**Compliance Audit Report for the Financial Year Ended 31.03.2021**

[Under Regulation 19(3) of The Securities and Exchange Board of India, (Investment Advisors) Regulation, 2013 (hereinafter referred as the "IA Regulations"]

**UDIN:** 21146652AAAAGO6452

To,
The Board of Directors,
M/s Succinct Fintech Services Private Limited
Bengaluru, KA, 560041

We have conducted the compliance audit under regulation 19(3) of The Securities and Exchange Board of India, (Investment Advisors) Regulation, 2013; for Investment Advisory Business of **Succinct Fintech Services Private Limited, (U93000KA2011PTC059619) ["IA"],** bearing Registration No. INA200008705, for the financial year period ended on 31st March, 2021.

The scope of our audit is restricted to forming an opinion on whether the IA is adhering to the regulations and guidelines laid down by the Securities and Exchange Board of India. Our audit does not vouch for completeness and accuracy of the data provided by the IA. Our audit report is based on random sample test check of data provided by the IA. We have put utmost effort to obtain a heterogenous sample from the available database. We have not physically visited the place of business of the IA, but conducted the audit by calling information as required.

Based on the information provided by you and inspection of records during the compliance audit. Our findings are reported as under:

| **Sr. No.** | **Particulars** | ***Comments*** |
|---|---|---|
| 1 | Registration Number | *INA200008705* |
| 2 | Name of the Investment Advisory | *M/s Succinct Fintech Services Private Limited.* |
| 3 | Name of Authorized Representatives | *As per Annexure-I* |
| 4 | Name of the Compliance Officer | *Mr. Soubhagya Patra*<br>Email: soubhagya.patra@succinctfintech.com<br>*Cont: +919986991220* |
| 5 | Validity Period of the Registration | *30th Oct 2017-29th Oct 2022* |
| 6 | Validity Period of the Certification | *As per Annexure-I* |
| 7 | Whether the IA has at all times during the period under compliance audit, complied with the Capital Adequacy Norms pursuant to the provisions of Reg. 8(1) of the IA Regulations? | *Yes, as per the Net-worth Certificated dated:24/07/2021, has been obtained by the IA and presented to us wherein the net-worth stands at Rs. 29.67 lacs as on 31st March 2021, the IA has complied with Capital Adequacy Norms throughout the audit period.* |
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| 8 | General Responsibility: | |
| | (a) Whether the IA has disclosed to its client, conflicts of interests, if any? | *We have not found any instances where Conflict of interest was arising between the IA and client.* |
| | (b) Whether the IA has received any consideration by any person other than clients advised, in respect of underlying products or securities for which advice is provided? | *No such cases found during the audit.* |
| | (c) Whether IA has maintained arm's length relationship between activates as investment advisor and other activities? | *No, the investment Advisor is not involved in any other activity.* |
| | (d) Whether IA is engaged in any other business activities? If yes, whether IA services are clearly segregated from all other activities? | *No, the Investment Advisor is not involved in any other activity.* |
| | (e) In case of Conflict of Interest of IA activities with other activities, whether IA has made adequate disclosure to clients regarding such Conflict of Interest? | *--NA--* |
| | (f) Whether the IA has set adequate controls to ensure confidentiality and privacy of information about client which has come to their knowledge during the course of business? | *Yes, the Investment Advisor has ensured that information received from the client during the course of business which are confidential in nature are kept private. Only the Compliance Officer/Investment Advisor has access to such documents.* |
| | (g) Whether the IA has entered into any transaction contrary to advise given to client, for a period of 15 days from the day of such advice? | *No, as per the information provided by the client and on inspection of records, we have observed that IA has not entered into a contrary transaction within 15 days from the day of such advice.* |

