

To,
The Board of Directors
SBI Capital Markets Limited
Mumbai

Kind Attention:- Mr. Bhaskar Chakraborty, Compliance Officer

Sub: Annual Compliance Audit (for the Financial Year 2024-2025) of Research Analyst Activities of SBI Capital Markets Limited under SEBI (Research Analysts) Regulations, 2014

Dear Sir,

We have conducted the annual compliance audit of **Research Analyst activities of SBI Capital Markets Limited** (herein referred as "SBICAPS"), SEBI Registration no- INH000007429, as required by **SEBI Research Analyst Regulations**.

We are enclosing herewith copy of audit report for the period April, 2024 to March, 2025.

Kindly acknowledge the receipt of the same.

For Megha Kyal & Associates,

CS Megha Kyal
Proprietor
CP No: 22896

SBI Capital Markets Limited

Research Analyst bearing SEBI Registration No. INH000007429

SEBI Annual Audit (April 2024 to March 2025)

COMPLIANCE AUDIT REPORT

Prepared by
CS Megha Kyal

This document is 'Confidential' and is intended strictly for use of SBI Capital Markets Limited. Its unauthorized disclosure could seriously and adversely impact SBI Capital Markets Limited, its stakeholders, its business partners, and/or its customers leading to legal and financial repercussions and adverse public opinion.

Table of Contents

Back ground.....3

Scope of our assignment.....4

Annual Audit Report.....5

BACK GROUND

SBI Capital Markets Limited (“**SBICAPS**”) is a SEBI Registered Research Analyst bearing SEBI Registration No. - INH000007429.

As part of the ongoing compliance requirements of Securities Exchange Board of India (Research Analyst) Regulations, 2014, Research Analyst shall conduct yearly audit in respect of compliance with these regulations from a member of Institute of Chartered Accountants of India or Institute of Company Secretaries of India.

CS Megha Kyal, Proprietor of Megha Kyal & Associates, has been assigned the task of compliance audit of research analyst activities of SBI Capital Markets Limited for ensuring secure and continuous business operations and identifying possible lapses / inadequacies / deficiencies, if any, based on compliance requirements / guidance / circular issued by SEBI.

Audit Period:

The audit period for the current annual audit is April 01, 2024 to March 31, 2025.

SCOPE OF OUR ASSIGNMENT

THE SCOPE OF AUDIT FOR THE AUDIT PERIOD APRIL 2024 TO MARCH 2025 INCLUDED THE FOLLOWING:

Sr. No.	Areas/ Scope of work covered
1.	Review of Internal Policies & procedures
2.	Certificate of Registration
3.	Deposit
4.	Qualification and certification requirement
5.	Personal Trading by research analysts
6.	Compensation of Research Analyst
7.	Compliance to publication of research report, public appearance and conduct of business
8.	Adequacy of Disclosures in Research Report
9.	Review of structure of research report
10.	Recommendations in public media
11.	Distribution of research reports
12.	Investor Charter
13.	Advertisement Code
14.	Usage of brand name/logo
15.	Online Dispute resolution

ANNUAL AUDIT REPORT**April 2024 to March 2025**

SI No	Requirements as per regulation	Compliance Status	Auditor's Comments
A	Regulation 3: Registration of Research Analyst		
1	Application for grant of certificate:		
	<p>On and from the commencement of these regulations, no person shall act as a research analyst or research entity or hold itself out as a research analyst unless he has obtained a certificate of registration from the Board under these regulations:</p> <p>Provided that any person acting as research analyst or research entity before the commencement of these regulations may continue to do so for a period of six months from such commencement or, if it has made an application for a certificate of registration under sub-regulation (2) within the said period of six months, till the disposal of such application.</p>	Complied	SBICAPS had made an application for registration to SEBI in prescribed Form A and had obtained a certificate of registration from the Board. The registration number is INH000007429 and the same was granted on October 14, 2019. It is a permanent registration and the registration is valid as on date.
2	Exemption from registration		
	<p>The following persons shall not be required to seek registration under regulation 3 subject to the fulfilment of the conditions stipulated therefore:</p> <p>Provided further that an investment adviser, credit rating agency, asset management company or fund manager, who issues research report or circulates/ distributes research report to public or its director or employee who makes public appearance, shall not be required to seek registration under regulation 3:</p> <ul style="list-style-type: none"> - Provided that such intermediaries shall comply with the general obligation(s) and responsibilities as specified in Chapter III of these regulations: - Provided further that any principal officer, person associated with research services and partner of a research analyst which is registered under these regulations shall not be required to seek registration under regulation 3, subject to compliance with regulation 7 of these regulations. 	Not Applicable	Refer Point A-1 above
3	Issuance of research report by a person located outside India		
	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.	Not Applicable	SBICAPS does not have association with any person located outside India, who is engaged in issuance of research report or analysis for securities listed or proposed to be listed on stock exchanges in India.
B.	Regulation 7: Qualification and certification requirement		

