Internal Audit Report of Research Operations

Finwizard Technology Private Limited

For the FY 2022-23

To,

The Board of Directors

Finwizard Technology Private Limited

Dear Sir,

Subject: Internal Audit Report of Research Operations for the period April 1, 2022 to March 31, 2023

Pursuant to our appointment as internal auditors of your Company for carrying out internal audit of Research activities, we have conducted the audit for the period April 1, 2023 to March 31, 2024 in terms of SEBI (Research Analysts) Regulations, 2014.

Our report hereunder is based on audit carried out on a sample basis. The report incorporates our comment and recommendations along with the management comments received on email.

Thanking You,

For Shah &Ramaiya

Chartered Accountants

FRNo.: 126489W

SHARDUL JASHWANTLAL SHAH

Digitally signed by SHARDUL JASHWANTLAL SHAH
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CA Shardul Shah

Partner **Place: Mumbai**

M No.:118394 **Date: October 22, 2024**

UDIN No: 24118394BKALMQ3550

Contents:

1. SCOPE:

We have conducted Internal Audit for the period October 18, 2022 to March 31, 2023 of **Finwizard Technology Private Limited**, **"Finwizard"** a SEBI registered Research Analyst bearing Registration No. INH000010238 dated October 18, 2022.

In this report compliance with respect to following areas specified SEBI (Research Analysts) Regulations, 2014 relating to Research Analysis Services have been covered:

Sr. No	Area Covered	Regulation Reference
1.	SEBI Registration Certificate	Regulation 9
2.	Capital Adequacy	Regulation 8 (1) (2) & (3)
3.	Details of Infrastructure available	Regulation 6 (viii)
4.	Issue of research report by a person located outside India	Regulation 4
5.	"Fit and Proper person" criteria:	Regulation 6 (vii)
6.	Disciplinary Action	Regulation 6 (x)
7.	Minimum Qualification requirement for Research Analysts	Regulation 7
8.	NISM Certification for Research Analysts	Regulation 7 (2)
9.	Conditions of Certificate – Use of the word "Research Analyst	Regulation 13 (iii)
10.	Implementation of Internal Policy and Procedures	Regulation 15(1)
11.	Independence of Research Activity from other activities	Regulation 15(2)
12.	Limitations on trading by research analysts	Regulation 16
13.	Compensation of Research Analysts	Regulation 17

Sr. No	Area Covered	Regulation Reference
14.	Limitations on public appearance and publication of research reports	Regulation 18
15.	Disclosure in Research Reports and public appearance	Regulation 19
16.	Contents of Research Report	Regulation 20
17.	Recommendations in public media	Regulation 21(1)
18.	Distribution of research reports	Regulation 22
19.	General Responsibilities of a Research Analyst	Regulation 24
20.	Maintenance of Records as prescribed	Regulation 25
21.	Appointment of Compliance Officer	Regulation 26
22.	Adherence with PMLA guidelines	SEBI Circulars: SEBI/HO/MIRSD/DOP/CIR/ P/2019/113 dated 15-Oct-2019 SEBI/HO/MIRSD/MIRSD-SEC-5/P/CIR/2023/022 dated February 03, 2023
23.	Conduct of Annual Audit	Regulation 25 (3) of SEBI (Research Analyst) Regulations, 2014
24.	Publishing of Investor Charter and disclosure of Investor Complaints by Research Analysts on their websites/mobile applications	SEBI vide its Circular no. SEBI/HO/IMD/IMD-II CIS/P/CIR/2021/0685 dated December 13, 2021
25.	Advertisement code for Research Analyst	As per SEBI circular ref no: SEBI/HO/MIRSD/ MIRSD-PoD-2/P/CIR/2023/51 dated April 05, 2023

Sr. No	Area Covered	Regulation Reference
26.	Usage of brand name/trade name by Research Analysts (RA)	As per SEBI circular ref no: SEBI/HO/MIRSD/ MIRSD-PoD-2/P/CIR/2023/52 dated April 06, 2023,

2. METHODOLOGY

i. Our opinion is based on our examination of the records maintained and presented for verification to the extent maintained by Company and the explanation offered by **Finwizard Technology Private Limited.**

ii. It was informed by **Finwizard** that; the Research Analyst business has not been started and during the period of audit, **no Research Reports** were issued.