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| | (h) Whether the IA has adequate procedures and controls to acquire KYC of all clients? | *Yes, the IA was collecting the KYC records from its clients and maintaining the same with itself. the IA has also fetched KYCs or uploaded the same on any KRA/CKYC.* |
| | (i) Whether the IA maintains record of KYC of all clients acquired during the course of business? | *During our sample test we have found that the IA has maintained KYC acquired during the course of business in case.* |
| | (j) Whether the KYC acquired is periodically updated in case of any change? | *During our sample test we have not found any instances where there is any updation done in the KYC of clients.* |
| | (k) Whether KYC is updated with KRA services for new clients? | *During our sample test we have not found any instances where, any Updation of KYC done through KRA services.* |
| | (l) Whether the IA abides the code of conducts specified under the Third Schedule of the regulations? | *Yes* |
| | (m) Whether the IA has during any time in the period under compliance audit purchased from or sold to any client, securities or investment product, on its own account? | *No such cased found during the audit.* |
| | (n) Whether there is any change in the ownership status/control of the IA? | *No* |
| | (o) Whether Approval of SEBI taken prior to making such change in ownership/control of IA? | *--NA--* |
| | (p) Whether IA has at all times complied with qualification and certification requirements as specified under Regulation(7) of the Securities and Exchange Board of India, (Investment Advisors) Regulations, 2013? | *Yes* |
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| 9 | Risk Profiling: | |
| | (a) Whether IA has established adequate procedures and controls to comply with Risk Profiling requirements as per Regulation(16) of the Securities and Exchange Board of India, (Investment Advisors) Regulations, 2013? | *Yes* |
| | (b) Whether IA has done risk profiling for all clients acquired during the course of business? | *During our sample test we have not found any instances where, risk profiling of clients was not done.* |
| | (c) Whether IA has communicated Risk Profiling to all clients? | *Yes* |
| | (d) Whether IA updates/reviews the Risk Profiling periodically or on upgradation of services? | *During our sample test we have not found any instances where, risk profiling of the client is updated or reviewed.* |
| | (e) Whether cases observed where client has rejected the Risk Profiling done by IA? | *During our sample test we have not found any instances where, the client has rejected the risk profiling.* |
| | (f) Whether cases observed where services provided are beyond Risk Assessed during Risk Profiling of the Client? | *During our sample test we have not found any instances where, the IA has provided advisory services to client beyond their Risk bearing capacity.* |
| | (g) Whether prior confirmation taken from client for services which does not suit risk appetite of the client as assessed during Risk Profiling? | *--NA--* |
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| 10 | Suitability | |
| | (a) Whether the advice is given based on the risk profile of the client? | *Yes* |
| | (b) Whether the IA documents the process for selection of investments? | *Yes* |
| | (c) Whether the IA ensures it understanding of the nature and risk of product and assets selected for the client? | *Yes* |
| | (d) Whether the IA ensures, it has reasonable basis for providing recommendations for the client? | *Yes* |
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| 11 | Disclosures to Clients | |
| | (a) Whether the IA has made adequate disclosures to the clients in compliance with Regulation 18 of the Securities and Exchange Board of India, (Investment Advisors) Regulations, 2013? | *Yes* |
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| 12 | Maintenance of Records | |
| | (a) Whether IA has maintained proper records of KYC of the clients? | *Yes* |
| | (b) Whether IA has maintained proper records of Risk Profiling and Risk Assessment of the clients? | *Yes* |
| | (c) Whether IA has maintained Suitability Assessment report for all advices being provided to the clients? | *During our sample test we have not found any instances where there is a separate suitability report available for each client. However, the Risk Profiling form for each client in the sample had suitability assessment of the recommended services sin accordance with the Risk Profile Assessment of the client.* |
| | (d) Whether the IA has entered into the agreement with its existing clients with terms and conditions as prescribed in the Annexure-A of the Circular: SEBI / HO / IMD / DF1 / CIR / P / 2020 /182, Dated: September 23, 2020 | *During our sample test we have not found any instances where the IA has not obtained/executed agreement as per the prescribed terms and conditions.* |
| | (e) Whether the IA has submitted a report confirming the execution of agreements as prescribed to SEBI? | *Yes, vid. letter dated: June 30, 2021* |
| | (f) Whether IA has maintained copies of agreement entered into with the clients? | *During our sample test we have found that prior to commencement of the SEBI (IA) (Amendment) Regulations, 2020, the IA had a practice of on boarding clients through acquiring duly signed documents as required via email and the terms and conditions of its services were provided in a written document via email. However, after the commencement of the SEBI (IA)(Amendment) Regulations, 2020, the IA has entered into a formal agreement document with its client.* |
| | (g) Whether IA has maintained records of Investment Advice provided, whether in written or oral? | *Yes* |
| | (h) Whether IA has maintained records of Rationale for arriving at Investment Advice, duly signed and dated? | *Yes* |
| | (i) Whether the IA maintains a register or record containing list of clients, date of advice, nature of advice, product/securities and fees charged? | *Yes* |
| | (j) Whether all records so maintained are duly signed whether digitally or otherwise? | *Yes* |
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| 13 | Redressal of Client Grievances | |
| | (a) Whether the IA has set procedures and controls for Redressal of Client Grievances? | *Yes* |
| | (b) Whether the IA has redressed complaints received directly to them? | *Yes* |
| | (c) Whether IA has pending grievances on SCORES? | *No, Annexure-II* |
| | (d) Whether the IA has timely replied and made adequate efforts to redress pending grievances? | *Yes* |
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| 14 | Segregation of Execution Services | |
| | (a) Whether the IA is a body corporate, Bank or NBFC providing executions or distribution services? | *No* |
| | (b) Whether the client is under any obligation to avail distribution or execution services offered by the IA? | *No* |
| | (c) Whether the IA maintains arm's length relationship between Investment Advisory and Distribution or Execution Services? | *The IA in not involved in distribution or execution services.* |
| | (d) Whether any fees or charges paid to distribution or execution service providers by clients are paid through the IA? | *No such cases found during the audit* |
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| 15 | Compliance with respect to PMLA | |
| | (a) Whether the IA has registered itself with FUI, Ministry of Finance? | *Yes* |
| | (b) Whether the IA has appointed a Principal Officer for compliance of regulations set under PMLA? | *Yes* |
| | (c) Whether the IA has set SoPs for compliance of provisions under PMLA? | *Yes* |
| | (d) Whether the IA has reported any transactions on FUI website for compliance of PMLA? | *No such cases observed* |