ANNUAL AUDIT REPORT**April 2024 to March 2025**

SI No	Requirements as per regulation	Compliance Status	Auditor's Comments
a	An individual research analyst or a principal officer of a non-individual research analyst registered under these regulations, individuals employed as research analyst and partners of a research analyst, if any, engaged in research services shall have the following minimum qualifications, at all times: (i) A professional qualification or graduate degree or post-graduate degree or post graduate diploma in finance, accountancy, business management, commerce, economics, capital market, banking, insurance, actuarial science or other financial services from a university or institution recognized by the Central Government or any State Government or a recognised foreign university or institution or association; or (ii) A professional qualification by completing a Post Graduate Program in the Securities Market (Research Analysis) from NISM of a duration not less than one year or a professional qualification by obtaining a CFA Charter from the CFA Institute;	Complied	Research Analysts employed by SBICAPS had fulfilled requisite qualifications criteria during audit period.
b	Persons associated with research services shall, at all times, have minimum qualification of a graduate degree in any discipline from a university or institution recognized by the Central Government or any State Government or a recognized foreign university or institution.	Not Applicable	SBICAPS does not have any person associated with research services as defined under Reg 2(ne) who are client and public facing persons such as analysts, sales staff, service relationship managers, client relationship managers, etc.
c	An individual registered as research analyst under these regulations, a principal officer of a non-individual research analyst, individuals employed as research analyst, person associated with research services and in case of the research analyst being a partnership firm, the partners thereof if any, who are engaged in providing research services, shall have, at all times, a NISM certification as specified by the Board from time to time: - Provided that a fresh relevant NISM certification as specified by the Board from time to time shall be obtained before expiry of the validity of the existing certification to ensure continuity in compliance with certification requirements.	Complied	Research Analysts employed by SBICAPS had fulfilled requisite NISM certification criteria during audit period.
C	Regulation 8: Deposit		
a	A research analyst shall maintain a deposit of such sum as specified by the Board from time to time	Not Applicable	Deadline for compliance with Regulation 8 is April 30, 2025.

ANNUAL AUDIT REPORT**April 2024 to March 2025**

SI No	Requirements as per regulation	Compliance Status	Auditor's Comments
b	The deposit shall be maintained with a scheduled bank, marked as lien in favour of a body or body corporate recognised by the Board for the purpose of administration and supervision of research analysts in accordance with regulation 14 of these regulations: - Provided that such deposit shall be available for utilization in case the research analyst fails to pay dues emanating out of arbitration and conciliation proceedings, if any, under the Online Dispute Resolution Mechanism or such other mechanism as may be specified by the Board.		
D	Regulation 13: Adherence to Conditions of certificate		
	The certificate granted under regulation 9 shall, inter alia, be subject to the following conditions:		
a	The research analyst shall abide by the provisions of the Act and these regulations	Complied	SBICPAS has abided by the provisions of the Act and these regulations.
b	The research analyst shall forthwith inform the Board in writing, if any information or particulars previously submitted to the Board are found to be false or misleading in any material particular or if there is any material change in the information already submitted	Complied	Based on verification of records provided by RA, no material change in business had taken place during the audit period.
c	Research analyst registered under these regulations shall use the term 'research analyst' in all correspondences with its clients: - Provided that part-time research analyst registered under these regulations shall use the term 'part-time research analyst' in all correspondences with its clients	Complied	On review of sample documents, it was observed that the term 'Research Analyst' was used in all Research Reports issued in the Audit Period.
d	The number of clients of a part-time research analyst shall not exceed seventy-five in total at any point of time	Not Applicable	SBICAPS is not registered as Part-time research analyst.
E	Regulation 14: Recognition of body or body corporate for administration and supervision of research analysts.		
	The Board may specify that no person shall act as a research analyst unless such a person is enlisted with the recognized body or body corporate and in such an event, the provisions of these regulations and the specified provisions of the bye-laws or articles of such a body or body corporate shall apply to the research analyst.	Complied	SBICAPS is enlisted with BSE bearing enlistment No.: 5361
F	Regulation 15: Establishing Internal policies and procedures		

