



ABHISHEK MISHRA
PRACTICING COMPANY SECRETARY
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Compliance Audit Report

2023-24

Ritwik Rai

SEBI Reg. No.: INA000011875

BASL Membership Id: 1797



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The Compliance Audit Report of even date, for the Financial Year ended 31st March, 2024 is to be read along with this letter.

Investment Adviser's Responsibility

1. It is the responsibility of the Investment Adviser to maintain all the requisite records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. My responsibility is to express an opinion on the compliances followed by the Investment Adviser with respect to SEBI (Investment Advisers) Regulations, 2013.
3. I believe that audit evidence and information obtained from the Investment Adviser is adequate and appropriate for me to provide a basis for my opinion.
4. Wherever required, I have obtained the representation from Investment Adviser about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Compliance Audit Report is neither an assurance as to the future viability of the Investment Adviser nor of the efficacy or effectiveness with which the Investment Adviser has conducted the affairs of the firm.
6. I have not verified the correctness and appropriateness of financial records and books of account of the Investment Adviser.
7. The report is the opinion of the Auditor and in no way assures the compliances done by the Investment Adviser.



Date: 28th September, 2024

Abhishek Mishra
Practicing Company Secretary
ACS 56048 | CP 24511



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COMPLIANCE AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024
[PURSUANT TO REGULATION 19(3) OF THE SEBI (INVESTMENT ADVISERS)
REGULATIONS, 2013]

I have examined the relevant books of accounts, records and documents maintained by **Mr. Ritwik Rai**, bearing SEBI registration number **INA000011875** and a member of the BSE Administration and Supervision Ltd. (BASL) bearing BASL membership ID **1797** (hereinafter called the "Investment Adviser" or "IA") to fulfill the Annual Audit Compliance requirement as prescribed vide SEBI (Investment Advisers) Regulations, 2013, guidelines and circulars, for the year ended 2023-2024. Compliance Audit was conducted remotely on a sample basis.

The purpose of this audit is to examine the processes, procedures followed, and the operations carried out by the Investment Adviser as per the applicable Acts, Rules, Regulations, Byelaws and Circulars prescribed by SEBI and BASL.

I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of this audit. In my opinion proper books of accounts, records & documents, as per the regulatory requirement have been maintained by the member, so far as it appears from examination of the books.

I have conducted the audit within the framework provided by SEBI/BASL for the purpose of this audit.

Based on the scrutiny of relevant books of accounts, records and documents, I certify that the member has complied with the relevant provisions of SEBI Act, 1992, SEBI (Investment Advisers) Regulations, 2013 and various circulars of SEBI & various circulars issued by the BASL except otherwise mentioned in the Annexure to this report.



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I declare that I do not have any direct / indirect interest in or relationship with the member or its management, other than the proposed Audit assignment and also confirm that I do not perceive any conflict of interest in such relationship / interest while conducting audit of the said member.

In my opinion and to the best of my information and according to the explanations given to me by the principal officer, the Report provided by me as per the Annexure and subject to my observations, which covers the entire scope of the audit, is true and correct.

Annual Compliance Audit Report for F.Y. 2023-2024	
Name of Investment Adviser	Ritwik Rai
BASL Membership ID	1797
SEBI Registration No.	INA000011875
Entity type	Individual
Financial Year	2023-2024
Name and Contact Details of Principal Officer	Name: - Ritwik Rai Mobile No: - +91 9930538880 Email id: - ritwik.raihotmail.com
Name and Contact Details of Compliance Officer	Name: - Ritwik Rai Mobile No: - +91 9930538880 Email id: - ritwik.raihotmail.com
Total No. of Clients as on 31-03-2024	06
Contact Address	Flat No:2, 2nd Floor, Behind K-Star Mall, Vishwamitra CHSL, Plot No 292, J N Patil Marg, Chembur (E), Mumbai, Maharashtra 400071.