**16. Audit Observations:**

1. In compliance to the provisions of Regulation 8(1) of the IA Regulations, the IA is required to comply with net worth requirements within three years from the date of commencement of the SEBI (Investment Advisers) (Amendment) Regulations, 2020, i.e., by 30-09-2023.

**For, APAR & ASSOCIATES,**
**Chartered Accountants**
FRN: 016720C

Pulkit Vimal Mehta
Digitally signed by Pulkit Vimal Mehta
Date: 2021.12.14 20:19:29 +05'30'

**CA Pulkit V Mehta**
**Partner**
Mem. No. 146652

**Date:** 14/12/2021
**Place:** Indore

APAR & ASSOCIATES CHARTERED ACCOUNTANTS FRN : 016720C INDORE

**Annual Compliance Certificate**

To,
The Board of Directors,
M/s Succinct Fintech Services Private Limited
Bengaluru, KA, 560041

Pursuant to the provisions of Reg. 22(5) of the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 and Clause 2(i)i. of the Guidelines for Investment Advisers issued by SEBI vid. Circular: SEBI/HO/IMD/DF1/CIR/P/2020/182, dated: September 23, 2020, we hereby certify and confirm that M/s Succinct Fintech Services Private Limited, who is a Registered Investment Adviser bearing. SEBI Reg. No. INA200008705, is in compliance with the Provisions of Reg. 22 of the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013. Based on the Information provided to us during the course of Compliance Audit and As per the declaration received from the Investment Advisor, we hereby certify that, The Investment Adviser was not involved in any kind of Distribution and Execution Services during the period 01/04/2020 to 31/03/2021.

**For, APAR & ASSOCIATES,**
**Chartered Accountants**
FRN: 016720C

Pulkit Vimal Mehta
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**CA Pulkit V Mehta**
**Partner**
Mem. No. 146652
UDIN: 21146652AAAAGO6452

**Date:** 14/12/2021
**Place:** Indore

APAR & ASSOCIATES CHARTERED ACCOUNTANTS FRN : 016720C INDORE