ANNUAL AUDIT REPORT**April 2024 to March 2025**

SI No	Requirements as per regulation	Compliance Status	Auditor's Comments
a	Research analyst or research entity shall have written internal policies and control procedures governing the dealing and trading by any research analyst for: i. addressing actual or potential conflict of interest arising from such dealings or trading of securities of subject company; ii. Promoting objective and reliable research that reflects the unbiased view of research analyst; iii. Preventing the use of research report or research analysis to manipulate the securities market.	Complied	SBICAPS has below written internal policies and procedures which fulfill the regulatory requirement- <ul style="list-style-type: none"> • Policy for Preparation and Publication of Debt Research Reports • Chinese Wall Policy • Conflict of Interest Policy • Employee Securities Trading Code • Investor Grievance Redressal Policy
b	Research analyst or research entity shall have in place appropriate mechanisms to ensure independence of its research activities from its other business activities.	Complied	SBICAPS has below written internal policies and procedures to ensure independence of its research activities from its other business activities- <ul style="list-style-type: none"> • Policy for Preparation and Publication of Debt Research Reports • Chinese Wall Policy
G	Regulation 15A: Fees		
	Research Analyst shall be entitled to charge fees for providing research services from a client including an accredited investor in the manner as specified by the Board	Complied	SBICAPS has not onboarded any clients during the year under review.
H	Regulation 16: Limitations on trading by research analysts		
a	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.	Complied	SBICAPS has below written internal policies and procedures wrt personal trading activities of the individuals employed as research analyst by research entity - <ul style="list-style-type: none"> • Policy for Preparation and Publication of Debt Research Reports • Employee Securities Trading Code.
b	Independent research analysts, part-time 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.	Complied	Based on our review of the research reports, it is confirmed that SBICAPS doesn't issue security specific reports.

ANNUAL AUDIT REPORT**April 2024 to March 2025**

SI No	Requirements as per regulation	Compliance Status	Auditor's Comments
c	Independent research analysts, part-time 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.	Complied	Based on our review of the research reports, it is confirmed that SBICAPS doesn't issue security specific reports.
d	Independent research analysts, part-time 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.	Complied	Based on our review of the research reports, it is confirmed that SBICAPS doesn't issue security specific reports.
I	Regulation 17: Compensation of research analysts		
a	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.	Complied	Based on our verification and analysis of the information given by the Human Resource Department of SBICAPS, it is confirmed that : 1. Research Analyst(s) are not paid any bonus, salary or other form of compensation that is determined or based on any specific merchant banking or investment banking transaction. 2. The compensation of the Research Analyst(s) is reviewed, documented and approved annually by Board of Directors of SBICAPS. 3. The Board of Directors of SBICAPS approving or reviewing the compensation of the Research Analyst(s) are not taking into account such Research Analyst's contribution to the merchant banking/investment banking business of SBICAPS.
b	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.		
c	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.		
d	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.		
J	Regulation 18: Limitations on publication of research report, public appearance and conduct of business, etc.		
a	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: (i) Forty days immediately following the day on which the securities are priced if the	Complied	Based on our review and verification, it is confirmed that SBICAPS has not published or distributed research report or research analysis or made public appearance regarding a subject company for which SBICAPS has

