

# B S R & Associates LLP

Chartered Accountants

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## Strictly private and confidential

The Board of Directors  
Geojit Financial Services Limited  
34/659-P, Civil Line  
Road Padivattom, Kochi 682024

Dear Sirs,

## Independent Auditor's Certificate on compliance with the client level segregation requirements as specified in Regulation 22 of the Securities and Exchange Board of India (Investment Advisors) Regulations, 2013.

1. This certificate is issued in accordance with the terms of our engagement letter dated 10 April 2023 and addendum to the engagement letter dated 20 September 2023.
2. We, B S R & Associates LLP, the statutory auditors of Geojit Financial Services Limited ("the Company"), have been requested by the management of the company to issue certificate that that the Company has ensured compliance with the client level segregation requirements as specified in Regulation 22 of the Securities and Exchange Board of India (Investment Advisors) Regulations, 2013 as amended from time to time and the guidelines prescribed in Circular SEBI/HO/IMD/DFI/CIR/P/2020/182 dated 23 September 2020 (collectively hereinafter referred to as "the IA Regulations"). Management has provided to us the Statement of compliance of the Regulation 22 of the IA Regulations for the period 1 April 2022 to 31 March 2023 (hereinafter referred to as "Statement"), which is enclosed herewith for identification purposes only.

## Management's Responsibility

3. The management of the company is responsible for ensuring that the Company complies with the requirements of the IA Regulations and for the preparation of the Statement. This responsibility includes the design, implementation and maintaining internal controls relevant to ensure that the client level segregation of advisory and distribution is in accordance with the requirements contained in the IA Regulations. Management is also responsible for preparation and maintenance of relevant supporting records, documents and books of accounts of the Company.
4. The management of Company is also responsible for providing all relevant information to Securities and Exchange Board of India.

## Auditors' Responsibility

5. Pursuant to request made by management, our responsibility is to examine relevant documents and provide limited assurance, in the form of a conclusion as to whether anything has come to our attention that causes us to believe that the Company is not in compliance with the client level segregation requirements as specified in the Regulation 22 of the IA Regulations, as presented in the Statement provided by the Company, in all material aspects.

Registered Office:

B S R & Associates (a partnership firm with Registration No. BA69226) converted into B S R & LLP (a Limited Liability Partnership with LLP Registration No. AAB-8182) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400053

**Independent Auditor's Certificate on compliance with the client level segregation requirements as specified in Regulation 22 of the Securities and Exchange Board of India (Investment Advisors) Regulations, 2013 (continued)**

**Auditors' Responsibility (continued)**

6. In relation to para 5 above,
  - a) We have obtained an understanding of management's process and controls for client level segregation in accordance with the guidelines prescribed in IA Regulations;
  - b) Verified on a test check basis, from the client records/agreements, whether the PAN of the client and the family members of the client, are collected and recorded in the internal records / books of accounts, maintained by the Company;
  - c) Verified on a test check basis, whether the Company has received any distributor consideration for advisory clients; and
  - d) Obtained appropriate representations from the Company's management.
7. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. The procedure performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. As a part of this engagement we have not performed any procedure by way of audit, review or verification of underlying records or documents.

**Conclusion**

10. Based on our examination of the documents and relevant records produced to us and as stated in paragraph 6 above and according to information and explanation provided to us by the management of the Company, nothing has come to our attention that causes us to believe that the Company is not in compliance with the client level segregation requirements as specified in the Regulation 22 of the IA Regulations, as presented in the Statement provided by the Company, in all material aspects for the period 1 April 2022 to 31 March 2023.

B S R & Associates LLP

**Independent Auditor's Certificate on compliance with the client level segregation requirements as specified in Regulation 22 of the Securities and Exchange Board of India (Investment Advisors) Regulations, 2013 (continued)**

**Restrictions of use**

11. This certificate has been issued at request of the management of the Company, solely for the purpose of complying with the client level segregation requirements as specified in Regulation 22 of the IA Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

*for B S R & Associates LLP*

*Chartered Accountants*

Firm's registration number: 116231W/W-100024



**Baby Paul**

*Partner*

Membership No.: 218255

ICAI Unique Document Identification Number: 23218255BGXTKQ4369

Kochi

28 September 2023

**Statement of compliance**

**A. Compliance with Regulation 22 of the Securities and Exchange Board of India (Investment Advisors) Regulations, 2013**

