



**CA. JAYARAJ THANNIMANGALAM FCA, FCS**  
Chartered Accountant

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**To**

**The Board of Directors,**

**Geojit Financial Services Limited**

**(CIN L67120KL1994PLC008403)**

**Civil Line Road, Padivattom, Kochi 68202**

**Compliance Audit Report Investment Advisory Department**

I have carried out an audit of the legal and regulatory compliance requirements of Investment Advisory Services provided by the Company during the financial year 2022-23 as mandated by Regulation 19(3) of the SEBI (Investment Advisers) (Amendment) Regulations, 2020. The audit included tests of compliance procedures wherever considered necessary and verification of documents and records maintained by the Company. We have also relied upon the information and explanations provided by the officials of the Company for the purposes of the audit.

Based on the scrutiny of books and records maintained by the Company and information and explanations provided to us, I certify that the Company has complied with all significant regulatory requirements relating to Investment Advisory services including those listed in the SEBI (Investment Advisers) (Amendment) Regulations 2020, more specifically as stated in the Circular No. No. SEBI/LAD-NRO/GN/2020/22 dated July 3<sup>rd</sup>, 2020 issued by the Securities and Exchange Board of India. The audit recommendations and observations are detailed in Annexure-I to this report.

Place: Kochi  
Date :27.09.2023

**CA Jayaraj Thannimangalam FCA, FCS**  
Chartered Accountant  
Membership No : 514844  
UDIN: 23514844BGUWVK6092



## Annexure – I

|   |                               |
|---|-------------------------------|
| Name of BASL enrolled Investment Adviser    | GEOJIT FINANCIAL SERVICES LTD |
| BASL Membership ID.                         | 1435                          |
| SEBI Registration No.                       | INA200002817                  |
| Annual compliance Audit Report for FY ended | 2022 – 2023                   |

| Regulation   | Particulars   | Compliance Status  | Reason for non-compliance/ non-applicability | Action taken on adverse findings (duly approved by the individual IA / management of the non-individual IA) |
|--------------|---|--|--|---|
| Regulation 3 | <b><u>Application for grant of certificate</u></b><br>(1) 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. | <input checked="" type="checkbox"/> Complied<br><input type="checkbox"/> Not-Complied<br><input type="checkbox"/> Not Applicable |  |   |
| Regulation 6 | <b><u>Consideration of application and eligibility criteria</u></b><br>Regulation 6 states all matters, which are relevant for the purpose of grant of certificate of registration.   | <input checked="" type="checkbox"/> Complied<br><input type="checkbox"/> Not-Complied<br><input type="checkbox"/> Not Applicable |  |   |
| Regulation 7 | <b><u>Qualification and certification requirement.</u></b><br>-An individual investment adviser or principal officer of a non-individual investment adviser registered as an investment adviser under these regulations and                     | <input checked="" type="checkbox"/> Complied<br><input type="checkbox"/> Not-Complied<br><input type="checkbox"/> Not Applicable |  |   |



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|   | persons associated with investment advice shall have minimum qualification and certification requirements as mentioned in Regulation 7(1) and 7(2).  |  |                    |  |
| SEBI/HO/IMD/DF 1/CIR/P/2 020/182 (Dated September 23, 2020) Clause (iv) | <b>Qualification and certification requirement.</b><br>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. | <input type="checkbox"/> Complied<br><input type="checkbox"/> Not- Complied<br><input checked="" type="checkbox"/> <b>Not Applicable</b> | Non-individual IA. |  |
| Regulation 8  | <b>Net worth</b><br>(1) Investment advisers who are non-individuals shall have a net worth of not less than fifty lakh rupees.<br>(2) Investment advisers who are individuals shall have net tangible assets of value not less than five lakh rupees.  | <input checked="" type="checkbox"/> <b>Complied</b><br><input type="checkbox"/> Not- Complied<br><input type="checkbox"/> Not Applicable |                    |  |
| Regulation 13   | <b>Conditions of certificate</b><br>(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.  | <input checked="" type="checkbox"/> <b>Complied</b><br><input type="checkbox"/> Not- Complied<br><input type="checkbox"/> Not Applicable |                    |  |
| SEBI/HO/IMD/DF 1/CIR/P/2 020/182 (Dated September 23, 2020) Clause 2(v) | <b>Registration as Non-Individual Investment Advisor.</b><br>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.   | <input type="checkbox"/> Complied<br><input type="checkbox"/> Not- Complied<br><input checked="" type="checkbox"/> <b>Not Applicable</b> | Non-individual IA  |  |
| Regulation 15   | <b>General Responsibility</b><br>The regulation 15 imposes certain responsibilities on the Investment Adviser for the transactions it undertakes on behalf of its clients.   | <input checked="" type="checkbox"/> <b>Complied</b><br><input type="checkbox"/> Not- Complied<br><input type="checkbox"/> Not Applicable |                    |  |