ANNUAL AUDIT REPORT**April 2024 to March 2025**

SI No	Requirements as per regulation	Compliance Status	Auditor's Comments
	<p>offering is an initial public offering; or</p> <p>(ii) Ten days immediately following the day on which the securities are priced if the offering is a further public offering:</p> <p>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.</p>		acted as a manager, co- manager for any initial public offerings or further public offering.
b	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	Complied	Based on our review and verification, it is confirmed that SBICAPS has not published or distributed a research report or made public appearance regarding a subject company for whom SBICAPS has agreed to participate or is participating as an underwriter of an issuer's initial public offering.
c	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	Complied	Based on our review and verification, it is confirmed that SBICAPS has not published or distributed a research report or made public appearance regarding a subject company for whom SBICAPS has acted as manager or co-manager for public offering of securities.
d	<p>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 road shows.</p> <p>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</p>	Complied	<p>SBICAPS has below written internal policies and procedures to ensure independence of its research activities from its other business activities-</p> <ul style="list-style-type: none"> • Policy for Preparation and Publication of Debt Research Reports • Chinese Wall Policy

ANNUAL AUDIT REPORT**April 2024 to March 2025**

SI No	Requirements as per regulation	Compliance Status	Auditor's Comments
	of personnel from investment banking or merchant banking or brokerage services divisions or company management about an investment banking services transaction. 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) of Regulation 18 of RA Regulation, 2014 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.		
e	Research analyst or research entity shall have adequate documentary basis, supported by research, for preparing a research report.	Complied	Based on our review and verification of the research reports, it is confirmed that SBICAPS have adequate documentary basis, supported by research, for preparing a research report.
f	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.	Complied	Based on our review and verification of the research reports, it is confirmed that SBICAPS doesn't issue security specific reports.
g	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.	Complied	Based on our review and observation of research reports, it is confirmed that SBICAPS doesn't issue company specific reports.
h	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.	Complied	SBICAPS has below written internal policies and procedures to ensure independence of its research activities from its other business activities- <ul style="list-style-type: none"> • Policy for Preparation and Publication of Debt Research Reports • Chinese Wall Policy
K	Regulation 19: Disclosures in research reports		

ANNUAL AUDIT REPORT**April 2024 to March 2025**

SI No	Requirements as per regulation	Compliance Status	Auditor's Comments
a	A research analyst or research entity shall disclose all material information about itself including its business activity, disciplinary history, the terms and conditions on which it offers research report, details of associates and such other information as is necessary to take an investment decision.	Complied	Based on our review and verification of research reports, it is confirmed that SBICAPS had disclosed all material information about itself including its business activity, disciplinary history, the terms and conditions on which it offers research report, details of associates and such other information as is necessary to take an investment decision in research report issued during the audit period. Based on our review and verifications of research reports, it is confirmed that research analyst had relevant disclosures required under the regulation in their research reports.
b	Research analyst or research entity shall disclose the following in research report and in public appearance with regard to ownership and material conflicts of interest: i. whether the research analyst or research entity or his associate or his relative has any financial interest in the subject company and the nature of such financial interest; ii. Whether the research analyst or research entity or its associates or relatives, have actual/beneficial ownership of one per cent or more 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; iii. whether the research analyst or research entity or his associate or his relative, has any other material conflict of interest at the time		
c	Research analyst or research entity shall disclose the following in research report with regard to receipt of compensation: I. whether it or its associates have received any compensation from the subject company in the past twelve months; II. whether it or its associates have managed or co-managed public offering of securities for the subject company in the past twelve months; III. whether it or its associates have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months; IV. whether it or its associates have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months; V. Whether it or its associates have received any compensation or other benefits from the Subject Company or third party in connection with the research report		
d	Research analyst or research entity shall disclose the following in public appearance with regard to receipt of compensation:		

