Disclosure with respect to compliance with Annual compliance audit requirement under Regulation 19(3) of SEBI (Investment Advisers) Regulations, 2013 for the previous and current financial year are as under:

| S.No. | Financial year | Compliance Audit Status | Remarks, if any |
|---|---|---|---|
| 1. | FY 2023-24 | Completed | n/a |
| 2. | FY 2024-25 | - | - |

Adverse Findings and Actions taken thereon for FY 2023-24

| **S. No.** | **Regulation/ Circular/ Guideline** | **Description** | **Adverse Findings** | **Actions taken** |
|---|---|---|---|---|
| | Regulation 13(b) | Conditions of certificate:<br><br>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 | On 15/07/2023 Company appointed Mr Ujjwal Thaakar as Director on the Board which was not intimated to SEBI or BASL. | Going forward we will be taking prior approval on appointment and informing BASL of the same |

| S . No. | Regulation/ Circular/ Guideline | Description | Adverse Findings | Actions taken |
|---|---|---|---|---|
| | Regulation 15 | General Responsibility<br><br>The regulation 15 imposes certain responsibilities on the Investment Adviser for the transactions it undertakes on behalf of its clients. | 1. Based on the documentation reviewed in case of the 5 samples tested, in none of the case the Company obtained express consent for obtaining or undertaking KYC online.<br><br>2. The company did not verify the bank account in all 5 samples tested through any means. Neither company obtained their bank details.<br><br>3. On 15/07/2023 Company appointed Mr Ujjwal Thaakar as Director on the Board which was not intimated to SEBI or BASL.<br><br>4. We noted that Mr. Sanjay Bhargava was appointed as the Principal Officer for the Investment Adviser (IA) in June 2023. Based on the information provided to us, Mr. Bhargava appears to meet the qualification requirements of SEBI Regulation 7, holding a B.Tech from IIT Mumbai, an MBA from IIM Ahmedabad, and possessing NISM XA & XB certifications. However, we observed that the previous Principal Officer, Mr. Sahil Bhargava, did not possess the requisite qualifications as per Regulation 7. | While we took express consent of the client during the KYC process, we failed to do so on email. Going forward we will make sure to take express consent on email as and when we resume our advisory services. We will also be using a penny drop mechanism to verify bank accounts. |

| S. No. | Regulation/ Circular/ Guideline | Description | Adverse Findings | Actions taken |
|---|---|---|---|---|
| | Regulation 16 | Risk profiling<br><br>This involves profiling, assessing the risk appetite of each client individually, and communication of such profile to the respective client. | During our audit of Company, we reviewed the firm's risk assessment process. The investment advisor (IA) utilizes a unique methodology known as the "Investment Playground" approach. This involves engaging clients in comprehensive discussions about a wide range of investment options, allowing them to explore different strategies and outcomes tailored to their financial goals and risk tolerance. While the IA provides clients with a documented summary of the risk assessment outcome in an Excel spreadsheet, we identified two areas for improvement. First, the IA does not currently obtain express consent from clients acknowledging their understanding and acceptance of the assessment. Second, the IA does not assign a specific risk | As advised, we will improve our processes to take express consent on email of the client's understanding and acceptance of our risk profiling |

| S . No. | Regulation/ Circular/ Guideline | Description | Adverse Findings | Actions taken |
|---|---|---|---|---|
| | Regulation 17 | Suitability<br><br>Investment adviser shall ensure suitability of the advice being provided to the client. | During our audit of Company, we reviewed the firm's risk assessment process. The investment advisor (IA) utilizes a unique methodology known as the "Investment Playground" approach. This involves engaging clients in comprehensive discussions about a wide range of investment options, allowing them to explore different strategies and outcomes tailored to their financial goals and risk tolerance. While the IA provides clients with a documented summary of the risk assessment outcome in an Excel spreadsheet, we identified two areas for improvement. First, the IA does not currently obtain express consent from clients acknowledging their understanding and acceptance of the assessment. Second, the IA does not assign a specific risk | As advised, we will improve our processes to take express consent on email of the client's understanding and acceptance of our risk profiling |
| | Regulation 19 | Maintenance of records<br><br>This regulation requires maintenance of prescribed records, preservation of the same and audit of such records by the prescribed professional. | 1. For Risk profiling, refer our observation under Regulation 16 & 17.<br><br>2. Out of the 5 samples tested, in one of the sample tested, we have identified that the name of Client was | We will improve our processes to make sure typos are double checked going forward |