Further **Finwizard** has confirmed that, it will comply with all the requirements as per regulation before it starts its operations as Research Analyst.

3. REPORT

Auditor Comment regarding the aforesaid areas are as under:

3.1. SEBI Registration Certificate:

Finwizard Technology Private Limited (Finwizard) has registered itself as a Research Analyst with SEBI with registration no. INH000010238 dated October 18, 2022.

3.2. Payment of SEBI Fees

In terms of Regulation 3 of Second Schedule of SEBI (Research Analysts) Regulations, 2014, A Research Analyst who has been granted a certificate of registration, to keep its registration in force, shall pay fee prescribed at paragraph 2 above (Rs. 5 Lakh for Corporates) **every five years**, from the date of grant of certificate of registration within three months before expiry of the period for which fee has been paid.

Auditor comment:

Finwizard has paid SEBI fees in 2022. Next fee is due in 2027.

3.3. Capital Adequacy:

a) In terms of Regulation 8 (1) of SEBI (Research Analysts) Regulations, 2014 and SEBI (Research analysts) (Amendment) Regulations, 2008, the RA who is an Individual or Partner Ship Firm shall have a net tangible asset of not less than **one lakh rupees**.

b) In terms of Regulation 8 (2) of SEBI (Research Analysts) Regulations, 2014 and SEBI (Research analysts) (Amendment) Regulations, 2008, a research analyst who is body corporate shall have a net-worth of not less than **twenty five lakh rupees.**

Explanation.-For the purposes of this regulation, "networth" means the aggregate value of paid up share capital plus free reserves (excluding reserves created out of revaluation) reduced by the aggregate value of accumulated losses.

Auditor comment:

The Net worth of "**Finwizard"** as on 31st March, 2023 is Rs. 58,94,90,897/- which fulfills the SEBI requirement.

3.4. Details of Infrastructure available:

As per Regulation 6 (viii) of SEBI (Research Analyst) Regulations, 2014, RA should have the necessary infrastructure to effectively discharge the activities of research analyst.

Auditor comment:

Finwizard has complied with the requirement.

3.5. Issue of research report by a person located outside India:

In terms of Regulation 4 of the SEBI (Research Analyst) Regulations, 2014, any person located outside India engaged in issuance of research report or research analysis in respect of securities listed or proposed to be listed on a stock exchange shall enter into an agreement with a research analyst or research entity registered under these regulations.

Auditor comment:

Not applicable. **Finwizard** did not commence Research Analyst business during the audit period.

3.6. "Fit and Proper person" criteria:

The individuals employed as research analyst and partners of the RA, if any, are fit and proper persons based on the criteria as specified in Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008; – Regulation 6 (vii) of the SEBI (Research Analyst) Regulations, 2014.

Auditor comment:

As confirmed by **Finwizard** through a declaration, their representatives, the key management persons, the Directors, Compliance officers, are fit and proper persons based on the criteria as specified in Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008.

3.7. Disciplinary Action:

As per Regulation 6 (x) of the SEBI (Research Analyst) Regulations, 2014, Disciplinary action has been /has not been taken by the Board or any other regulatory authority against the RA or any person directly or indirectly connected to the applicant under the respective Act, rules or regulations made thereunder.

Auditor comment:

Not applicable. **Finwizard** did not commence Research Analyst business during the audit period.

3.8. Minimum Qualification Requirement for RA:

As per regulation 7 (1) of SEBI (Research Analyst) Regulations, 2014, the individuals employed as research analyst, engaged in preparation and/or publication of research report or research analysis shall have the following minimum qualifications, at all times:

- A professional qualification or post-graduate degree or post graduate diploma in finance, accountancy, business management, commerce, economics, capital market, financial services or markets provided by:
    - a university which is recognized by University Grants Commission or by any other commission/council/board/body established under an Act of Parliament in India for the purpose; or
    - an institute/association affiliated with such university; or
    - an institute/ association/university established by the central government or state government; or
    - autonomous institute falling under administrative control of Government of India; or
- professional qualification or post-graduate degree or post graduate diploma which is accredited by All Indian Council for Technical Education, National Assessment and Accreditation Council or National Board of Accreditation or any other council/board/body set up under an Act of Parliament in India for the purpose; or
- A graduate in any discipline with an experience of at least five years in activities relating to financial products or markets or securities or fund or asset or portfolio management.