ANNUAL AUDIT REPORT**April 2024 to March 2025**

SI No	Requirements as per regulation	Compliance Status	Auditor's Comments
	i. whether it or its associates have received any compensation from the subject company in the past twelve months;		
	ii. whether the subject company is or was a client during twelve months preceding the date of distribution of the research report and the types of services provided;		
e	whether the research analyst has served as an officer, director or employee of the subject company;		
f	whether the research analyst or research entity has been engaged in market making activity for the subject company;		
g	Research analyst or research entity shall provide all other disclosures in research report and public appearance as specified by the Board under any other regulations.		
h	A research analyst or research entity shall disclose to the client the extent of use of Artificial Intelligence tools in providing research services		
L	Regulation 19A: Website		
	A Research analyst or research entity shall maintain a functional website containing such details as may be specified by the Board	Complied	SBICAPS has a functional website containing details as may specified by the Board
M	Regulation 20: Contents of research report		
a	Research analyst or research entity shall take steps to ensure that facts in its research reports are based on reliable information and shall define the terms used in making recommendations, and these terms shall be consistently used.	Complied	Based on our review and verification of the research reports, it is confirmed that SBICAPS had included all the requisite contents in research report issued during the audit period. It may further be noted that SBICAPS doesn't issue security specific reports.
b	Research analyst or research entity that employs a rating system must clearly define the meaning of each such rating including the time horizon and benchmarks on which a rating is based.		
c	If a research report contains either a rating or price target for subject company's securities and the research analyst or research entity has assigned a rating or price target to the securities for at least one year, 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.		

ANNUAL AUDIT REPORT**April 2024 to March 2025**

SI No	Requirements as per regulation	Compliance Status	Auditor's Comments
d	Research analyst or research entity shall ensure that the recommendations in the research report are corroborated by relevant data and analysis forming the basis for such research service.		
N	Regulation 21: Recommendations in public media		
a	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.	Not Applicable	Basis confirmation provided to us and our verification, it is confirmed that during the audit period SBICAPS had not made any public appearance.
b	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 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		
O	Regulation 22: Distribution of research reports		
a	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.	Complied	It is confirmedthat during the audit period SBICAPS had evenly distributed the research report to all its recipients.
b	Research analyst or research entity who distributes any third party research report shall review the third party research report for any untrue statement of material fact or any false or misleading information.	Complied	Basis confirmation provided to us and based on our verification, it is confirmed that during the audit period SBICAPS had not distributed any third party research report.
c	Research analyst or research entity who distributes any third party research report shall disclose any material conflict of interest of such third party research provider or he shall provide a web address that directs a recipient to the relevant disclosures.		

ANNUAL AUDIT REPORT**April 2024 to March 2025**

SI No	Requirements as per regulation	Compliance Status	Auditor's Comments
d	Provisions of sub-regulations (2) and (3) shall not apply to a research analyst or research entity if he has no direct or indirect business or contractual relationship with such third party research provider.		
P	Regulation 24: General Responsibility		
a	Research analyst or research entity shall maintain an arms-length relationship between its research activity and other activities.	Complied	SBICAPS has below written internal policies and procedures to ensure independence of its research activities from its other business activities- <ul style="list-style-type: none"> • Arm's Length Policy • Chinese Wall Policy • Policy for Preparation and Publication of Debt Research Reports
b	Research analyst or research entity shall abide by Code of Conduct as specified in Third Schedule	Complied	SBICAPS has in place "Policy for Preparation and Publication of Debt Research Reports" which cover the Code of Conduct as specified in the Third Schedule of the Regulations.
c	In case of change in control of the research analyst or research entity, prior approval from the Board shall be taken.	Not Applicable	Basis our review and verification, it is confirmed that there was no change in control during the audit period.
d	Research analyst or research entity shall furnish to the Board information and reports as may be specified by the Board from time to time.	Complied	Basis our review and verification, it is confirmed that there were no information or reports sought by the Board.
e	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.	Complied	Refer B1 & B2 above
f	A research analyst or research entity shall disclose to the client the terms and conditions as may be specified by the Board and take consent of the client on such terms and conditions in such manner as may be specified by the Board.	Complied	SBICAPS had no client during the Financial year under review. Further, no new client was onboarded during FY 2024-25.
g	A research analyst or research entity who uses Artificial Intelligence tools, irrespective of the scale and scenario of adoption of such tools, for servicing its clients shall be solely responsible for the security, confidentiality and integrity of the client data, use of any	Complied	SBICAPS had no client during the Financial year under review. Further, there was no new onboarding during FY 2024-25 of client post applicability of this clause.

