Activity wise sampling details				
Sr. No.	**Area**	**Count for the audit period (total number of demat request and remat request confirmed / rejected, etc.)**	**No. of samples checked**	**Percentage of samples checked**
1	Demat Confirmation {number of samples checked must include transposition cum demat and transmission cum demat cases} (atleast 25%)			
2	Demat Rejection (atleast 25%)			
3	Remat Confirmation (atleast 25%)			
4	Remat Rejection (atleast 25%)			
5	Investor Grievances received in respect of depository operations received by RTA / Issuer (100%)			
6	Reconciliation (atleast for two different dates for all the ISINs (100%) associated with the RTA)			
7	Transfer and Transmission of locked in securities & of securities where ISIN is suspended (atleast 25%)			
8	Redemption			
9	**Activity wise sampling details only applicable for RTAs servicing Mutual Funds**			
9.1	Conversion Confirmation {number of samples checked must include transmission cum demat cases} (atleast 25%)			
9.2	Conversion Rejection (atleast 25%)			
9.3	Reconversion Confirmation (atleast 25%)			
9.4	Reconversion Rejection (atleast 25%)			
9.5	Redemption/Repurchase			

	Checklist			
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
1	**Demat / Remat / Conversion / Reconversion / Redemption /Repurchase Requests Processing**			
1.1	Whether there is a proper procedure in place for inward of requests received from Participants?	□ Yes □ No	If no, discrepancies must be mentioned here	
1.2	Whether adequate controls exists over requests received and their respective status?	□ Yes □ No □ Not Applicable	If no, discrepancies must be mentioned here	
1.3	Whether serial number and stamp of date of receipt has been affixed on the requests received by the RTA/Issuer connected to NSDL?	□ Yes □ No □ Not Applicable	If no, discrepancies must be mentioned here	
1.4	Whether the requests received during the audit period have been processed within the stipulated time frame?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
1.5	Whether date of receipt mentioned on the requests matches with the receipt date entered in the NSDL system?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
1.6	Whether request forms received were duly authorised by the Participant and were completely filled?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
2	**Demat Request Confirmation**			
2.1	While processing demat request, whether the validity of the physical security certificate(s)/ Letter of Confirmation is verified?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
2.2	While processing demat request, whether the RTA/Issuer connected to NSDL verifies whether the application for demat has been made by the person(s) whose name is recorded in the Register of member?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

2.3	Whether register of member (ROM) is updated before confirmation of demat requests?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
2.4	Whether RTA/Issuer connected to NSDL transfers the registered ownership of securities to the name of National Securities Depository Limited when the demat requests are processed?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
2.5	While processing demat request, whether the RTA/Issuer connected to NSDL verifies the details mentioned in the DRF and as appearing on the physical security certificate(s)/Letter of Confirmation with the details received electronically?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
2.6	While processing demat request, whether the RTA verifies the signature of the applicant(s) with the signature as available in record of the RTA/Issuer connected to NSDL?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
2.7	Whether Certificates received with requests were marked with words "Surrendered for Dematerialisation", two parallel lines across the certificate, two holes punched on the company name in the prescribed manner, DP ID and client ID mentioned on the certificate?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
2.8	Whether only those securities have been dematerialised by RTA/Issuer connected to NSDL for which listing approval has been received from the relevant stock exchange(s)?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
2.9	Whether Issuer/RTA has accepted the demat request, wherein physical security certificate(s) have got lost in transit, and carried out the dematerialisation on the basis of indemnity and proof of dispatch furnished by the Participant as per prescribed guidelines?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
2.10.	Whether any requests have been confirmed where there exists any prohibitory order, stop transfer, attachment order, or disputed title on the said securities?	□ Yes □ No □ Not Applicable		
2.11	If reply to 2.10 above is yes, mention the number of cases along with details of the matter.			
2.12	Whether proper internal controls are in place for processing transposition cum demat requests received from Participants?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

2.13	Whether RTA/Issuer connected to NSDL is processing dematerialization request in respect of the remaining physical shares in line with guidelines issued under NSDL Circular 24/2019 dated November 18, 2019 (SEBI Circular No. 2019/ 122 dated November 5, 2019) with respect of Enhanced due diligence for dematerialization of physical securities. ?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
2.14	Whether RTA/Issuer connected to NSDL has obtained the additional documents explaining the difference in name in line with guidelines issued under NSDL Circular 24/2019 dated November 18, 2019 (SEBI Circular No.2019/122 dated November 5, 2019) with respect to instances, where flags/alerts have been generated by Depository for mismatch of name on the share certificate (s) vis a vis name of the BO of demat account.	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
2.15	Whether RTA/Issuer connected to NSDL follows Dematerialization requests relating various Investor Service Requests in line with guidelines issued under NSDL Circular 02/2022 dated February 16, 2022 (SEBI Circular No. 2022/8 dated January 25, 2022)	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
3	**Demat Request Rejection**			
3.1	Whether rejection memos have been sent within five days of rejection?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
3.2	Whether rejection memo contains DP ID, client ID, rejection code and rejection reason?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
3.3	Whether rejection code and rejection reason as mentioned in the rejection memo matches with that captured in the NSDL system?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
3.4	Whether the rejection code and rejection reason selected by RTA/Issuer connected to NSDL for rejecting the request were correct?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