Auditor comment:

Finwizard has complied with the requirement. Based on the data provided for verification it was noted that, Research Analysts employed by **Finwizard** at the time of SEBI registration have duly complied with the above requirements of Education and relevant experience.

3.9. NISM Certification for Research Analysts:

As per regulation 7 (2) of SEBI (Research Analyst) Regulations, 2014, the individuals employed as research analyst shall have, at all times, a NISM certification for research analysts as specified by the Board or other certification recognized by the Board from time to time.

Provided that research analyst or research entity already engaged in issuance of research report or research analysis seeking registration under these regulations shall ensure that the individuals employed by it as research analyst obtain such certification within two years from the date of commencement of these regulations.

Auditor comment:

Finwizard has complied with the requirement. Based on the data provided for verification it was noted that, Research Analysts employed by **Finwizard** at the time of SEBI registration have duly complied with the above requirements of NISM certification.

3.10. Conditions of Certificate – Use of the word “Research Analyst”:

Regulation 13(iii) of SEBI (Research Analyst) Regulations, 2014, lays down the conditions to be fulfilled by the Research entity on which the certificate of registration is granted. This requires the research entity to use the term “Research Analyst” in all correspondences with its clients.

Auditor comment:

Not applicable. **Finwizard** did not commence Research Analyst business during the audit period.

3.11. Implementation of Internal Policy and Procedures:

a) In terms of Regulation 15 (1), the RA or Research Entity shall have written following internal policies and control procedures governing the dealing and trading by any research analyst and ensures that they are implemented:

i. Addressing actual or potential conflict of interest arising from such dealings or trading of securities of subject company (15(i))

ii. promoting objective and reliable research that reflects the unbiased view of research analyst (15(ii))

iii. preventing the use of research report or research analysis to manipulate the securities market (15(iii))

Auditor comment:

Not applicable. **Finwizard** did not commence Research Analyst business during the audit period.

b) In terms of Regulation 15 (2), the RA or Research Entity shall have in place appropriate mechanisms to ensure independence of its research activities from its other business activities.

Auditor comment:

Not applicable. **Finwizard** did not commence Research Analyst business during the audit period.

3.12. Limitations on trading by research analysts:

Regulation 16 of the SEBI (Research Analyst) Regulations, 2014, has specified following regulations for compliance by Research Analyst with reference to Limitations on Trading by Research Analysts:

1) Personal trading activities of the individuals employed as research analyst by research entity shall be monitored, recorded and wherever necessary, shall be subject to a formal approval process.

Auditor comment:

Not applicable. **Finwizard** did not commence Research Analyst business during the audit period.

2) Independent research analysts, individuals employed as research analyst by research entity or their associates shall not deal or trade in securities that the research analyst recommends or follows within thirty days before and five days after the publication of a research report.

Auditor Comment:

Not applicable. **Finwizard** did not commence Research Analyst business during the audit period.

3) Independent research analysts, individuals employed as research analysts by research entity or their associates shall not deal or trade directly or indirectly in securities that he reviews in a manner contrary to his given recommendation.

Auditor Comment:

Not applicable. **Finwizard** did not commence Research Analyst business during the audit period.

4) Independent research analysts, individuals employed as research analysts by research entity or their associate shall not purchase or receive securities of the issuer before the issuer's initial public offering, if the issuer is principally engaged in the same types of business as companies that the research analyst follows or recommends.

Auditor Comment:

Not applicable. **Finwizard** did not commence Research Analyst business during the audit period.

5) Provisions of sub-regulations (2) to (4) shall apply mutatis mutandis to a research entity unless it has segregated its research activities from all other activities and maintained an arms-length relationship between such activities.

Auditor comment on points 2-4 based on point 5:

Not applicable. **Finwizard** did not commence Research Analyst business during the audit period.