ANNUAL AUDIT REPORT**April 2024 to March 2025**

SI No	Requirements as per regulation	Compliance Status	Auditor's Comments
	other information or data for research services, research services based on output of Artificial Intelligence tools and compliance with any law for the time being in force.		
h	Research analyst or research entity engaged in providing model portfolio shall abide by the guidelines issued by the Board from time to time	Not Applicable	SBICAPS is not engaged in providing model portfolio.
Q	Regulation 25: Maintenance of records		
a	Research analyst or research entity shall maintain the following records: <ul style="list-style-type: none"> i. Research report duly signed and dated; ii. Research recommendation provided; iii. Rationale for arriving at research recommendation; iv. Record of public appearance. v. Know Your Client records of the fee paying client; vi. a register or record containing list of the clients along with client's PAN, the date and nature of the research service, details of the products/securities for which research service was provided and fee/consideration, if any charged/received for such research service; vii. records of communication including emails, call recordings etc. with all clients including prospective clients in such manner as may be specified; viii. the terms and conditions of research services disclosed to the clients and the consent of the client thereon. 	Complied	Based on review of sample records it is confirmed that SBICAPS has maintained requisite records.
b	All records shall be maintained either in physical or electronic form and preserved 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	Complied	Based on review of sample records it is confirmed that SBICAPS has maintained requisite records.
c	Research analyst or research entity shall conduct annual audit in respect of compliance with these regulations from a member of Institute of Chartered Accountants of India or Institute of Company Secretaries of India or Institute of Cost Accountants of India and submit the report of the same in such manner as may be specified by the Board.	Complied	SBICAPS has conducted annual audit in respect of compliance with these regulations.
R	Regulation 26: Appointment of compliance officer		
a	A non-individual research analyst or research entity shall appoint either: <ul style="list-style-type: none"> i. a compliance officer; or ii. an independent professional who is a member of Institute of Chartered Accountants of India or Institute of Company Secretaries of India or Institute 	Complied	Mr. Bhaskar Chakraborty has been appointed as Compliance Officer.

ANNUAL AUDIT REPORT**April 2024 to March 2025**

SI No	Requirements as per regulation	Compliance Status	Auditor's Comments
	of Cost Accountants of India or member of any other professional body as may be specified by the Board, provided that such a professional holds a relevant certification from NISM, as specified by the Board who shall be responsible for monitoring the compliance		It is to state that SBICAPS has an internal compliance officer and that no Independent professional has been designated as Compliance Officer for the Company.
b	Where independent professional referred in sub-regulation (1) of this regulation is appointed for monitoring compliance, the principal officer shall submit an undertaking to the Board or the body or body corporate recognised under regulation 14 of these regulations to the effect that principal officer shall be responsible for monitoring the compliance in respect of the requirements of the Act, regulations, notifications, guidelines, instructions issued by the Board	Not Applicable	SBICAPS has an internal Compliance Officer.
S	Regulation 26A: Dispute Resolution		
	All claims, differences or disputes between a research analyst or research entity and its client arising out of or in relation to the activities of the research analyst or research entity in the securities market shall be submitted to a dispute resolution mechanism that includes mediation and/or conciliation and/or arbitration, in accordance with the procedure specified by the Board.	Complied	SBICAPS has not received any complaint during the financial year under review.
T	Regulation 26B: Redressal of investor grievances		
a	The Research Analyst shall redress investor grievances promptly but not later than twenty-one calendar days from the date of receipt of the grievance and in such manner as may be specified by the Board.	Complied	SBICAPS has not received any complaint during the financial year under review.
b	The Board may also recognize a body corporate for handling and monitoring the process of grievance redressal within such time and in such manner as may be specified.		
U	Regulation 26C: Client level segregation of research services and distribution activities.		
a	An individual research analyst shall not provide distribution services.	Not Applicable	SBICAPS is not engaged in distribution services.
b	The family of an individual research analyst shall not provide distribution services to the client to whom research services are being rendered by the individual research analyst and no individual research analyst shall render research services to a client who is receiving distribution services from other family members.		
c	A non-individual research analyst or research entity shall have client level segregation at group level for research services and distribution services. Explanation. —		