Annual Compliance Audit Report for F.Y. 2023-2024				
Regulation	Particulars	Compliance Status	Reason for non-compliance/ non-applicability	Comments of the Auditor, if any
Regulation 3	<u>Application for grant of certificate</u> (1) No person shall act as an investment adviser or hold itself out as an investment adviser unless he has obtained a certificate of registration from the Board under these regulations.	☒ Complied ☐ Not- Complied ☐ Not Applicable	--	The IA has duly paid the renewal fees to BASL and SEBI during the period under review.
Regulation 6	<u>Consideration of application and eligibility criteria</u> Regulation 6 states all matters, which are relevant for the purpose of grant of certificate of registration.	☒ Complied ☐ Not- Complied ☐ Not Applicable	--	--
Regulation 7	<u>Qualification and certification requirement.</u> An individual investment adviser or a principal officer of a non-individual investment adviser registered as an investment adviser under these regulations and persons associated with investment advice shall have minimum qualification and certification requirements as mentioned in Regulation 7(1) and 7(2)	☒ Complied ☐ Not- Complied ☐ Not Applicable	--	--
SEBI Circular Ref. No. SEBI/HO/IMD/DF1 /CIR/P/2 020/182 (Dated September 23, 2020) Clause (iv)	<u>Qualification and certification requirement.</u> Existing individual IAs above fifty years of age shall not be required to comply with the qualification and experience requirements specified under Regulation 7(1) (a) and 7(1) (b) of the amended IA Regulations. However, such IAs shall hold NISM accredited certifications and comply with other conditions as specifies under Regulation 7(2) of the amended IA regulations at all times.	☐ Complied ☐ Not- Complied ☒ Not Applicable	The IA is not above the age of fifty years.	--

Annual Compliance Audit Report for F.Y. 2023-2024

Regulation	Particulars	Compliance Status	Reason for non-compliance/ non-applicability	Comments of the Auditor, if any
Regulation 8	<u>Net worth</u> (1) Investment advisers who are non-individuals shall have a net worth of not less than fifty lakh rupees. (2) Investment advisers who are individuals shall have net tangible assets of value not less than five lakh rupees.	☒ Complied ☐ Not- Complied ☐ Not Applicable	--	--
Regulation 13 (b)	<u>Conditions of certificate</u> The investment adviser shall 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.	☐ Complied ☐ Not- Complied ☒ Not Applicable	The IA has confirmed that there was no material change during the F.Y 2023-24	--
SEBI Circular Ref. No. SEBI/HO/IMD/DF1 /CIR/P/2 020/182 (Dated September 23, 2020) Clause 2(v)	<u>Registration as Non-Individual Investment Advisor.</u> An individual IA, whose number of clients exceed one hundred and fifty in total, shall apply for registration as non-individual investment adviser within such time as specified under this clause.	☐ Complied ☐ Not- Complied ☒ Not Applicable	The IA has confirmed that he has not provided services to more than one hundred and fifty clients at a time.	--
Regulation 15	<u>General Responsibility</u> The regulation 15 imposes certain responsibilities on the Investment Adviser for the transactions it undertakes on behalf of its clients.	☒ Complied ☐ Not- Complied ☐ Not Applicable	--	--
Regulation 15A read with SEBI Circular Ref. No.	<u>Fees</u> Investment Adviser shall be entitled to charge fees for providing investment advice from a client in the manner as specified by the Board namely - Assets under Advice (AUA) mode or Fixed fee mode.	☒ Complied ☐ Not- Complied ☐ Not Applicable	--	--

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Regulation	Particulars	Compliance Status	Reason for non-compliance/ non-applicability	Comments of the Auditor, if any
SEBI/HO/IMD/DF1/CIR/P/2020/182 (Dated September 23, 2020) Clause 2(iii)				
Regulation 16	<u>Risk profiling</u> This involves profiling, assessing the risk appetite of each client individually, and communication of such profile to the respective client.	☒ Complied ☐ Not- Complied ☐ Not Applicable	--	--
Regulation 17	<u>Suitability</u> Investment adviser shall ensure suitability of the advice being provided to the client.	☒ Complied ☐ Not- Complied ☐ Not Applicable	--	--
SEBI Circular Ref. No. SEBI/HO/IMD/DF1/CIR/P/2 020/182 (Dated September 23, 2020) Clause 2(viii)	<u>Risk profiling and suitability for non-individual clients.</u> (a) In case of non-individual clients, IA shall use the investment policy as approved by board/management team of such non-individual clients for risk profiling and suitability analysis. (b) The discretion to share the investment policy/ relevant excerpts of the policy shall lie with the non-individual client. However, IA shall have discretion not to onboard non-individual clients if they are unable to do risk profiling of the non-individual client in the absence of investment policy.	☐ Complied ☐ Not- Complied ☒ Not Applicable	The IA has not offered any services to non-Individual clients.	--
Regulation 18	<u>Disclosure to clients</u> This involves disclosure of all necessary information by the investment adviser to its clients.	☒ Complied ☐ Not- Complied ☐ Not Applicable	--	--

