



ABHISHEK MISHRA
PRACTICING COMPANY SECRETARY
Email: abhishekmishrapcs@gmail.com
Mobile: +91 9617286847

Compliance Audit Report

2022-23

Fermi 325 Investment Adviser

SEBI Reg. No.: INA000015543

BASL Membership ID: 1802



ABHISHEK MISHRA
PRACTICING COMPANY SECRETARY
Email: abhishekmishrapcs@gmail.com
Mobile: +91 9617286847

The Compliance Audit Report of even date, for the Financial Year ended 31st March, 2023 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: 30th September, 2023



Abhishek
Mishra
Abhishek Mishra
Practicing Company Secretary
ACS 56048 | CP 24511

Digitally signed by
Abhishek Mishra
Date: 2023.09.30
14:39:10 +05'30'



ABHISHEK MISHRA
PRACTICING COMPANY SECRETARY
Email: abhishekmishrapcs@gmail.com
Mobile: +91 9617286847

COMPLIANCE AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023
[PURSUANT TO REGULATION 19(3) OF THE SEBI (INVESTMENT ADVISERS)
REGULATIONS, 2013]

I have conducted the Compliance Audit with respect to the compliance of SEBI (Investment Advisers) Regulations, 2013 ("Regulations") of Fermi 325 Investment Adviser, a SEBI Registered Investment Adviser, having Registration Number - INA000015543 (hereinafter called "the Investment Adviser"). Compliance Audit was conducted remotely on a sample basis.

Based on my review of the records as shared with me by the Investment Adviser and also the information provided by the Investment Adviser during the conduct of compliance audit, I hereby report that in my opinion, the Investment Adviser has, during the audit period covering the Financial Year ended 31st March 2023, has complied with the Regulations listed hereunder to the extent, in the manner and subject to the reporting made hereinafter.

Name of BASL enrolled Investment Adviser	Fermi 325 Investment Adviser
BASL Membership ID	1802
SEBI Registration No.	INA000015543
Annual compliance Audit Report for FY ended	2022-23

Name & Contact details of Principal Officer/Compliance Officer	Sanket Rathod Mobile No.: +91 8308492392 Email: sanket.rathod@fermi325.com
Total No. of Clients as on 31-03-2023	76

Annual Compliance Audit Report for F. Y 2022-2023				
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> 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	--	--
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	The Principal Officer of the IA is not in continuous compliance with the certification requirement.	--
SEBI/HO/IMD/D F1/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 registered as a non-individual Investment Adviser.	--
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	--	--

Annual Compliance Audit Report for F. Y 2022-2023				
Regulation	Particulars	Compliance Status	Reason for non-compliance/ non-applicability	Comments of the Auditor, if any
Regulation 13	<u>Conditions of certificate</u> (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.	☐ Complied ☐ Not- Complied ☒ <u>Not Applicable</u>	There was no change during the F.Y. 2022-23	--
SEBI/HO/IMD/D F1/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 ☒ <u>Not Applicable</u>	The IA is already registered as a non-individual Investment Adviser.	--
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.	☒ <u>Complied</u> ☐ Not- Complied ☐ Not Applicable	--	--
Regulation 15 A	<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.	☒ <u>Complied</u> ☐ Not- Complied ☐ Not Applicable	--	--
SEBI/HO/IMD/D F1/CIR/P/2 020/182 (Dated September 23, 2020) Clause 2(iii)	<u>Fees</u> Investment Advisers shall charge fees from the clients in either Assets under Advice (AUA) mode or Fixed fee mode.	☒ <u>Complied</u> ☐ Not- Complied ☐ Not Applicable	--	--
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.	☒ <u>Complied</u> ☐ Not- Complied ☐ Not Applicable	--	--
Regulation 17	<u>Suitability</u> Investment adviser shall ensure suitability of the advice being provided to the client.	☒ <u>Complied</u> ☐ Not- Complied ☐ Not Applicable	--	--

Annual Compliance Audit Report for F. Y 2022-2023				
Regulation	Particulars	Compliance Status	Reason for non-compliance/ non-applicability	Comments of the Auditor, if any
SEBI/HO/IMD/D F1/CIR/P/2 020/182 (Dated September 23, 2020) Clause 2(viii)	<u>Risk profiling and suitability for non-individual clients.</u> (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 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	--	--
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/D F1/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, in the form as specified under this clause.	☒ Complied ☐ Not- Complied ☐ Not Applicable	--	--
SEBI/HO/IMD/D F1/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 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.	☒ Complied ☐ Not- Complied ☐ Not Applicable	--	--
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	--	--

Annual Compliance Audit Report for F. Y 2022-2023				
Regulation	Particulars	Compliance Status	Reason for non-compliance/ non-applicability	Comments of the Auditor, if any
Regulation 21	<u>Redressal of client grievances</u> Investment adviser shall redress client grievances promptly through an adequate procedure.	☒ Complied ☐ Not- Complied ☐ Not Applicable	--	--
Regulation 22	<u>Client level segregation of advisory and distribution activities.</u> (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.	☒ Complied ☐ Not- Complied ☐ Not Applicable	--	--
SEBI/HO/IMD/D F1/CIR/P/2 020/182 (Dated September 23, 2020) Clause 2(i)	<u>Client Level Segregation of Advisory and Distribution Activities</u> Compliance and monitoring process for client segregation at group or family level shall be in accordance with the guidelines as specified under this clause.	☒ Complied ☐ Not- Complied ☐ Not Applicable	--	--
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.	☒ Complied ☐ Not- Complied ☐ Not Applicable	--	--

Annual Compliance Audit Report for F. Y 2022-2023				
Regulation	Particulars	Compliance Status	Reason for non-compliance/ non-applicability	Comments of the Auditor, if any
	(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.			
SEBI/HO/IMD/D F1/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	--	--
SEBI/HO/MIRSD 2/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.	☐ Complied ☐ Not- Complied ☒ Not Applicable	The IA has confirmed that it is not using any SaaS based Solutions.	--
SEBI/HO/IMD/I MD-II CIS/P/CIR/2021/0 686 (Dated December 13, 2021)	<u>Publishing Investor Charter and disclosure of Investor Complaints</u> (2) 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. (3) 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.	☒ Complied ☐ Not- Complied ☐ Not Applicable	--	--

Annual Compliance Audit Report for F. Y 2022-2023				
Regulation	Particulars	Compliance Status	Reason for non-compliance/ non-applicability	Comments of the Auditor, if any
Cyber Security Awareness	Whether any planned Cyber Security Awareness carried out among employees, stakeholders and clients, If Yes, details of Cyber Security Awareness programme conducted in the Audit FY	☒ Complied ☐ Not- Complied ☐ Not Applicable	--	The IA had shared a document on Cyber Security Awareness and has conducted a webinar.
SEBI/ BASL Inspection	Last SEBI / BASL Inspection carried out date and whether complied with inspection Observations.	☐ Complied ☐ Not- Complied ☒ Not Applicable	No SEBI/BASL Inspection had been conducted during the year under review.	--

Date: 30th September, 2023

UDIN: A056048E001141561


 Digitally signed by
 Abhishek Mishra
 Date: 2023.09.30
 14:38:41 +05'30'
Abhishek Mishra
Practicing Company Secretary
ACS 56048 | CP 24511