

STOCK BENEFITS INVESTMENT ADVISORY

Investment Advisor Audit Report

Proprietor: IA Amit Guruh Sachdeva

(SEBI Registered Investment Advisor and Research Analyst)

Audited by:

CA Avijit Deep Saxena

Proprietor: AVIJIT & Co.

(Chartered Accountants)

UDIN:23411817BGWMVB2861



To,
Amit Guruh Sachdeva,
(Investment Adviser)
567/10, Anand Nagar, Jail Road,
Lucknow. 226005

**Auditor's Report in respect of clause 19(3) of Notification No.
LADNRO/ GN/2012-13/31/1778 dated 21-01-2013**

This Audit report has been issued in terms of our engagement with Mr. Amit Guruh Sachdeva.

Company's Management Responsibility:

The adherence and compliance of the above said regulation is the responsibility of the Investment Advisor. The Investment Advisor is also responsible to make proper internal controls for the effective and timely compliance with the said SEBI Regulations.

Internal Auditor's Responsibility

In terms of Notification No. LAD-NRO/GN/2012-13/31/ 1778 dated 21-01-2013. Our responsibility is to express reasonable assurance in the form of an opinion based on our examination of books, correspondence, and other records as to whether the Investment Advisor has complied with the relevant provisions of the said records.

We conducted our examination in accordance with the Guidance note on reports or certificates for special purposes issued by the Institute of Chartered Accountants of India. The guidance note requires that we comply with the ethical requirements of the code of ethics issued by the Institute of Chartered Accountants of India. We have our detailed report annexed here with in "Annexure I".

We have complied with the relevant applicable requirements of the Standard On Quality (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on our examination as annexed herewith in "**Annexure I**" as below and the information and explanations given to us, we are of the opinion that:-

Nothing has come to our notice which stipulates that the Investment Adviser is not complying with the Securities and Exchange Board of India (Investment Adviser's) Regulations, 2013 published in the Notification No. LAD/NRO/GN/2012-13/31/1778 Dated 21.01.2013 (SEBI Regulation) as required by Securities and Exchange Board of India for the year ended 31.03.2021.

Introduction and Background:

- Investment Adviser Mr. Amit Guruh Sachdeva is a seasoned Market Analyst and Researcher who has been working in this field for more than a decade now. His IA registration number is INA 100007745.
- Mr. Sachdeva started his firm Stock Benefits from April 2022 with an intent to provide market related analysis mainly in “Futures Derivatives and Options” to the common people so as to enable them to plan their investments and assist them in harvesting gains in the stock market through a proper strategy and framed format. This is a High Risk High Return investment programme.
- The Scope of this audit entails the examination of the regulatory framework set up by the Securities and Exchange Board of India for Investment Advisers who are running individual advisory business. The compliance, risks and internal controls.

Management Responsibility:

- The Investment Advisor has maintained records of all the Clients he has served during the period 01.04.2022 to 31.03.2023. He has maintained the records as per the guidelines issued by the Securities and Exchange Board of India.

Scope of Audit:

- The Investment Adviser is a SEBI registered Investment Adviser providing guidance and research analysis of the market trend and trajectory thereby assisting them to invest in both contemporary stocks as well as “High Risk, High Return” related “Futures Derivatives and Options”. The Investment Adviser has an overall experience of 10+ years and he provides his services diligently and methodically, understanding the sensitivity of this work and Investors sentiments.
- The Scope of this audit has been to look and understand the compliance of SEBI related regulatory compliance, its implementation and policy framework in which it is working. And adherence to the code of conduct enumerated by SEBI from time to time.

Client information and Due Diligence:

- We reviewed the process of client onboarding and due diligence before providing services to the client. The process seems to have improvised over the period. The Investment Adviser performs client’s risk profiling before providing its services. We have verified the risk profiles of Client on sample basis and have found them to be in order.
- The “High Risk, High Return” Derivative trading clients are been assessed on a periodic basis (as per IA) and he is been monitored and updated on a regular basis.