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Regulation	Particulars	Compliance Status	Reason for non-compliance/ non-applicability	Comments of the Auditor, if any
Regulation 19	<u>Maintenance of records</u> This regulation requires maintenance of certain records, preservation of the same and audit of such records by the prescribed professional	☒ Complied ☐ Not- Complied ☐ Not Applicable	--	--
SEBI/HO/IMD/DF1 /CIR/P/2 020/182 (Dated September 23, 2020) Clause 2(vi)	<u>Maintenance of record.</u> IA shall maintain and preserve records of interactions, with all clients including prospective clients, where any conversation related to advice has taken place as prescribed.	☒ Complied ☐ Not- Complied ☐ Not Applicable	--	--
SEBI Circular Ref. No. SEBI/HO/IMD/DF1 /CIR/P/2 020/182 (Dated September 23, 2020) Clause 2(ii)	<u>Agreement between IA and the client.</u> IA shall enter into an investment advisory agreement with its clients as prescribed and shall ensure that neither any investment advice is rendered, nor any fee is charged until the client has signed the aforesaid agreement and a copy of the signed agreement is provided to the client.	☐ Complied ☒ Not- Complied ☐ Not Applicable	The advisory agreement didn't cover the clauses as prescribed by the SEBI.	--
Regulation 20	<u>Appointment of Compliance officer</u> An investment adviser shall appoint a compliance officer who shall be responsible for monitoring the compliance by the investment adviser.	☐ Complied ☐ Not- Complied ☒ Not Applicable	The IA is registered in individual capacity.	--
Regulation 21 And	<u>Redressal of investor grievances through SEBI Complaints Redress system</u> (SCORES) Platform: 6.2 - IAs shall prominently display in their offices the information about the grievance redressal mechanism available to investors.	☒ Complied ☐ Not- Complied ☐ Not Applicable	--	--

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Regulation	Particulars	Compliance Status	Reason for non-compliance/ non-applicability	Comments of the Auditor, if any
SEBI Master circular Ref. No. SEBI/HO/MIRSD-PoD-2/P/CIR/2023/89/ dated June 15, 2023 - V(6)	6.3 - IAs shall also followed the Master Circular (SEBI/HO/OIAE/IGRD/P/CIR/2022) issued by SEBI on the redressal of investor grievances through the SEBI Complaints Redress System (SCORES) and complied with it.			
Regulation 22, SEBI Circular Ref. No. SEBI/HO/IMD/DF1/CIR/P/2020/182 (Dated September 23, 2020) Clause 2(i)	<u>Client level segregation of advisory and distribution activities.</u> (1) Has the annual client level segregation requirement been certified by an auditor (in case of individual IA) and its statutory auditor (in case of a non-individual IA) [Certificate of auditor to be attached along with] (2) An individual investment adviser shall not provide distribution services. (3) 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. (4) A non-individual investment adviser shall have client level segregation at group level for investment advisory and distribution services. (5) 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.	☐ Complied ☐ Not- Complied ☒ <u>Not Applicable</u>	The IA is not involved in offering any distribution services.	--

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Regulation	Particulars	Compliance Status	Reason for non-compliance/ non-applicability	Comments of the Auditor, if any
	(6) Compliance and monitoring process for client segregation at group or family level shall be in accordance with the guidelines as prescribed in the referred circular.			
Regulation 22A	<u>Implementation of advice or execution</u> (1) Investment adviser may provide implementation services to advisory clients, provided no consideration shall be obtained directly or indirectly either at group level or at family level. (2) Investment adviser shall provide implementation services only through direct schemes. (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.	☒ Complied ☐ Not- Complied ☐ Not Applicable	--	--
SEBI Circular Ref. No. SEBI/HO/IMD/DF1 /CIR/P/2 020/182 (Dated September 23, 2020) Clause 2(ix)	<u>Display of details on website and in other communication channels.</u> IAs shall prominently display the information as specified under this clause, on its website, mobile app, printed or electronic materials, know your client forms, client agreements and other correspondences with the clients	☒ Complied ☐ Not- Complied ☐ Not Applicable	--	--