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| Regulation 15 A  | <b>Fees</b><br>Investment Adviser shall be entitled to charge fees for providing investment advice from a client in the manner as specified by the Board.   | <input checked="" type="checkbox"/> Complied<br><input type="checkbox"/> Not- Complied<br><input type="checkbox"/> Not Applicable |                         |  |
| SEBI/HO/IMD/DF 1/CIR/P/2 020/182 (Dated September 23, 2020) Clause 2(iii)  | <b>Fees</b><br>Investment Advisers shall charge fees from the clients in either Assets under Advice (AUA) mode or Fixed fee mode.   | <input checked="" type="checkbox"/> Complied<br><input type="checkbox"/> Not- Complied<br><input type="checkbox"/> Not Applicable |                         |  |
| Regulation 16  | <b>Risk profiling</b><br>This involves profiling, assessing the risk appetite of each client individually, and communication of such profile to the respective client.  | <input checked="" type="checkbox"/> Complied<br><input type="checkbox"/> Not- Complied<br><input type="checkbox"/> Not Applicable |                         |  |
| Regulation 17  | <b>Suitability</b><br>Investment adviser shall ensure suitability of the advice being provided to the client.   | <input checked="" type="checkbox"/> Complied<br><input type="checkbox"/> Not- Complied<br><input type="checkbox"/> Not Applicable |                         |  |
| SEBI/HO/IMD/DF 1/CIR/P/2 020/182 (Dated September 23, 2020) Clause 2(viii) | <b>Risk profiling and suitability for non-individual clients.</b><br><br>(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. | <input type="checkbox"/> Complied<br><input type="checkbox"/> Not- Complied<br><input checked="" type="checkbox"/> Not Applicable | Only Individual clients |  |
| Regulation 18  | <b>Disclosure to clients</b><br>This involves disclosure of all necessary information by the investment adviser to its clients.   | <input checked="" type="checkbox"/> Complied<br><input type="checkbox"/> Not- Complied<br><input type="checkbox"/> Not Applicable |                         |  |



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| Regulation 19   | <b>Maintenance of records</b><br>This regulation requires maintenance of certain records, preservation of the same and audit of such records by the prescribed professional.   | <input checked="" type="checkbox"/> Complied<br><input type="checkbox"/> Not- Complied<br><input type="checkbox"/> Not Applicable |  |  |
| SEBI/HO/IMD/DF<br>1/CIR/P/2<br>020/182 (Dated<br>September<br>23, 2020) Clause<br>2(vi) | <b>Maintenance of record.</b><br>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.   | <input checked="" type="checkbox"/> Complied<br><input type="checkbox"/> Not- Complied<br><input type="checkbox"/> Not Applicable |  |  |
| SEBI/HO/IMD/DF<br>1/CIR/P/2<br>020/182 (Dated<br>September<br>23, 2020) Clause<br>2(ii) | <b>Agreement between IA and the client.</b><br>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. | <input checked="" type="checkbox"/> Complied<br><input type="checkbox"/> Not- Complied<br><input type="checkbox"/> Not Applicable |  |  |
| Regulation 20   | <b>Appointment of Compliance officer</b><br>An investment adviser shall appoint a compliance officer who shall be responsible for monitoring the compliance by the investment adviser.   | <input checked="" type="checkbox"/> Complied<br><input type="checkbox"/> Not- Complied<br><input type="checkbox"/> Not Applicable |  |  |
| Regulation 21   | <b>Redressal of client grievances</b><br>Investment adviser shall redress client grievances promptly through an adequate procedure.  | <input checked="" type="checkbox"/> Complied<br><input type="checkbox"/> Not- Complied<br><input type="checkbox"/> Not Applicable |  |  |