6) Notwithstanding anything contained in sub-regulations (2) to (4), such restrictions to trade or deal in securities may not apply in case of significant news or event concerning the subject company or based upon an unanticipated significant change in the personal financial circumstances of the research analyst, subject to prior written approval as per the terms specified in the approved internal policies and procedures.

Auditor comment:

Not applicable. **Finwizard** did not commence Research Analyst business during the audit period.

3.13. Compensation of Research Analysts:

Regulations 17 of the SEBI (Research Analyst) Regulations, 2014 specifies following conditions for compensation of Research Analysts:

1. Research entity shall not pay any bonus, salary or other form of compensation to any individual employed as research analyst that is

determined or based on any specific merchant banking or investment banking or brokerage services transaction.

2. The compensation of all individuals employed as research analyst shall be reviewed, documented and approved annually by board of directors/committee appointed by board of directors of the research entity, which does not consist of representation from its merchant banking or investment banking or brokerage services divisions.

3. The board of directors/committee appointed by board of directors of the research entity approving or reviewing the compensation of individual employed as research analyst shall not take into account such individual's contribution to the research entity's investment banking or merchant banking or brokerage services business.

4. An individual employed as research analyst by research entity shall not be subject to the supervision or control of any employee of the merchant banking or investment banking or brokerage services divisions of that research entity.

Auditor Comment:

Not applicable. **Finwizard** did not commence Research Analyst business during the audit period.

3.14. Limitations on publication of research report, public appearance and conduct of business, etc.:

Following conditions have been specified in Regulation 18 of the SEBI (Research Analyst) Regulations, 2014:

1. Research analyst or research entity shall not publish or distribute research report or research analysis or make public appearance regarding a subject company for which he has acted as a manager or co-manager at any time falling within a period of:
   a) Forty days immediately following the day on which the securities are priced if the offering is an initial public offering; or
   b) (b) Ten days immediately following the day on which the securities are priced if the offering is a further public offering:

   Provided that research analyst or research entity may publish or distribute research report or research analysis or make public appearance within such forty day and ten day periods, subject to prior written approval of legal or compliance personnel as specified in the internal policies and procedures.

2. A research entity who has agreed to participate or is participating as an underwriter of an issuer's initial public offering shall not publish or distribute a research report or make public appearance regarding that issuer before expiry of twenty five days from the date of the offering.

3. Research analyst or research entity who has acted as a manager or co-manager of public offering of securities of a company shall not publish or distribute a research report or make a public appearance concerning that

company within fifteen days prior to date of entering into and fifteen days after the expiration/waiver/termination of a lock-up agreement or any other agreement that the research analyst or research entity has entered into with a subject company that restricts or prohibits the sale of securities held by the subject company after the completion of public offering of securities:

Provided that research analyst or research entity may publish or distribute research report or research analysis or make public appearance regarding that company within such fifteen days subject to prior written approval of legal or compliance personnel as specified in the internal policies and procedures.

4. Research analyst or individuals employed as research analyst by research entity shall not participate in business activities designed to solicit investment banking or merchant banking or brokerage services business, such as sales pitches and deal roadshows.

5. Research analyst or individuals employed as research analyst by research entity shall not engage in any communication with a current or prospective client in the presence of personnel from investment banking or merchant banking or brokerage services divisions or company management about an investment banking services transaction.

6. Investment banking or merchant banking or brokerage services division's personnel of research entity shall not direct the individuals employed as research analyst to engage in sales or marketing related to an investment banking or merchant banking or brokerage services and shall not direct the research analyst to engage in any communication with a current or prospective client about such division's transaction:

Provided that sub-regulations (4) to (6) shall not prohibit research analyst or research entity from engaging in investor education activities including publication of pre-deal research and briefing the views of the research analyst on the transaction to the sales or marketing personnel.

7. Research analyst or research entity shall have adequate documentary basis, supported by research, for preparing a research report.

8. Research analyst or research entity shall not provide any promise or assurance of favourable review in its research report to a company or industry or sector or group of companies or business group as consideration to commence or influence a business relationship or for the receipt of compensation or other benefits.

9. Research analyst or research entity shall not issue a research report that is not consistent with the views of the individuals employed as research analyst regarding a subject company.