| S. No. | Regulation/ Circular/ Guideline | Description | Adverse Findings | Actions taken |
|---|---|---|---|---|
| | SEBI Circular Ref. No. SEBI/HO/IMD/DF1/CIR/P/2020/182 (Dated September 23, 2020) Clause 2(ii) | Agreement between IA and the client.<br><br>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 | The company did not provide the required information on the first page of the agreement which was required as per Annexure A. | We will draft a new advisory agreement when we resume our services to ensure the first oage contains all information required as per Annexure A |
| | Regulation 21 and SEBI Master circular Ref. No. SEBI/HO/MIRSD-PoD-2/P/CIR/2023/89/ dated June 15, 2023 - V(6) | Redressal of investor grievances through SEBI Complaints Redress system (SCORES) Platform:<br><br>6.2 - IAs shall prominently display in their offices the information about the grievance redressal mechanism available to investors.<br><br>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. | Display of details on website and in other communication channels:<br><br>The company has displayed the required information on the website. However, the same were not specified on the communication, correspondence documents, electronic materials, etc.<br><br>Master Circular (SEBI/HO/OIAE/IGRD/P/CIR/2022):<br><br>The team has displayed the information on the website, but it has yet to be on their homepage. However, appropriate sections with headings should be created on the website to demonstrate the section of reporting | We will be creating a dedicated home page for the advisory services with the requisite information |

| S . No. | Regulation/ Circular/ Guideline | Description | Adverse Findings | Actions taken |
|---|---|---|---|---|
| | SEBI Circular Ref. No. SEBI/HO/IMD/DF1/CIR/P/2020/182 (Dated September 23, 2020) Clause 2(ix) | Display of details on website and in other communication channels.<br><br>IAs shall prominently display the information as prescribed, on its website, mobile app, printed or electronic materials, know your client forms, client agreements and other correspondences with the clients. | Display of details on website and in other communication channels:<br><br>The company has displayed the required information on the website. However, the same were not specified on the communication, correspondence documents, electronic materials, etc.<br><br>Master Circular (SEBI/HO/OIAE/IGRD/P/CIR/2022):<br><br>The team has displayed the information on the website, but it has yet to be on their homepage. However, appropriate sections with headings should be created on the website to demonstrate the section of reporting | We will be creating a dedicated home page for the advisory services with the requisite information |

| S . No. | Regulation/ Circular/ Guideline | Description | Adverse Findings | Actions taken |
|---|---|---|---|---|
| | SEBI/HO/IMD/IMD-II CIS/P/CIR/ 2021/0686 (Dated December 13, 2021) and<br><br>SEBI Master circular Ref. No. SEBI/ HO/MIRSD-PoD-2/P/CIR/2023/89/ dated June 15, 2023 - V (7) & SEBI/ HO/IMD/IMD-II CIS/P/CIR/ 2021/0686 (Dated December 13, 2021) | Publishing Investor Charter and disclosure of Investor Complaints<br><br>(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.<br><br>(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 | 1. Currently, the company has provided the link to the Circular No. SEBI/HO/IMD/IMD-II CIS/P/CIR/ 2021/0686, dated December 13, 2021, contains the investor charter. However, no link is provided on the homepage to visit the advisory page or investor charter page. Refer below screenshot<br><br>2. The team has displayed the information on the website, but it has yet to be on their homepage. However, appropriate sections with headings should be created on the website to demonstrate the section of reporting for complaint status as per Annexure -C | Going forward we will have a dedicated home page for the advisory services |