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| <p>Regulation 22</p>   | <p><b>Client level segregation of advisory and distribution activities.</b></p> <p>(1) Has the annual client level Segregation requirement been certified by an auditor (in case of individual IA) and its statutory auditor (in case of a non-individual IA) [Certificate of auditor to be attached along with]</p> <p>(2) An individual investment adviser shall not provide distribution services.</p> <p>(3) 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.</p> <p>(4) A non-individual investment adviser shall have client level segregation at group level for investment advisory and distribution services.</p> <p>(5) 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</p> | <p><input checked="" type="checkbox"/> Complied<br/> <input type="checkbox"/> Not- Complied<br/> <input type="checkbox"/> Not Applicable</p> |  |  |
| <p>SEBI/HO/IMD/DF<br/>1/CIR/P/2<br/>020/182 (Dated<br/>September<br/>23, 2020) Clause<br/>2(i)</p> | <p><b><u>Client Level Segregation of Advisory and Distribution Activities</u></b></p> <p>Compliance and monitoring process for client segregation at group or client level shall be in accordance with the guidelines as specified under this clause.</p>   | <p><input checked="" type="checkbox"/> Complied<br/> <input type="checkbox"/> Not- Complied<br/> <input type="checkbox"/> Not Applicable</p> |  |  |



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| Regulation 22A   | <p><b>Implementation of advice or execution</b></p> <p>(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.</p> <p>(2) Investment adviser shall provide implementation services only through direct schemes.</p> <p>(3) Investment adviser or group or family of investment adviser shall not charge any implementation fees from the client.</p> <p>(4) The client shall not be under any obligation to avail implementation services offered by the investment adviser.</p> | <input checked="" type="checkbox"/> <b>Complied</b><br><input type="checkbox"/> Not- Complied<br><input type="checkbox"/> Not Applicable |  |  |
| SEBI/HO/IMD/DF 1/CIR/P/2 020/182 (Dated September 23, 2020) Clause 2(ix) | <p><b>Display of details on website and in other communication channels.</b></p> <p>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.</p>  | <input checked="" type="checkbox"/> <b>Complied</b><br><input type="checkbox"/> Not- Complied<br><input type="checkbox"/> Not Applicable |  |  |
| (SEBI/HO/MIRSD 2/DOR/CIR/P/2 020/221) dated November 03, 2020)           | Compliance of the SEBI circular for Advisory for financial Sector Organizations regarding Software as a Service (SaaS) based solutions for half-yearly ended 31st March 2022 and 30th September 2022.   | <input checked="" type="checkbox"/> <b>Complied</b><br><input type="checkbox"/> Not- Complied<br><input type="checkbox"/> Not Applicable |  |  |
| SEBI/HO/IMD/IM D-II CIS/P/CIR/2021/ 0686 (Dated December 13, 2021)       | <p><b>Publishing Investor Charter and disclosure of Investor Complaints</b></p> <p>(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.</p> <p>(3) All registered investment advisers are required to disclose the details of investor complaints by seventh of the succeeding month</p>  | <input checked="" type="checkbox"/> <b>Complied</b><br><input type="checkbox"/> Not- Complied<br><input type="checkbox"/> Not Applicable |  |  |



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|  | 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. |  |  |  |
| Name and Contact Details of Principal Officer  |  | C J GEORGE<br>Ph: 0484 2901000<br>Email:md@geojit.com  |  |  |
| Name and Contact Details of Compliance Officer |  | Indu K<br>Ph: 0484 2901367<br>Email:<br>indu_k@geojit.com  |  |  |
| Total No. of Clients as on 31-03-2023          |  | 264  |  |  |
| 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  | 1)Protect yourself against phishing and other online scams - Email-30.08.2022<br>2)Information Security Awareness- Bizzi Live App Learning Portal-Variou dates |  |  |
| SEBI / BASL Inspections                        | Last SEBI / BASL Inspection carried out date and Whether complied with inspection Observations.  | · Complied<br>· Not- Complied<br><input checked="" type="checkbox"/> Not Applicable  | SEBI / BASL inspection was NOT carried out during the audit period |  |



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Chartered Accountant  
Membership No: 514844