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Regulation	Particulars	Compliance Status	Reason for non-compliance/ non-applicability	Comments of the Auditor, if any
SEBI/HO/IMD/IM D-II CIS/P/CIR/2021/068 6 (Dated December 13, 2021) and SEBI Master circular Ref. No. SEBI/HO/MIRSD-PoD-2/P/CIR/2023/89/ dated June 15, 2023 - V (7) & SEBI/HO/IMD/IM D-II CIS/P/CIR/2021/068 6 (Dated December 13, 2021)	<u>Publishing Investor Charter and disclosure of Investor Complaints</u> (1) All registered investment advisers are required to publish investor charter on their websites and mobile applications. If registered investment adviser do not have websites/mobile applications, then as a one-time measure, investor charter to be sent to the investors on their registered e-mail address. (2) All registered investment advisers are required to disclose the details of investor complaints by 7th of the succeeding month on a monthly basis on their websites and mobile applications. If investment adviser do not have websites/mobile applications, status of investor complaints to be sent to the investors on their registered email ids on a monthly basis.	☒ Complied ☐ Not- Complied ☐ Not Applicable	--	--
TRAI Guidelines - SEBI/HO/MIRSD/ DoS-2/P/OW/2023/00000 11041/1 (Dated March 16, 2023) and BASL Circular No.	Telecom Regulatory Authority of India (TRAI) - Guidelines to curb spam SMSes and misuse of Headers and Content Templates by unauthorised Telemarketers (UTMs)	☐ Complied ☐ Not- Complied ☒ Not Applicable	The IA has confirmed that he is not using any SMS templates.	--

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Regulation	Particulars	Compliance Status	Reason for non-compliance/ non-applicability	Comments of the Auditor, if any
20230329-1 dated March 29, 2023				
Usage of brand name/trade name - SEBI/HO/MIRSD/MIRSD-PoD-2/P/CIR/2023/52 (Dated - April 06, 2023) and BASL Circular No. 20230411-1 dated April 11, 2023	Compliance to Usage of brand name/trade name by Investment Advisers (IA)	☐ Complied ☒ <u>Not- Complied</u> ☐ Not Applicable	The IA has not mentioned the specified disclaimer in his client's agreement and on website.	--
SEBI / BASL Inspection	Last SEBI / BASL Inspection carried out date and whether complied with inspection Observations.	☐ Complied ☐ Not- Complied ☒ <u>Not Applicable</u>	The IA has confirmed that no SEBI/BASL Inspection had been conducted during the year under review.	--
SEBI Master circular Ref. No. SEBI/HO/MIRSD-PoD-2/P/CIR/2023/89/ dated June 15, 2023 - Point II(2)	<u>Whether IAs have complied with the following points:-</u> 2.1 - Restriction on free trial 2.2 - Proper risk profiling and consent of client on risk profiling 2.3 - Receiving fees though banking channel only 2.4 - Display of complaints status on website	☒ <u>Complied</u> ☐ Not- Complied ☐ Not Applicable	--	--
SEBI Master circular Ref. No. SEBI/HO/MIRSD-	<u>Advisory for Financial Sector Organizations regarding Software as a Service (SaaS) based solutions</u>	☐ Complied ☐ Not- Complied ☒ <u>Not Applicable</u>	The IA has confirmed that he is not using any SaaS based Solutions,	--

