Internal Audit Report of Research Operations

Finwizard Technology Private Limited

FY 2023-2024

To,

The Board of Directors

Finwizard Technology Private Limited

Dear Sir,

Subject: Internal Audit Report of Research Operations for the period April 1, 2023 to March 31, 2024

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

M No.:118394

UDIN No: 25118394BMFYDH6039

Place: Mumbai

Date: March 12, 2025

Contents:

1. SCOPE:

We have conducted Internal Audit for the period April 1, 2023 to March 31, 2024 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)

Sr. No	Area Covered	Regulation Reference
12.	Limitations on trading by research analysts	Regulation 16
13.	Compensation of Research Analysts	Regulation 17
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	SEBI vide its Circular no. SEBI/HO/IMD/IMD-II

Sr. No	Area Covered	Regulation Reference
	Research Analysts on their websites/mobile applications	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
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,
27.	Advisory for Financial Sector Organizations regarding Software as a Service (SaaS) based solutions:	Annexure C of Master Circular ref no: SEBI/HO/MIRSD-PoD-2/P/CIR/2023/90 dated June 15, 2023
28.	Unauthenticated news circulated by SEBI Registered Market Intermediaries through various modes of communication	Point 8 of SEBI Master Circular ref no: SEBI/HO/MIRSD-PoD-2/P/CIR/2023/90 dated June 15, 2023
29.	Guidelines on Outsourcing of Activities by Intermediaries	Point 9 of SEBI Master Circular ref no: SEBI/HO/MIRSD-PoD-2/P/CIR/2023/90 dated June 15, 2023
30.	Framework for Regulatory Sandbox	Point 10 of SEBI Master Circular ref no: SEBI/HO/MIRSD-PoD-2/P/CIR/2023/90 dated June 15, 2023
31.	General Guidelines for dealing with Conflicts of Interest of intermediaries	Point 11 of SEBI Master Circular ref no: SEBI/HO/MIRSD-PoD-

Sr. No	Area Covered	Regulation Reference
	and their Associated Persons in Securities Market	2/P/CIR/2023/90 dated June 15, 2023
32.	Approach to securities market data access and terms of usage of data provided by data sources in Indian securities market	Point 12 of SEBI Master Circular ref no: SEBI/HO/MIRSD-PoD-2/P/CIR/2023/90 dated June 15, 2023
33.	Online Resolution of Disputes in the Indian Securities Market	SEBI circular ref no: SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 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. During the period of audit only technical calls are given by Finwizard. As confirmed by Finwizard there were no research reports issued for fundamental research analysis.

iii. During the audit period following documents of the employees employed as Research Analyst have been verified:

- Research Reports
    - Declaration for FIT and Proper Person
    - Educational Qualification
    - Trading Details

Results of test checks on sample verification are relied to determine implementation of systems, checks and controls on compliance of SEBI (Research Analysts) Regulations, 2014.

3. REPORT

Auditor Comment regarding the aforesaid areas are as under:

3.1. SEBI Registration Certificate:

Finwizard Technology Private Limited, **"Finwizard"**, a SEBI registered Research Analyst bearing 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:

Last SEBI fees was paid on October 11, 2022 and the next payment of fee is due in October 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, 2024 is Rs. 50,82,08,927/-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:

It was observed that **Finwizard** has necessary infrastructure to effectively discharge the activities of research analyst.

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.

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 declared by **Finwizard**, individuals employed as research analysts 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) and Regulation 9 of the SEBI (Research Analyst) Regulations, 2014.

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:

Finwizard has confirmed that, no Disciplinary action has been taken by the Board or any other regulatory authority against the RA or any person directly or indirectly connected to Finwizard under the respective Act, rules or regulations made thereunder.

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, there are total **2** Research Analysts employed by **Finwizard** and they have duly complied with the above requirements of Education and relevant experience.

Details of the same are as follows:

Sr. No	Name of Research analyst	Designation	Professional Qualification	Total Experience (In Years)	Validity of NISM Certificate*
1	Nirav R Karkera	Head – Research	MBA	9 Years	15-Oct-2024
2	Sagar Shinde	Vice President – Research	1.Master of Economics 2. PGDM in Finance and Marketing 4. Bachlor of Accounts and Finance	5 Years	15-Oct-2024

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, there are total **2** Research Analysts employed by **Finwizard** and they have duly complied with the above requirements of NISM certification.