| S . No. | Regulation/ Circular/ Guideline | Description | Adverse Findings | Actions taken |
|---|---|---|---|---|
| | 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) | 1. The team has displayed the information on the website, but it has yet to be on their homepage. Refer to the below reporting as per Annexure B, which is on the Website. However, appropriate sections with headings should be created on the website to demonstrate the section of reporting for complaint status as per Annexure -C<br><br>2. The company has displayed the required information on the website. However, the same were not specified on the communication, correspondence documents, electronic materials, etc.<br><br>3. The company has displayed on its website that "Registration granted by SEBI, membership of BASL, and certification from NISM does in no way guarantee performance of the intermediary or provide any assurance | Going forward we will have a dedicated home page for the advisory services and include requisite statements on all communications |

| S. No. | Regulation/ Circular/ Guideline | Description | Adverse Findings | Actions taken |
|---|---|---|---|---|
| | SEBI / BASL Inspections | Last SEBI / BASL Inspection carried out date and period of inspection. Whether complied with inspection observations. | Securities and Exchange Board of India (hereinafter also 'SEBI', in short) conducted an inspection of Bharosa Technoserve Private Limited for the period of April 01, 2019 to March 31, 2020, to look into the compliance with respect to the concerned regulations and circulars, investor service/complaints, KYC compliance, on-boarding of clients, fees /charges, conditions of grant of registration, risk evaluation and dealing with clients and their money and Anti Money Laundering (AML) guidelines issued by SEBI from time to time etc. In exercising the powers under section 15-I of the SEBI Act, 1992 r/w rule 5 of the SEBI Adjudication Rules, 1995, SEBI imposed a penalty of Rs 20 Lakhs on the company for the various violations. Currently company has | We have shut down all businesses and activites pertaining to the inspection |

| S . No. | Regulation/ Circular/ Guideline | Description | Adverse Findings | Actions taken |
|---|---|---|---|---|
| | SEBI Master circular Ref. No. SEBI/ HO/MIRSD-PoD-2/P/CIR/2023/89/ dated June 15, 2023 - Point II(2) | Whether IAs have complied with the following points:-<br><br>2.1 - Restriction on free trial<br>2.2 - Proper risk profiling and consent of client on risk profiling<br>2.3 - Receiving fees though banking channel only<br>2.4 - Display of complaints status on website | Refer to observation under Regulations 15A, 16 and 21. Also, the company does not offer any free trial of their investment advisory service.<br><br>However, the company has another division, i.e. Bharosa Insight, where the company provides insight to the registered users of their platform, which might not be the clients of the company on a free trial basis. The company does not classify these insights as advisory services. Due to the nature of services offered by Bharosa Club and the lack of detailed information regarding the services offered by this division, we were unable to determine whether the free trial provided under the Bharosa | Our insights services are pure analytics service and do not come under advisory services and regulations |

| S. No. | Regulation/ Circular/ Guideline | Description | Adverse Findings | Actions taken |
|---|---|---|---|---|
| | 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 | Advertisement code<br><br>Investment Advisers shall ensure compliance with the advertisement code | 1. During our audit, we noted that the Investment Adviser (IA) registration details and standard warning were not disclosed on the company's LinkedIn or YouTube pages or videos.<br><br>Furthermore, the company operates in two divisions with similar business areas but distinct offerings. The lack of clarity in the advertisements makes it difficult to determine whether the promotional activities relate to the regulated IA division or the other division.<br><br>Therefore, we recommend the company:<br><br>Clearly disclose its IA registration details (including registration number and validity) and standard warning on all online platforms, including LinkedIn and YouTube.<br><br>Explicitly identify the division responsible for each advertisement to ensure compliance with SEBI regulations and avoid misleading potential clients. | Going forward we will include requisite information on all relevant communications |

| S . No. | Regulation/ Circular/ Guideline | Description | Adverse Findings | Actions taken |
|---|---|---|---|---|
| | SEBI Master circular Ref. No. SEBI/ HO/MIRSD-PoD-2/P/CIR/2023/89/ dated June 15, 2023 - VI(17) | 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:<br><br>Compliance of aforementioned point VI (17) of master circular by | Company issued AML and CFT Policy for Advisory division of Bharosa Technoserve Private Ltd (herein after referred as BTPL) – Version 1.1, Dated Sep 11, 2023 which is followed by the company. However, for the period starting from April 2023 to September 2023 there was no policy in force. | We have formally adopted a policy and going forward will keep it updated at all times |