Record Keeping and Documentation:

- The Investment Adviser keeps the Client's record in electronic format on Computer with dual back up support system. This provides sufficient reliance upon data security and integrity.
- The Client's data is recorded in two-way system:
 - a) During Onboarding the Client.
 - b) Post Onboarding the Client.

During onboarding the client, client's Aadhar PAN and Agreement is done. Post onboarding their risk profiling and risk assessment is done all the data has been found adequately stored and saved.

Training and Qualifications:

- The Investment Adviser Staff are all graduate and IA conducts training programme for the employees from time to time.
- The Investment Adviser staff has knowledge about the work they are doing. All the staff was graduate however no staff was holding any specialised qualification apart from IA himself towards his work.

Conclusion:

- Investment Adviser is aware of enumerated SEBI guidelines. His business is running since one year in which he has established strong policy framework and adequate internal controls to augment the requirements of SEBI.
- Investment Adviser needs to employ adequate qualified people in his team so as to distribute the dependency of technical work from him.

Thanking you,

Yours Sincerely,


Avijit Deep Saxena

(Chartered Accountants)

UDIN:23411817BGWMVB2861



The scope of our audit was from 01st April 2022 to 31st March, 2023. We have done our testing on sampling basis.

Methodology:

We conducted our audit in accordance with the SEBI (Investor Advisers Regulation 2013) with respect to which we followed the below mentioned steps:

- 1) Qualification and Certificate Documents
- 2) Capital Adequacy
- 3) Risk Profiling and Assessment
- 4) Communication of Risk Profiling and Communication with client
- 5) All material disclosure with client
- 6) Know Your Clients (KYC Records)
- 7) Suitability Assessment.
- 8) Agreements with the clients
- 9) Investment Advice Provided
- 10) Rational for providing investment advice.

Annexure-I

Name of BASL enrolled Investment Adviser and Principal Officer's Contact Details	Amit Guruh Sachdeva Mob No. 9307714577
Name and Contact Details of Compliance Officer	Name: Bagish Shukla Phone No: 8826077988
BASL Membership ID.	1466
SEBI Registration No.	INA 100007745
Annual compliance Audit Report for FY ended	2022-2023

Annual Compliance Audit Report for F. Y 2022-2023

Regulation	Particulars	Compliance Status	Reason For Non-compliance/Non-Applicability	Action taken on adverse findings (duly approved by the individual IA / management of the nonindividual IA)
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.	(1) Complied (2) Not-Complied (3) Not Applicable	(1) Complied	Action Not Applicable
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.	(1) Complied (2) Not-Complied (3) Not Applicable	(3) Not Applicable	Action 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).	(1) Complied (2) Not-Complied (3) Not Applicable	(1) Complied	Action Not Applicable

SEBI/HO/IMD/DF1/CI R/P/2 020/182 (Dated September 23, 2020) Clause(iv)	<p>Qualification and certification requirement. 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.</p>	(1) Complied (2) Not-Complied (3) Not Applicable	(3) Not Applicable	Action Not Applicable
Regulation 8	<p>Net worth (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.</p>	(1) Complied (2) Not-Complied (3) Not Applicable	<p>The Registered Investment Adviser is working as an Individual and complying with Regulation 8 of The SEBI (Investment Adviser's) Regulation 2013.</p> <p>(1) Complied</p>	Action Not Applicable
Regulation 13	<p>Conditions of certificate (b) 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.</p>	(1) Complied (2) Not-Complied (3) Not Applicable	(3) Not Applicable	Action Not Applicable
SEBI/HO/IMD/DF1/CI R/P/2 020/182 (Dated September 23, 2020) Clause 2(v)	<p>Registration as Non-Individual Investment Advisor. An individual IA, whose number of clients exceed one hundred and fifty in total, shall apply for registration as nonindividual investment adviser within such time as specified under this clause.</p>	(1) Complied (2) Not-Complied (3) Not Applicable	<p>(1) Complied As per information provided to us and documents and data produced before us. The repetitive and new clients in the books maintained by the Registered Investment Advisor does not exceed the Regulatory Number of 150.</p>	Action Not Applicable
Regulation 15	<p>General Responsibility The regulation 15 imposes certain responsibilities on the Investment Adviser for the transactions it undertakes on behalf of its clients.</p>	(1) Complied (2) Not-Complied (3) Not Applicable	<p>(1) Complied As per the data provided to us and information furnished before us this has been complied by the Registered Investment Advisor.</p>	Action Not Applicable