Details of the same are as follows:

Sr. No	Name of Research analyst	Designation	Validity of NISM Certificate*
1	Nirav R Karkera	Head – Research	15-Oct-2024
2	Sagar Shinde	Vice President – Research	15-Oct-2024

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:

As confirmed by **Finwizard,** it has not issued any research reports for fundamental analysis. Only technical calls have been provided by technical analyst. Hence there is no communication between Finwizard and clients.

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:

Finwizard has complied with the requirement. All the above-mentioned requirements are included in Research Analyst policy. It was noted that, Research Analyst activities started from 12th Feb 2024.

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:

Finwizard has complied with the requirement. On verification of Organization structure, it was observed that research activities are independent from its other business activities.

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:

Finwizard has Research Analyst policy which includes guidelines for personal trading by Research Analysts. However, as confirmed by Finwizard, none of the research analysts has done personal trading during the audit period It was noted that, Research Analyst activities started from 12th Feb 2024.

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:

It was noted that, Research Analyst activities started from 12th Feb 2024. As confirmed by **Finwizard**, none of the research analysts has done personal trading post 12th Feb 2024

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:

It was noted that, Research Analyst activities started from 12th Feb 2024. As confirmed by **Finwizard**, none of the research analysts has done personal trading post 12th Feb 2024.

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. As confirmed by **Finwizard** it was noted that, it has not participated in Initial Public Offering during the audit period. It was noted that, Research Analyst activities started from 12th Feb 2024. As confirmed by **Finwizard**, none of the research analysts has done personal trading post 12th Feb 2024.

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:

The compliance requirement specified in point 2-4 are not applicable to **Finwizard** since it has segregated its research activities from all other activities and maintained an arms-length relationship between such activities in terms of Regulation 16(5) of SEBI (Research Analysts) Regulations, 2014.

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:

Finwizard has confirmed that there was no such case.

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.

Auditor comment:

Finwizard has complied with the requirement. As declared by Finwizard, no compensation is paid 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.

   Auditor comment:

   It was informed by **Finwizard** that, during the Board meeting held on 19-Oct-2024 Board of Directors of Finwizard India annually reviewed and approved the compensation of Research analysts pursuant to Regulation 17 of SEBI (Research Analysts) Regulations, 2014.

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.

   Auditor comment:

   Finwizard has complied with the requirement.

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:

Finwizard has complied with the above requirements. Finwizard does not have investment banking or merchant banking division. On verification of Organization structure it was observed that, Research Analysts have not been subject to the supervision or control of any employee of the brokerage services division.

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.

Auditor Comment:

Not Applicable as **Finwizard** has not acted as a manager or co-manager during the audit period.

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.

   Auditor Comment:

   Not Applicable as **Finwizard** has not agreed to participate or has not participated as an underwriter of an issuer's initial public 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.

Auditor Comment:

Not applicable since as confirmed by **Finwizard**, during the audit period it has not acted as a manager or co-manager.

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.

Auditor Comment:

Finwizard has complied with the requirement.

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.

Auditor Comment:

FInwizard has complied with the requirement. Research Analyst policy includes clause pertaining to compliance with the same.

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.

   Auditor Comment:
   As confirmed by **Finwizard,** it has complied with the requirement. Further Research Analyst policy has clause pertaining to compliance with the same.

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

   Auditor Comment:
   As confirmed by **Finwizard,** it has not issued any research reports for fundamental analysis. Only technical calls have been provided by technical analyst.

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.

Auditor Comment:

As confirmed by **Finwizard,** it has not issued any research reports for fundamental analysis. Only technical calls have been provided by technical analyst

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.

   Auditor Comment:

   As confirmed by **Finwizard,** it has not issued any research reports for fundamental analysis. Only technical calls have been provided by technical analyst.

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:

On verification of organization structure it was observed that **Finwizard** has complied with the requirement.

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:

As confirmed by **Finwizard,** it has not issued any research reports for fundamental analysis. Only technical calls have been provided by technical analyst.

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:

As conformed by **Finwizard,** Research Analyst has not spoken about any particular stock in the equity segment and have not given any recommendations during the media appearance.

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:

As confirmed by **Finwizard,** it has not issued any research reports for fundamental analysis. Only technical calls have been provided by technical analyst.

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 as on the basis of verification of Research Reports it is noted that **Finwizard** has not used rating system.

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.

   Auditor Comment:

   As conformed by **Finwizard,** Research Analyst has not spoken about any particular stock in the equity segment and have not given any recommendations during the media 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:

   As conformed by **Finwizard,** Research Analyst has not spoken about any particular stock in the equity segment and have not given any recommendations during the media appearance.

