection

54. The inspection report observed that the Noticee deliberately attempted to prevent and hinder the inspection process. The inspection team had observed that the Noticee had *inter-alia* directed all the employee to flee the office before the inspection started, deleted data from his laptop in order to hinder inspection, did



not provide complete details as sought by the inspection team, prevented collection of data/records by inspection team etc.

55. Regulation 25 of the IA Regulations states that it shall be the duty of an IA as well as his employees to provide all information as sought by the inspecting authority and extend full co-operation during the inspection. The DA has observed that the Noticee has not cooperated with the Inspection team and made deliberate attempts to prevent and hinder the inspection process. The Noticee has not submitted any response or information rebutting this allegation and there is no material on record for me to take a contrary view. In view of the same, I agree with the conclusion of the DA that the Noticee has violated regulation 25 of the IA Regulations.

E. CONCLUSION

56. For the reasons mentioned in the preceding paragraphs, I find that that the Noticee has violated the following provisions:

- a. Failure to ensure appropriate qualifications and NISM certifications- Regulation 7(1) (a), 7(1) (c), 7(2) and Regulation 15(13) of IA Regulations.
- b. Failure to abide by conditions of certification as mandated under IA regulations - Regulation 13 (b) and 13 (e) of the IA Regulations read with clause 1.2 (v) of SEBI Master Circular for IAs dated June 15, 2023.
- c. Failure to fulfil general responsibilities and maintain client level segregation of advisory and distribution services- Regulations 15 (1), (2), (3), (4), (5), (7), (8) and (9) and Regulation 22 of IA Regulations read with Clause 1.2(ii) of SEBI Master Circular for IAs dated June 15, 2023.
- d. Failure to conduct risk profiling and not ensuring suitability of advice to clients - Regulation 16 and 17 of the IA Regulations read with clauses 1.2 (viii) and clause 2.2 of SEBI Master Circular for IAs dated June 15, 2023.
- e. Failure to charge fees in accordance with SEBI Master Circular for IAs - Regulation 15A of the IA Regulations read with clauses 1.2 (iii) of SEBI Master Circular for IAs dated June 15, 2023.



- f. Failure to disclose material information to clients: Regulation 18 of IA Regulations.
- g. Failure to maintain records: Regulation 19 of IA Regulations.
- h. Failure to display information about grievance redressal mechanism and non-redressal of complaints made by clients- Clause 6.2 of SEBI Master Circular for IAs read with Regulation 21 of the IA Regulations.
- i. Promising assured returns/recovery of losses to clients - Regulation 3 (a), (b), (c), (d) and 4(1), 4(2)(k), 4(2)(o) and 4(2)(s) of PFUTP Regulations r/w Section 12A(a),(b) and (c) of the SEBI Act, 1992; Regulation 15(1), 15(9) of the IA Regulations r/w Clause 1 and 2 of Code of Conduct as specified in Third Schedule to IA Regulations.
- j. Non-cooperation and deliberate attempt to prevent and hinder the inspection- Regulation 25 of the IA Regulations.

57. The Noticee has not submitted any reply to the SCN. In this regard, I note that the Hon'ble SAT in the matter of *Classic Credit Ltd. vs. SEBI (Appeal No. 68 of 2003 decided on December 08, 2006)* has, *inter-alia*, observed the following: "... *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...*"

58. As a SEBI registered intermediary, the Noticee is under statutory obligation to comply with the applicable SEBI Regulations, Circulars and Rules. The Noticee has violated various provisions of IA Regulations and SEBI Master Circular for IAs as it was functioning without the requisite certification, collecting fees in violation of prescribed norms, not performing risk profiling and suitability assessment and not redressing the clients' grievances. Further, the Noticee has promised assured returns to its clients, which amounts to misleading and inducing the clients to subscribe to his investment advisory service, with the objective to enhance his fees. The violations established above strikes at the core principles of investor protection, transparency and regulatory compliance



59. The DA's uncontroverted conclusion, which find that the Noticee deliberately attempted to hinder the inspection process and showed complete non-cooperation during the inspection is a serious affront to regulatory oversight. Such conduct reflects not just non-compliance but scant regards to the regulatory process. This pattern and behaviour is detrimental to the trust and integrity essential for the functioning of capital markets and warrants an appropriate regulatory action.

60. The Noticee has conveyed his acceptance of the DA's recommendation to cancel his certificate of registration and has stated that he is not in a position to continue services as an IA due to financial constraints and health issues. Having regard to the facts and circumstances discussed in aforesaid paragraphs, I agree with the recommendation made by the DA.

F. ORDER

61. In view of the foregoing, I, in exercise of powers conferred upon me under sub section (3) of Section 12 and Section 19 of the SEBI Act, 1992 read with the sub-regulation (5) of regulation 27 of the Intermediaries Regulations, hereby cancel the certificate of registration of the Noticee i.e. Rajiv Kumar Singh (Proprietor of Elite Investment Advisory Services).

62. The Order shall come into force with immediate effect.

63. A copy of this order shall be served upon the Noticee and on BSE Limited (being the Investment Advisers Administration and Supervisory Body) for its information and record.

Date: March 25, 2026

Place: Mumbai

Sd/-

BIJU S.

**QUASI JUDICIAL AUTHORITY
SECURITIES AND EXCHANGE BOARD OF INDIA**