10. Research entity shall ensure that the individuals employed as research analyst are separate from other employees who are performing sales trading, dealing, corporate finance advisory or any other activity that may affect the independence of its research report:

    Provided that the individual employed as research analyst by research entity can receive feedback from sales or trading personnel of brokerage division to ascertain the impact of research report.

    Auditor Comment:
    Not applicable. **Finwizard** did not commence Research Analyst business during the audit period..

3.15. Disclosure in Research Report - ownership and material conflicts of interest

In terms of Regulation 19 (i) of the SEBI (Research Analyst) Regulations, 2014, the RA is required to disclose following Research Report and in public appearance with regard to ownership and material conflicts of interest:

i. That RA or his associate or his relative has any financial interest in the subject company
ii. if such financial interest, if any
iii. that the RA or its associates or relatives, have or does not have actual/beneficial ownership of one per cent. or more in securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of the public appearance
iv. That it has or does not have any other material conflict of interest at the time of publication of the research report or at the time of public appearance

Auditor Comment:

Not applicable. **Finwizard** did not commence Research Analyst business during the audit period.

3.16. Disclosure in public appearance with regard to compensation:

In terms of Regulation 19 (iii), (iv), (v) and (vi) of the SEBI (Research Analyst) Regulations, 2014, the RA is required to disclose following in the Public Appearance with regard to receipt of compensation:

a) The RA or its associates have or have not received any compensation from the subject company in the past twelve months

b) The subject company is or was a client during twelve months preceding the date of distribution of the research report
c) Types of services provided if any,
d) The research analyst has served as an officer, director or employee of the subject company
e) The research analyst or research entity has been engaged in market making activity for the subject company
f) All other disclosures as specified by the Board under any other regulations.

Auditor Comment:

Not applicable. **Finwizard** did not commence Research Analyst business during the audit period.

3.17. Contents in Research Report:

SEBI has specified following requirements in pertaining to Disclosure and Contents in the Research Report vide Regulation 20 of the SEBI (Research Analyst) Regulations, 2014:

a) RA has taken steps to ensure that facts in its research reports are based on reliable information
b) Definitions of the terms used in the recommendations made
c) These terms used consistently

Auditor Comment:

Not applicable. **Finwizard** did not commence Research Analyst business during the audit period.

d) In case the rating system is used in the research report.
   i. whether meaning of such ratings is clearly defined.

ii. whether details like time horizon and benchmarks on which a rating is based is clearly mentioned. Whether research report contains either a rating or price target for subject company

iii. whether the RA has assigned a rating or price target to the securities for at least one year

e) If (d-ii) and (d-iii) are complied then such research report shall also provide the graph of daily closing price of such securities for the period assigned or for a three-year period, whichever is shorter.

Auditor Comment:

Not applicable. **Finwizard** did not commence Research Analyst business during the audit period.

3.18. Recommendations in public media:

SEBI has specified following requirements in pertaining to Recommendations in public media vide Regulation 21(1) of the SEBI (Research Analyst) Regulations, 2014:

1. Research analyst or research entity including its director or employee shall disclose the registration status and details of financial interest in the subject company, if he makes public appearance.

2. If any person including a director or employee of an investment adviser or credit rating agency or asset management company or fund manager, makes public appearance or makes a recommendation or offers an opinion concerning securities or public offers through public media, all the provisions of regulations 16 and 17 of the SEBI (Research Analyst) Regulations, 2014 shall apply *mutatis mutandis* to him and he shall disclose his name, registration status and details of financial interest in the subject company at the time of,

    i. making such recommendation or offering such opinion in personal capacity;

ii. responding to queries from audiences or journalists in personal capacity;
iii. communicating the research report or substance of the research report through the public media.

Auditor Comment:

Not applicable. **Finwizard** did not commence Research Analyst business during the audit period.