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.

Auditor Comment:
Finwizard has complied with the requirement. Research reports are not 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.

Further, **Finwizard** does not issue third party research reports.

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.

Auditor Comment:
Not Applicable. **Finwizard** does not issue third party research reports.

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** does not issue third party research reports.

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:

On verification of organization structure it was observed that, **Finwizard** has maintained arms-length relationship between its research activity and other activities.

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

Auditor Comment:

Finwizard has complied with the requirement. It has formulated Code of Conduct policy and has implemented the same.

(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 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:

As confirmed by **Finwizard** no reports were asked by SEBI 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:

Based on verification of documents and certificates provided for **2** Research Analysts as on March 31, 2024 and confirmation received, it is noted that **Finwizard** has complied with the qualification and certification requirements under regulation 7 at all times.

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.

Auditor comment:
As confirmed by **Finwizard,** it has not issued any research reports for fundamental analysis. Only technical calls have been provided by technical analyst.

(ii) Research recommendation provided.

Auditor comment:
As confirmed by **Finwizard,** it has not issued any research reports for fundamental analysis. Only technical calls have been provided by technical analyst.

(iii) Rationale for arriving at research recommendation.

Auditor comment:
As confirmed by **Finwizard,** it has not issued any research reports for fundamental analysis. Only technical calls have been provided by technical analyst.

(iv) Record of public appearance.

Auditor comment:

As conformed by **Finwizard,** Research Analyst has not spoken about any particular stock in the equity segment and have not given any recommendations during the media appearance.

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:

Finwizard has complied with the requirement.

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:

As confirmed by **Finwizard,** it has not issued any research reports for fundamental analysis. Only technical calls have been provided by technical analyst. Hence there are no clients registered.

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:

- **Finwizard** has conducted annual audit in order to ensure compliance with these regulations from a qualified CA.

- No discrepancies were observed during the internal audit conducted for the period ended March 2022.

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 this requirement. It has displayed Investor Charter on their website.

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 7th of the succeeding month.

Auditor Comment:

Finwizard has complied with this requirement. On verification of emails received from concerned department providing confirmation of uploading the complaint data it was observed that, compliant data is uploaded in the prescribed format by 7th of the succeeding month.

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 this requirement.

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

Auditor Comment:

Finwizard has complied with this requirement.

e) As per point 3.2 of the SEBI Master circular SEBI/HO/MIRSD-PoD-2/P/CIR/2023/90 dated June 15, 2023, as an additional measure and for information of all investors who deal/ invest/ transact in the market, the research analysts shall prominently display in their offices the following information about the grievance redressal mechanism available to investors. [Applicable from August 18, 2023]

Dear Investor, *In case of any grievance / complaint against the research analyst:* • Please contact Compliance Officer of the research analyst (Name and Address) / email-id (xxx.@email.com) and Phone No. - 91-XXXXXXXXXX. • You may also approach CEO / Partner / Proprietor (Name) / email- id (xxx.@email.com) and Phone No. - 91-XXXXXXXXXX.

Auditor Comment:

Finwizard has complied with this requirement.

3.25.1 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:

As confirmed by **Finwizard**, no advertisement was issued during the audit period.

3.26 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, 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.

In order to ensure the transparency in usage of brand name/trade name/logo, RA shall ensure that:

i. The information such as name of the RA as registered with SEBI, its logo, its registration number and its complete address with telephone numbers shall be prominently displayed on portal/web site, if any, notice board, display boards, advertisements, publications, know your client forms and client agreements, if any.

Auditor Comment:

Finwizard has complied with the requirement. Required details are displayed on the website @https://www.fisdom.com.

i. The information such as name of the RA as registered with SEBI, its logo, its registration number, its complete address with telephone numbers, the name of the compliance officer, his telephone number and e-mail address, the name, telephone number and e-mail address of the grievance officer or the grievance redressal cell shall be displayed prominently in statements or reports or any other form of correspondence with the client.

Auditor Comment:

As confirmed by **Finwizard,** it has not issued any research reports for fundamental analysis. Only technical calls have been provided by technical analyst.

ii. Disclaimer that "Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors" shall be mentioned on portal/web site, if any, notice board, display boards, advertisements, publications, know your client forms, client agreements, if any, statements or reports or any other form of correspondence with the client.

Auditor Comment:

It was noted that, **Finwizard** has used brand name viz. Fisdom. On verification of website it was noted that, disclaimer is displayed on the website.