<p>Regulation 15 A SEBI/HO/IMD/DF1/CI R/P/2 020/182 (Dated September 23, 2020) Clause 2(iii)</p>	<p>Fees Investment Adviser shall be entitled to charge fees for providing investment advice from a client in the manner as specified by the Board. Investment Advisers shall charge fees from the clients in either Assets under Advice (AUA) mode or Fixed fee mode.</p>	<p>(1) Complied (2) Not-Complied (3) Not Applicable</p>	<p>(1) Fees The Registered Investment Advisor issue acknowledgement receipt to the client towards money received by him as fees. We have checked the receipts on Sample basis and have found them to be as per norms.</p>	<p>Action Not Applicable</p>
<p>Regulation 16</p>	<p>Risk profiling This involves profiling, assessing the risk appetite of each client individually, and communication of such profile to the respective client.</p>	<p>(1) Complied (2) Not-Complied (3) Not Applicable</p>	<p>(1) Complied</p>	<p>Action Not Applicable</p>
<p>Regulation 17</p>	<p>Suitability Investment adviser shall ensure suitability of the advice being provided to the client.</p>	<p>(1) Complied (2) Not-Complied (3) Not Applicable</p>	<p>(1) Complied</p>	<p>Action Not Applicable</p>
<p>SEBI/HO/IMD/DF1/CI R/P/2 020/182 (Dated September 23, 2020) Clause 2(viii)</p>	<p>Risk profiling and suitability for non-individual clients. (b) 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. (c) 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 nonindividual client in the absence of investment policy.</p>	<p>(1) Complied (2) Not-Complied (3) Not Applicable</p>	<p>(3) Not Applicable</p>	<p>Action Not Applicable</p>
<p>Regulation 18</p>	<p>Disclosure to clients This involves disclosure of all necessary information by the investment adviser to its clients.</p>	<p>(1) Complied (2) Not-Complied (3) Not Applicable</p>	<p>(1) Complied As per telephonic Conversation records accessed by us and also the register inspected by us. Investment Adviser is maintaining proper disclosure and necessary details relevant for the client.</p>	<p>Action Not Applicable</p>

<p>Regulation 19</p> <p>SEBI/HO/IMD/DF1/CI R/P/2 020/182 (Dated September 23, 2020) Clause 2(vi)</p>	<p><u>Maintenance of records</u></p> <p>This regulation requires maintenance of certain records, preservation of the same and audit of such records by the prescribed professional. IA shall maintain and preserve records of interactions, with all clients including prospective clients, where any conversation related to advice has taken place, in the form as specified under this clause.</p>	<p>(1) Complied (2) Not-Complied (3) Not Applicable</p>	<p>(1) Complied</p>	<p>Action Not Applicable</p>
<p>SEBI/HO/IMD/DF1/CI R/P/2 020/182 (Dated September 23, 2020) Clause 2(ii)</p>	<p><u>Agreement between IA and the client.</u></p> <p>IA shall enter into an investment advisory agreement with its clients as prescribed under this clause and shall ensure that neither any investment advice is rendered nor any fee is charged until the client has signed the aforesaid agreement.</p>	<p>(1) Complied (2) Not-Complied (3) Not Applicable</p>	<p>(1) Complied</p> <p>The client has maintained an agreement (in standard format) which he uses to enter into any activity while on boarding a client for providing his services.</p>	<p>Action Not Applicable</p>
<p>Regulation 20</p>	<p><u>Appointment of Compliance officer</u></p> <p>An investment adviser shall appoint a compliance officer who shall be responsible for monitoring the compliance by the investment adviser.</p>	<p>(1) Complied (2) Not-Complied (3) Not Applicable</p>	<p>(1) Complied</p> <p>A full time compliance officer has been engaged who monitors the conduct and compliance part on a regular basis</p>	<p>Action Not Applicable</p>
<p>Regulation 21</p>	<p><u>Redressal of client grievances</u></p> <p>Investment adviser shall redress client grievances promptly through an adequate procedure.</p>	<p>(1) Complied (2) Not-Complied (3) Not Applicable</p>	<p>(1) Complied</p> <p>Proper client redressal mechanism has been found to be followed by the Investment Adviser</p>	<p>Action Not Applicable</p>