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PoD-2/P/CIR/2023/89/ dated June 15, 2023 - IV(5) and SEBI/HO/MIRSD2/DOR/CIR/P/2020/221 (Dated November 03, 2020)	Compliance of the SEBI circular for Advisory for financial Sector Organizations regarding Software as a Service (SaaS) based solutions for half-yearly ended 31st March and 30th September.		the data of which moves beyond legal boundary of India.	
SEBI Circular no. SEBI/HO/MIRSD/ MIRSD-PoD-2/P/CIR/2023/51 dated April 05, 2023 - VI (9) and BASL Circular no. 20230406-2 dated April 06 2023	<u>Advertisement code</u> Investment Advisers shall ensure compliance with the advertisement code	☐ Complied ☐ Not- Complied ☒ <u>Not Applicable</u>	The IA has not issued any advertisement during the year under review.	--
SEBI Master circular Ref. No. SEBI/HO/MIRSD-PoD-2/P/CIR/2023/89/ dated June 15, 2023 - VI (10)	<u>Facilitating transaction in Mutual Fund schemes through the Stock Exchange Infrastructure:</u> Compliance of aforementioned point VI (10) of master circular by registered investment advisers	☐ Complied ☐ Not- Complied ☒ <u>Not Applicable</u>	The IA has confirmed that he is not involved in facilitating transactions in mutual funds schemes through the Stock Exchange Infrastructure.	--
SEBI Master circular Ref. No. SEBI/HO/MIRSD-	<u>Unauthenticated news circulated by SEBI Registered Market Intermediaries through various modes of communication:</u>	☒ <u>Complied</u> ☐ Not- Complied ☐ Not Applicable	--	The IA has confirmed that he is not involved in

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PoD-2/P/CIR/2023/89/ dated June 15, 2023 - VI(11)	Compliance of aforementioned point VI (11) of master circular by registered investment advisers			circulating any unauthenticated news.
SEBI Master circular Ref. No. SEBI/HO/MIRSD-PoD-2/P/CIR/2023/89/ dated June 15, 2023 - VI (12)	<u>Guidelines on Outsourcing of Activities by Intermediaries</u> Compliance of aforementioned point VI (12) of master circular by registered investment advisers	☐ Complied ☐ Not- Complied ☒ <u>Not Applicable</u>	The IA has not outsourced his activities to any third party.	--
SEBI Master circular Ref. No. SEBI/HO/MIRSD-PoD-2/P/CIR/2023/89/ dated June 15, 2023 - VI(13)	<u>Framework for Regulatory Sandbox:</u> Compliance of aforementioned point VI (13) of master circular by registered investment advisers	☐ Complied ☐ Not- Complied ☒ <u>Not Applicable</u>	The IA had been not involved in providing any FinTech solutions.	--
SEBI Master circular Ref. No. SEBI/HO/MIRSD-PoD-2/P/CIR/2023/89/ dated June 15, 2023 - VI (14)	<u>General Guidelines for dealing with Conflicts of Interest of intermediaries and their Associated Persons in Securities Market;</u> Compliance of aforementioned point VI (14) of master circular by registered investment advisers	☒ <u>Complied</u> ☐ Not- Complied ☐ Not Applicable	--	--
SEBI Master circular Ref. No.	<u>Approach to securities market data access and terms of usage of data provided by data sources in Indian securities market;</u>	☒ <u>Complied</u> ☐ Not- Complied	--	--

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SEBI/HO/MIRSD-PoD-2/P/CIR/2023/89/ dated June 15, 2023 - VI(15)	Compliance of aforementioned point VI (15) of master circular by registered investment advisers	☐ Not Applicable		
SEBI Master circular Ref. No. SEBI/HO/MIRSD-PoD-2/P/CIR/2023/89/ dated June 15, 2023 - VI(17)	<u>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:</u> Compliance of aforementioned point VI (17) of master circular by registered investment advisers	☐ Complied ☒ Not- Complied ☐ Not Applicable	The IA is not registered with FIU and do not have the AML policy.	--
SEBI Master circular Ref. No. SEBI/HO/MIRSD-PoD-2/P/CIR/2023/89/ dated June 15, 2023 - VII	<u>Reporting Requirements:</u> IA has followed and complied to all reporting requirement as per VII of Master Circular	☐ Complied ☒ Not- Complied ☐ Not Applicable	The IA has not filed Action Taken Report on adverse finding in compliance audit report 2022-23.	--
SEBI Master circular Ref. No. SEBI/HO/MIRSD-PoD-2/P/CIR/2023/89/ dated June 15, 2023 - VIII	<u>ANNEXURES</u> Has IA followed all the annexures as prescribed in point VIII of Master circular	☒ Complied ☐ Not- Complied ☐ Not Applicable	--	--

Date: 28th September, 2024

UDIN: A056048F001364894



**Abhishek Mishra
Practicing Company Secretary
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