3.27 Advisory for Financial Sector Organizations regarding Software as a Service (SaaS) based solutions:

Ministry of Electronics & Information Technology, Govt. of India ('MEITy'), has informed SEBI that the financial sector institutions are availing or thinking of availing Software as a Service (SaaS) based solution for managing their Governance, Risk & Compliance (GRC) functions so as to improve their cyber Security Posture. As observed by MEITy, though SaaS may provide ease of doing business and quick turnaround, but it may bring significant risk to health of financial sector as many a time risk and compliance data of the institution moves beyond the legal and jurisdictional boundary of India due to nature of shared cloud SaaS, thereby posing risk to the data safety and security.

In this regard, Indian Computer Emergency Response Team (CERT-in) has issued an advisory for Financial Sector organizations. The advisory has been forwarded to SEBI for bringing the same to the notice of financial sector organization. The advisory can be viewed at Annexure C of the Master Circular ref no: SEBI/HO/MIRSD-PoD-2/P/CIR/2023/90 dated June 15, 2023.

It is advised to ensure complete protection and seamless control over the critical systems at your organizations by continuous monitoring through direct control and supervision protocol mechanisms while keeping the critical data within the legal boundary of India.

The compliance of the advisory shall be reported half yearly by research analysts to SEBI with an undertaking, "Compliance of the SEBI circular for Advisory for Financial Sector Organizations regarding Software as a Service (SaaS) based solutions has been made."

Auditor Comment:

Finwizard has complied with the requirement. It has submitted declaration to SEBI for the period ended March 2024 stating that, it does not use SaaS based solutions.

3.28 Unauthenticated news circulated by SEBI Registered Market Intermediaries through various modes of communication

As per SEBI circular Ref. No. Cir/ ISD/1/2011 dated March 23,2011, and point 8 of SEBI Master Circular ref no: SEBI/HO/MIRSD-PoD-2/P/CIR/2023/90 dated June 15, 2023, SEBI Registered Market Intermediaries are directed that:

i. Proper internal code of conduct and controls should be put in place.

ii. Employees/temporary staff/voluntary workers etc. employed/working in the Offices of market intermediaries do not encourage or circulate rumours or unverified information obtained from client, industry, any trade or any other sources without verification.

iii. Access to Blogs/Chat forums/Messenger sites etc. should either be restricted under supervision or access should not be allowed.

iv. Logs for any usage of such Blogs/Chat forums/Messenger sites (called by any nomenclature) shall be treated as records and the same should be maintained as specified by the respective Regulations which govern the concerned intermediary.

v. Employees should be directed that any market related news received by them either in their official mail/personal mail/blog or in any other manner, should be forwarded only after the same has been seen and approved by the concerned Intermediary's Compliance Officer. If an employee fails to do so, he/she shall be deemed to have violated the various provisions contained in SEBI Act/Rules/Regulations etc. and shall be liable for action. The Compliance Officer shall also be held liable for breach of duty in this regard.

Auditor Comment:

Finwizard has complied with the requirement. It has formulated an internal policy for Unauthenticated news circulated by SEBI Registered Market Intermediaries through various modes of communication.

3.29 Guidelines on Outsourcing of Activities by Intermediaries

SEBI vide its circular ref no: Cir/ ISD/1/2011 dated December 15, 2011 and point 9 of SEBI Master Circular ref no: SEBI/HO/MIRSD-PoD-2/P/CIR/2023/90 dated June 15, 2023, has defined principals of outsourcing. Through these guidelines certain principles for outsourcing to be followed by all the intermediaries registered with SEBI are prescribed. Intermediaries shall ensure compliance with the same.

Auditor Comment:

As confirmed by **Finwizard** it has not outsourced any activities pertaining to Research Analyst business.

3.30 Framework for Regulatory Sandbox

SEBI vide its circular ref no: SEBI/HO/ITD/ITD/CIR/P/2021/575 dated June 14, 2021 and SEBI/HO/MIRSD/MIRSD_IT/ P/CIR/2021/0000000658 dated November 16, 2021 and point 10 of SEBI Master Circular ref no: SEBI/HO/MIRSD-PoD-2/P/CIR/2023/90 dated June 15, 2023 has prescribed the guidelines pertaining to the functioning of the Regulatory Sandbox. All the market intermediaries have to ensure compliance with the same.

Auditor Comment:

Not Applicable. **Finwizard** has not availed this facility.