3.5	Whether certificates and physical documents are sent to the concerned Participant within 5 days of rejection of demat request?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
3.6	Whether proof of despatch for request rejections has been properly maintained by the RTA/Issuer connected to NSDL?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
3.7	Whether rejection memos have been sent only after rejecting the requests in NSDL system?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4	**Conversion Request Confirmation**			
4.1	While processing conversion request, whether the RTA/Issuer connected to NSDL verifies the details mentioned in the CRF with that recorded on the SOA and with details as received electronically?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.2	Whether any requests have been confirmed where there exists any prohibitory order, stop transfer, attachment order, or disputed title on the said mutual fund (MF) units?	□ Yes □ No □ Not Applicable		
4.3	If reply to 4.2 above is yes, mention the number of cases along with details of the matter.			
4.4	While processing conversion request, whether the RTA verifies the signature of the applicant(s) with the signature as available in record of the RTA/Issuer connected to NSDL?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5	**Conversion Request Rejection**			
5.1	Whether rejection memos along with SOA have been sent in cases of rejections and proof of dispatch maintained?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5.2	Whether rejection code and rejection reason as mentioned in the rejection memo matches with that captured in the NSDL system?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5.3	Whether the rejection code and rejection reason selected by RTA/Issuer connected to NSDL for rejecting the request, was correct?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

6	**Remat Request Confirmation**			
6.1	Whether RTA/Issuer connected to NSDL transfers the registered ownership of securities from the name of National Securities Depository Limited to the name of the BO when the remat requests are processed?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.2	Whether certificates are sent within period of 30 days from the date of receipt of remat request?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.3	Whether proof of despatch of physical certificates has been properly maintained by RTA/Issuer connected to NSDL?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7	**Remat Rejection**			
7.1	Whether rejection memos have been sent in all cases of rejections within five days of rejection?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2	Whether rejection memo contains DP ID, client ID, rejection code and rejection reason?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.3	Whether rejection code and rejection reason as mentioned in the rejection memo matches with that captured in the NSDL system?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.4	Whether the rejection code and rejection reason selected by RTA/Issuer connected to NSDL for rejecting the request were correct?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.5	Whether proof of despatch for request rejections has been properly maintained by the RTA/Issuer connected to NSDL?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.6	Whether rejection memos have been sent only after rejecting the requests in NSDL system?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
8	**Reconversion/Redemption/Repurchase Request Confirmation**			

8.1	Whether units at the time of reconversion have been issued to the persons as per the pattern of holdings in the account of the Participant from which such units are reconverted?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
9	**Reconversion Request Rejection/Redemption/Repurchase rejection**			
9.1	Whether rejection memos have been sent in all cases of rejections?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
9.2	Whether rejection code and rejection reason as mentioned in the rejection memo matches with that captured in the NSDL system?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
9.3	Whether the rejection code and rejection reason selected by RTA/Issuer connected to NSDL for rejecting the request was correct?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
10	**IPO/Corporate Actions**			
10.1	Whether Corporate Actions processed during the audit period have been carried out in accordance with SEBI/ NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details of discrepancies must be mentioned here	
10.2	Whether in case of securities listed on stock exchanges, electronic payment modes approved by RBI such as ECS, NEFT etc. are being used to make cash payment to investors in their bank accounts taken directly from their demat accounts?	□ Yes □ No □ Not Applicable	If no, then details of discrepancies must be mentioned here	
10.3	Whether in case where either the bank details such as MICR, IFSC etc. that are required for making electronic payment are not available or the electronic payment instructions have failed or have been rejected by the bank, cash payments made through physical payment instruments for distribution of cash benefits have the bank account details taken directly from demat accounts of investors printed on such instruments?	□ Yes □ No □ Not Applicable	If no, then details of discrepancies must be mentioned here	
10.4	Whether any unclaimed shares (i.e., shares which could not be allotted to the rightful shareholder due to insufficient/incorrect information or any other reason) have been credited to suspense account?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	