Reg.	Requirements of Regulation 22	Complied (Yes / No / NA)	Management response on compliance as on 31 March 2023
22(1)	An individual investment adviser shall not provide distribution services	NA	Not applicable
22(2)	The family of an individual investment adviser shall not provide distribution services to the client advised by the individual investment adviser and no individual investment adviser shall provide advice to a client who is receiving distribution services from other family members.	NA	Not applicable
22(3)	A non-individual investment adviser shall have client level segregation at group level for investment advisory and distribution services.	Yes	The Company has maintained Client level segregation at group level for investment advisory and distribution services.
22(4)	Non-individual investment adviser shall maintain an arm's length relationship between its activities as investment adviser and distributor by providing advisory services through a separately identifiable department or division.	Yes	The Company has maintained separate identifiable departments for both investment advisory and distribution services.
22(5)	Compliance and monitoring process for client segregation at group or family level shall be in accordance with the guidelines specified by the Board	Yes	Compliance and monitoring process are maintained as per the guidelines in the SEBI Circular dated 23 September 2020.

**Notes:-**

1. The same client cannot be offered both advisory and distribution services within the group of the non-individual entity.
2. 'Group' for this purpose shall mean an entity which is a holding, subsidiary, associate, subsidiary of a holding company to which it is also a subsidiary or an investing company or the venturer of the company as per the provisions of Companies Act, 2013 for non-individual investment adviser which is a company under the said Act and in any other case, an entity which has a controlling interest or is subject to the controlling interest of a non-individual investment adviser.

  




**B. Statement of compliance with Guidelines contained in paragraph 2(i) of SEBI circular - SEBI/HO/IMD/DF1/CIR/P/2020/182 dated 23 September 2020 on 'Compliance with the client level segregation requirements of advisory and distribution'**

Ref. under 2(i)	Requirements of paragraph 2(i) the circular	Complied (Yes / No / NA)	Management response on compliance as on 31 March 2023
a	Existing clients, who wish to take advisory services, will not be eligible for availing distribution services within the group/family of IA. Similarly, existing clients who wish to take distribution services will not be eligible for availing advisory services within the group/family of IA.	Yes	PAN of every client is collected before enrolling them into Advisory services and then cross check with the Company's database whether the client is having any other business relationship with the Company. If the client is an existing distribution client and the client wishes to avail advisory services then the client is enrolled as an advisory client and is blocked for fresh distribution services through the Company other than through direct plans.
b	A new client will be eligible to avail either advisory or distribution services within the group/family of IA. However, the option to avail either advisory services or distribution services shall be made available to such client at the time of on boarding.	Yes	The client is eligible to avail either advisory or distribution services of the Company. The clients are informed that they have the option to avail either advisory or distribution services. Necessary clause has been included in the agreement for this purpose. Once the client has entered into agreement for advisory, it is considered as acknowledgement of the fact.
c	Client under these guidelines shall include individual client or non-individual client.	Yes	There are only individual advisory clients as at 31 March 2023.
d	The client shall have discretion to continue holding assets prior to the applicability of this segregation under the existing advisory/distribution arrangement. However, the client shall not be forced to liquidate/switch such existing holdings.	Yes	The Company does not force to liquidate the existing holdings. Clients have the discretion to continue the existing holding. At the same time clients are prevented to avail further distribution services. These clients will be able to liquidate their existing holding at any time on his/her wish.
e	PAN of each client shall be the control record for identification and client level segregation.	Yes	PAN of the client is considered by the Company as the control record for identification and client level segregation
f	In case of an individual client, "family of client" shall be reckoned as a single client and PAN of all members in "family of client" would jointly and severally be the control record.	Yes	Yes, for an individual client, "family of client" has been reckoned as a single client and PAN of all members in "family of client" have been jointly and severally considered to be the control record.

Ref. under 2(i)	Requirements of paragraph 2(i) the circular	Complied (Yes / No / NA)	Management response on compliance as on 31 March 2023
	However, the same is not applicable for non-individual clients.		
g	The dependent family members shall be those members whose assets on which investment advisory is sought/provided, originate from income of a single entity i.e. earning individual client in the family. The client shall provide an annual declaration or periodic updation as the case maybe in respect of such dependent family members.	Yes	The Company has collected the declarations with respect to dependent family members, for those clients who are single earning member in the family.
h	IA shall, wherever available, advice direct plans (non-commission based) of products only	Yes	IA has taken RIA membership in NMF-II platform provided by NSE. This membership provides the facility for the advisory clients to transact in direct mutual fund schemes.

The Company undertakes that the information disclosed above is correct. We also confirm that we have complied with the Regulation 22 of the Securities and Exchange Board of India (Investment Advisors) Regulations, 2013 as amended from time to time and the guidelines prescribed in Circular SEBI/HO/IMD/DF1/CIR/P/2020/182 dated 23 September 2020.

*For Geojit Financial Services Limited*



Authorised Signatory

Kochi

28 September 2023