3.31 General Guidelines for dealing with Conflicts of Interest of intermediaries and their Associated Persons in Securities Market

SEBI vide its circular ref no: CIR/MIRSD/5/2013 dated August 27, 2023 and point 11 of SEBI Master Circular ref no: SEBI/HO/MIRSD-PoD-2/P/CIR/2023/90 dated June 15, 2023 has prescribed general guidelines for dealing with Conflicts of Interest of Intermediaries and their Associated Persons in Securities Market. All the market intermediaries should ensure compliance with the same.

- Intermediaries and their associated persons shall,

i. lay down, with active involvement of senior management, policies and internal procedures to identify and avoid or to deal or manage actual or potential conflict of interest, develop an internal code of conduct governing operations and formulate standards of appropriate conduct in the performance of their activities, and ensure to communicate such policies, procedures and code to all concerned;

ii. at all times maintain high standards of integrity in the conduct of their business; ensure fair treatment of their clients and not discriminate amongst them;

iii. ensure that their personal interest does not, at any time conflict with their duty to their clients and client's interest always takes primacy in their advice, investment decisions and transactions;

iv. make appropriate disclosure to the clients of possible source or potential areas of conflict of interest which would impair their ability to render fair, objective and unbiased services;

v. endeavor to reduce opportunities for conflict through prescriptive measures such as through information barriers to block or hinder the flow of information from one department/ unit to another, etc.;

vi. place appropriate restrictions on transactions in securities while handling a mandate of issuer or client in respect of such security so as to avoid any conflict;

vii. not deal in securities while in possession of material non published information;

viii. not to communicate the material non published information while dealing in securities on behalf of others;

ix. not in any way contribute to manipulate the demand for or supply of securities in the market or to influence prices of securities;

x. not have an incentive structure that encourages sale of products not suiting the risk profile of their clients;

xi. not share information received from clients or pertaining to them, obtained as a result of their dealings, for their personal interest;

- The Boards of intermediaries shall put in place systems for implementation of the aforementioned guidelines and provide necessary guidance enabling identification, elimination or management of conflict of interest situations. The Boards shall review the compliance of the above guidelines periodically.

Auditor Comment:

Finwizard has formulated conflict of interest policy.

3.32 Approach to securities market data access and terms of usage of data provided by data sources in Indian securities market

As per SEBI master circular ref no: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2024/49 dated May 21, 2024 and point 12 of SEBI Master Circular ref no: SEBI/HO/MIRSD-PoD-2/P/CIR/2023/90 dated June 15, 2023 Research Analysts are advised to make note of the following:

"As far as the data provided by various data sources in Indian securities markets pursuant to regulatory mandates for reporting and disclosure in public domain are concerned, such data should be made available to users, 'free of charge' both for 'viewing' the data as also for download in the format as specified by regulatory mandate for reporting, as well as their usage for the value addition purposes."

Further, apart from the data made available free of cost, data which is chargeable should be appropriately identified as such in public domain.

Auditor Comment:

Not Applicable. **Finwizard** has not shared any data with clients.

3.33 Online Resolution of Disputes in the Indian Securities Market

As per SEBI circular ref no: SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023:

- all listed companies / specified intermediaries / regulated entities in the securities market (collectively referred to as "Market Participant/s") shall enroll on the ODR Portal within the timelines as specified at paragraphs 46 and 47 of this circular and shall be deemed to have been enrolled on the ODR Portal at the end such specified timeline.

  Auditor Comment:

  Finwizard has complied with the requirement

- All market participants and MIIs are advised to display a link to the ODR Portal on the home page of their websites and mobile apps.

  Auditor Comment:

  Finwizard has complied with the requirement

- The provisions of this Circular will be implemented in phases:

1. The first phase shall include:

a. development of the ODR Portal, empanelment of ODR Institutions by the MIIs, empanelment of conciliators and arbitrators by such ODR Institutions on or before August 1, 2023

b. registration of Trading Members and Depository Participants on the ODR Portal by August 15, 2023, and
c. commencement of registering of complaints/disputes against brokers and depository participants and their resolution on and from August 16, 2023.

2. The second phase shall include:

a. registration of all other Market Participants on the ODR Portal by September 15, 2023.

b. commencement of registering of complaints/disputes against all other Market Participants and their resolution on and from September 16, 2023, and implementation of related processes and requirements envisaged in this Circular shall be in effect by September 16, 2023.

Auditor Comment:
Finwizard has complied with the requirement.