3.19. Distribution of research reports:

As per Regulation 22of the SEBI (Research Analyst) Regulations, 2014, following conditions need to be complied with respect to Distribution of Research Reports:

a) In terms of Regulation 22(1) of the SEBI (Research Analyst) Regulations, 2014, a research report shall not be made available selectively to internal trading personnel or a particular client or class of clients in advance of other clients who are entitled to receive the research report. Research analyst or research entity who distributes any third party research report has reviewed the third party research report for any untrue statement of material fact or any false or misleading information.

b) It is ensured that Research analyst or research entity who distributes any third party research report has disclosed any material conflict of interest of such third party research provider or he has provided a web address that directs a recipient to the relevant disclosures.

c) It is ensured that Research analyst or research entity who distributes any third party research report has disclosed any material conflict of interest of such third party research provider or he has provided a web address that directs a recipient to the relevant disclosures.

Auditor Comment:

Not applicable. **Finwizard** did not commence Research Analyst business during the audit period.

3.20. General Responsibilities of a Research Analyst:

As per Regulation 24 of the SEBI (Research Analyst) Regulations, 2014,

(1) Research analyst or research entity shall maintain an arms-length relationship between its research activity and other activities.

Auditor Comment:

Not applicable. **Finwizard** did not commence Research Analyst business during the audit period.

(2) Research analyst or research entity shall abide by Code of Conduct as specified in Third Schedule.

Auditor Comment:

Finwizard did not commence Research Analyst business during the audit period.

(3) In case of change in control of the research analyst or research entity, prior approval from the Board shall be taken.

Auditor Comment:

Not Applicable. As confirmed by **Finwizard** there was no change in control during the audit period.

(4) Research analyst or research entity shall furnish to the Board information and reports as may be specified by the Board from time to time.

Auditor Comment:

Not applicable. **Finwizard** did not commence Research Analyst business during the audit period.

(5) It shall be the responsibility of the research analyst or research entity to ensure that its employees or partners, as may be applicable, comply with the certification and qualification requirements under regulation 7 at all times.

Auditor's Comment:

Not applicable. **Finwizard** did not commence Research Analyst business during the audit period.

3.21. Maintenance of Records as prescribed:

The Regulation 25 of the SEBI (Research Analyst) Regulations, 2014 specifies that a Research analyst or research entity shall maintain the following records either in physical or electronic form and preserve for a minimum **period of five years**. Provided that where records are required to be duly signed and are maintained in electronic form, such records shall be digitally signed:

(i) Research report duly signed and dated.

(ii) Research recommendation provided.

(iii) Rationale for arriving at research recommendation.

(iv) Record of public appearance.

Auditor comment:

Not applicable. **Finwizard** did not commence Research Analyst business during the audit period.

3.22. Appointment of Compliance Officer:

As per Regulation 26 of RA regulation Research analyst or research entity which is a body corporate or limited liability partnership firm shall appoint a compliance officer who shall be responsible for monitoring the compliance of the provisions of the Act, these regulations and circulars issued by the Board.

Auditor comment:

Finwizard has complied with the requirement. Mr. Krishna Jakkula has been appointed as a compliance officer for research activities.

3.23. Adherence with PMLA guidelines:

a) In terms of Clause 1.3.1.1 of SEBI Master Circular dated October 15, 2019 and SEBI/HO/MIRSD/MIRSD-SEC-5/P/CIR/2023/022 dated February 03, 2023, the Research Analyst is required to frame following policies and procedures to ensure compliance with PMLA guidelines specified by SEBI to prevent Money Laundering (ML) and Terror Financing (TF):

i. Record Keeping
ii. Information to be maintained
iii. Retention of Records
iv. Maintaining and updating List of Designated Individuals/ Entities

Auditor comment:

Finwizard has put PMLA policy in place which is in compliance with the requirements.

b) In terms of Clause 2.11.1.1 of SEBI Circular dated October 15, 2019 and clause 61 of SEBI circular ref: SEBI/HO/MIRSD/MIRSD-SEC-5/P/CIR/2023/022 dated February 03, 2023, the Research Analyst is required to appointed Principal Officer and submit its information and change if any to FIU-IND.

Auditor comment:

Mr. Krishna Jakkula has been appointed as a Principal Officer and intimation of the same has been sent to FIU.

c) In terms of Clause 2.11.2.1 of SEBI Circular dated October 15, 2019 and clause 62 of SEBI circular ref: SEBI/HO/MIRSD/MIRSD-SEC-5/P/CIR/2023/022 dated February 03, 2023, the Research Analyst is required to appoint a Designated Director and submit its information and change if any to FIU-IND.