ANNUAL AUDIT REPORT**April 2024 to March 2025**

SI No	Requirements as per regulation	Compliance Status	Auditor's Comments
	<p>(i) The same client cannot be offered both research and distribution services within the group of the non-individual entity.</p> <p>(ii) A client can either be receiving research services where no distributor consideration is received at the group level or distribution services where no research services fee is collected from the client at the group level.</p> <p>(iii) '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, an investing company or the venturer of the company as per the provisions of Companies Act, 2013 for non-individual research analyst or research entity 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 research analyst.</p>		
d	Non-individual research analyst or research entity shall maintain an arm's length relationship between its activities as research analyst and distributor by providing research services through a separately identifiable department or division.		
e	Compliance and monitoring process for client segregation at group or family level shall be in accordance with the guidelines specified by the Board.		
S	SEBI/HO/IMD/IMD-II CIS/P/CIR/2021/0685 (Dated December 13, 2021): Publishing Investor Charter and disclosure of Investor Complaints		
	<p>i. All registered Research Analyst are required to publish investor charter on their websites and mobile applications. If registered Research Analyst 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>ii. All registered Research Analyst are required to disclose the details of investor complaints by seventh of the succeeding month on a monthly basis on their websites and mobile applications. If Research Analyst does not have websites/mobile applications, then send status of investor complaints to the investors on their registered email on a monthly basis.</p>	Complied	SBICAPS has uploaded Investor Charter and details of complaints on monthly basis on their website and has ensured the compliance with respect to the said circular.

ANNUAL AUDIT REPORT**April 2024 to March 2025**

SI No	Requirements as per regulation	Compliance Status	Auditor's Comments
T	SEBI/HO/MIRSD/ MIRSD-PoD-2/P/CIR/2023/51 (dated 5th April,2023): Advertisement code for Investment Advisers (IA) and Research Analysts (RA)		
	Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 and Securities and Exchange Board of India (Research Analysts) Regulations, 2014 provide for code of conduct to be followed by IAs and RAs respectively. In order to further strengthen the conduct of IAs and RAs, while issuing any advertisement, it is directed that IAs/RAs shall ensure compliance with the advertisement code.	Complied	SBICAPS has not made any advertisement during the year under review.
U	Circular SEBI/HO/MIRSD/ MIRSD-PoD-2/P/CIR/2023/52 (dated 6th April, 2023): Usage of brand name/trade name by Investment Advisers (IA) and Research Analysts (RA)		
	While investment advisers and 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 that: i. The information such as name of the IA/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. ii. The information such as name of the IA/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. iii. Disclaimer that "Registration granted by SEBI, membership of BASL (in case of IAs) 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, statements or reports or any other form of correspondence with the client.	Complied	Based on our review of research reports, it is confirmed that SBICAPS has relevant disclosures required in their research reports and has ensured compliance with respect to the said circular.
V	SEBI/HO/OIAE/_IAD-1/P/CIR/2023/1 (dated 31st July 2023): Online resolution of disputes in the Indian Securities Market		

ANNUAL AUDIT REPORT**April 2024 to March 2025**

SI No	Requirements as per regulation	Compliance Status	Auditor's Comments
	<p>Alternative Dispute Resolution Mechanism has been introduced by SEBI pursuant to SEBI (Alternative Dispute Resolution Mechanism) (Amendment) Regulations, 2023 to stream line the existing dispute resolution mechanism in the Indian securities market.</p> <p>By introducing mediation, conciliation, and arbitration methods, SEBI aims to provide a fair and efficient mechanism for resolving conflicts and protecting the interests of market participants and investors. These amendments will contribute to enhancing investor confidence and maintaining a robust regulatory environment. Market participants should familiarize themselves with the new regulations to ensure compliance and benefit from the streamlined dispute resolution process.</p>	Complied	SBICAPS has ensured the compliance with respect to the said circular.

For Megha Kyal & Associates,**CS Megha Kyal**

Proprietor

CP No: 22896**UDIN:** A055430G000070071