<p>Regulation 22</p>	<p>Client level segregation of advisory and distribution activities. (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. (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.</p>	<p>(1) Complied (2) Not-Complied (3) Not Applicable</p>	<p>(1) Complied</p>	<p>Action Not Applicable</p>
<p>SEBI/HO/IMD/DF1/CI R/P/2 020/182 (Dated September 23, 2020) Clause 2(i)</p>	<p>Client Level Segregation of Advisory and Distribution Activities Compliance and monitoring process for client segregation at group or family level shall be in accordance with the guidelines as specified under this clause.</p>	<p>(1) Complied (2) Not-Complied (3) Not Applicable</p>	<p>(1) Complied</p>	<p>Action Not Applicable</p>

Regulation 22A	<p><u>Implementation of advice or execution</u></p> <p>(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.</p> <p>(2) Investment adviser shall provide implementation services only through direct schemes.</p> <p>(3) Investment adviser or group or family of investment adviser shall not charge any implementation fees from the client.</p> <p>(4) The client shall not be under any obligation to avail implementation services offered by the investment adviser.</p>	(1) Complied (2) Not-Complied (3) Not Applicable	(1) Complied	Action Not Applicable
SEBI/HO/IMD/DF1/CIR/P/2 020/182 (Dated September 23, 2020) Clause 2(ix)	Display of details on website and in other communication channels. 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.	(1) Complied (2) Not-Complied (3) Not Applicable	(1) Complied	Action Not Applicable
(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 year ended 31st March 2023.	(1) Complied (2) Not-Complied (3) Not Applicable	(3) Not Applicable	Action Not Applicable

<p>SEBI/HO/IMD/IMD-II CIS/P/CIR/2021/0686 (Dated December 13, 2021)</p>	<p><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 does not have websites/mobile applications, then as a one-time measure, send investor charter to the investors on their registered e-mail address. (2) All registered investment advisers are required to disclose the details of investor complaints by seventh of the succeeding month on a monthly basis on their websites and mobile applications. If investment adviser does not have websites/mobile applications, then send status of investor complaints to the investors on their registered email on a monthly basis.</p>	<p>(1) Complied (2) Not-Complied (3) Not Applicable</p>	<p>(1) Complied</p>	<p>Action Not Applicable</p>
<p>Cyber Security Awareness</p>	<p>Whether any planned Cyber Security Awareness carried out among employees, stakeholders and Client. If yea, details of the awareness programme conducted In the Audit Financial Year</p>	<p>(1) Complied (2) Not-Complied (3) Not Applicable</p>	<p>(1) Complied</p>	<p>The Compliance Officer has appointed one Cyber Security person who ensures that information related to information Technology Act, 2000 is provided to the employees from time to time and also minimum guidance to the investors as to what details to share and what not to share has been imparted over the telephone from time to time. The clients during their onboarding programme are also been guided about the do's and dont's with respect to Cyber Security.</p>

SEBI/ BASL Inspections	Last SEBI/ BASL Inspection carried out date and whether complied with inspection observation	(1) Complied (2) Not-Complied (3) Not Applicable	(3) Not Applicable	
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