Auditor comment:

Mr. Subramanya Sumukh has been appointed as a Designated Director and intimation of the same has been sent to FIU.

d) In terms of Clause 2.12.1.1 of SEBI Circular dated October 15, 2019 clause 65 of SEBI circular ref: SEBI/HO/MIRSD/MIRSD-SEC-5/P/CIR/2023/022 dated February 03, 2023, the Research Analyst is required to have adequate screening procedures in place to ensure high standards when hiring employees.

Auditor comment:

PMLA policy of **Finwizard** has a process for hiring of employees with adequate screening procedures in place to ensure high standards.

e) In terms of Clause 2.12.2.1 of SEBI Circular dated October 15, 2019 clause 66 of SEBI circular ref: SEBI/HO/MIRSD/MIRSD-SEC-5/P/CIR/2023/022 dated February 03, 2023, the Research Analyst is required to provide ongoing training to employees so that the members of the staff are adequately trained in AML and CFT procedures.

Auditor Comment:
Not applicable. **Finwizard** did not commence Research Analyst business during the audit period.

f) In terms of Clause 2.12.3.1 of SEBI Circular dated October 15, 2019 clause 67 of SEBI circular ref: SEBI/HO/MIRSD/MIRSD-SEC-5/P/CIR/2023/022 dated February 03, 2023, the Research Analyst is required to prepare specific literature/ pamphlets etc. so as to educate the client of the objectives of the AML/CFT program.

Auditor Comment:
Not applicable. **Finwizard** did not commence Research Analyst business during the audit period.

3.24. Conduct of Annual Audit:

a) In terms of Regulation 25 (3) of SEBI (Research Analyst) Regulations, 2014, the RA has conducted annual audit in order to ensure compliance with these regulations from a qualified CA or CS.

b) The compliance with respect to previous audit observations have been ensure.

Auditor's Comment:

Not Applicable. Finwizard has received SEBI registration in October 2022 hence, this is the first year of audit.

3.25. Publishing of Investor Charter and disclosure of Investor Complaints by Research Analysts on their websites/mobile applications:

SEBI vide its Circular no. SEBI/HO/IMD/IMD-II CIS/P/CIR/2021/0685 dated December 13, 2021, advised Research Analysts to:

a) bring to the notice of their clients the Investor Charter by prominently displaying on their websites

Auditor Comment:

Finwizard has complied with the requirement

b) disclose on their web sites on a monthly basis, the data pertaining to all complaints including SCORES complaints received by them in the format prescribed, by 7thof the succeeding month.

Auditor Comment:

Finwizard did not commence Research Analyst business during the audit period. However, it has uploaded NIL data on the website during the audit period.

c) display link/option on their websites and mobile apps so as to enable their clients to lodge complaint with them directly.

Auditor Comment:

Finwizard has complied with the requirement

d) provide link to SCORES website/ link to download mobile app (SEBI SCORES on their website.

Auditor Comment:

Finwizard has complied with the requirement

3.26. Advertisement code for Research Analyst (RA)

As per SEBI circular ref no: SEBI/HO/MIRSD/ MIRSD-PoD-2/P/CIR/2023/51 dated April 05, 2023, in order to strengthen the conduct of RA while issuing any advertisement, it is directed that RA shall ensure compliance with the advertisement code as prescribed.

Auditor Comment:

This requirement is not applicable during the audit period as the circular is applicable from May 1, 2023. However, Finwizard, has confirmed that it has ensured compliance with the requirement.

3.27. Usage of brand name/trade name by Research Analysts (RA)-

As per SEBI circular ref no: SEBI/HO/MIRSD/ MIRSD-PoD-2/P/CIR/2023/52 dated April 06, 2023, while research analysts may use the brand name/trade name/logo, in order to ensure the transparency in such a usage of brand name/trade name/logo, they shall ensure compliance requirement as prescribed in the circular.

Auditor Comment:

This requirement is not applicable during the audit period as the circular is applicable from May 1, 2023. However, Finwizard, has confirmed that it has ensured compliance with the requirement.