10.5	Whether details of shareholding of each allottee whose shares have been credited to suspense account is properly maintained by the Issuer?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
10.6	In case if the RTA/Issuer connected to NSDL has transferred any shares out of the said suspense account during the audit period, whether the same was as per the stipulated procedure?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
10.7	Whether in case of redemptions, RTA/Issuer connected to NSDL has made payment towards repurchase / redemption to the clients?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
10.8	Whether RTA/Issuer connected to NSDL verifies name of the investor(s) as appearing on the Issue Application Form with that as obtained from NSDL?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
10.9	Whether the name of National Securities Depository Limited (NSDL) is recorded as "Registered owner of Securities" in the Register of Members for securities allotted in electronic form in NSDL?	□ Yes □ No	If no, then details of discrepancies must be mentioned here	
10.10	Whether for locations where facility of ECS is available, bank details of applicants have been taken directly from demat accounts of the applicants in respect of refund in public / rights issues made completely in demat form?	□ Yes □ No □ Not Applicable	If no, then details of discrepancies must be mentioned here	
11	***Reconciliation***			
11.1	Whether separate folios for NSDL & CDSL are maintained in backoffice?	□ Yes □ No		
11.2	What is the mechanism of carrying out daily reconciliation?	□ Manual □ Back office		
11.3	Whether reconciliation between NSDL control position and Register of Members is carried out on a daily basis by RTA/Issuer connected to NSDL as per SEBI/NSDL guidelines?	□ Yes □ No		
11.4	If reply to 11.3 above is no, then mention the frequency at which reconciliation is being carried out.			
11.5	Whether reconciliation mismatch was observed?	□ Yes □ No		

11.6	If reply to 11.5 above is yes, whether RTA / Issuer connected to NSDL has sent any mismatch report to NSDL?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
11.7	Whether RTA/Issuer connected to NSDL is maintaining a register for recording the reconciliation figures?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
11.8	Whether the back office records are reconciled with the NSDL records for pending remat?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
11.9	Whether arithmetic sum of shares in NSDL system, in CDSL system and shares held in physical form is equal to the total issued capital of the company?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
12	***INVESTOR GRIEVANCES***			
12.1	Whether there is any system to record & redress all grievances of clients?	□ Yes □ No	If no, then details of discrepancies must be mentioned here	
12.2	Whether all investor grievances received have been redressed within stipulated timelines?	□ Yes □ No	If no, then details of discrepancies must be mentioned here	
12.3	Whether grievance received from Beneficial Owner directly is also reported in grievance report submitted to NSDL?	□ Yes □ No □ Not Applicable	If no, then details of discrepancies must be mentioned here	
12.4	Whether quarterly investor grievance reports have been submitted to NSDL as per SEBI / NSDL guidelines within stipulated timelines?	□ Yes □ No	If no, then details of discrepancies must be mentioned here	
13	**Record Maintenance**			

13.1	Whether system is in place for safe keeping of Demat / remat / conversion / reconversion requests including rejected requests with all supporting/relevant documents for a period of 5 years?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
13.2	Whether all documents related to Corporate Actions are maintained?	□ Yes □ No	If no, discrepancies must be mentioned here	
13.3	Whether RTA has a process to maintain a record of the destroyed certificates?	□ Yes □ No	If no, discrepancies must be mentioned here	
14	**Status of compliance for deviations / observations noted in last NSDL inspection and internal / concurrent audit report**			
14.1	Whether RTA/Issuer connected to NSDL has complied with all the deviations noted during last NSDL inspection?	□ Yes □ No □ Not Applicable	If no, then details of the noncompliance must be mentioned here	
14.2	Whether RTA/Issuer connected to NSDL has taken adequate preventive measures in respect of deviations noted during last NSDL inspection?	□ Yes □ No □ Not Applicable		
14.3	Whether RTA / Issuer connected to NSDL has taken adequate preventive and corrective measures in respect of deviations noted during last internal audit?	□ Yes □ No □ Not Applicable	If no, then details of the noncompliance must be mentioned here	
14.4	Whether NSDL has sought any specific comment from auditor with respect to any issue?	□ Yes □ No	If yes, then provide details / comments on issues	
14.5	Whether NSDL has sought any specific certification from auditor with respect to any issue?	□ Yes □ No	If yes, provide details along with supporting documents	
15	**Reporting by RTA/Issuer connected to NSDL to its Board of Directors**			
15.1	Whether RTA/ Issuer connected to NSDL has placed last inspection findings alongwith management comment before its Board of Directors? (*same may be verified from the extract of the minutes of the Board Meeting)*	□ Yes □ No □ Not Applicable	If yes, then mention date of the Board Meeting	
15.2	Whether RTA/Issuer connected to NSDL has placed last internal audit findings alongwith management comment before its Board of Directors? (same may be verified from the extract of the minutes of the Board Meeting)	□ Yes □ No □ Not Applicable	If yes, then mention date of the Board Meeting	

16	**Miscellaneous**			
16.1	Whether change in office address (Registered / Corporate) and / or investor relations officer / Compliance officer / contact details of RTA / Issuer connected to NSDL has been communicated to NSDL as per prescribed guidelines?	□ Yes □ No □ Not Applicable	If no, then details of discrepancies must be mentioned here	
16.2	Whether RTA is updating Distinctive Number (DN) information in respect of all physical share capital and overall DN range for dematerialised share capital for all listed companies in the manner prescribed by SEBI?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
16.3	Whether common agency requirement as prescribed by SEBI is being adhered to with respect to all the companies handled by the RTA?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
16.4	While processing demat request, whether name and specimen signature of authorised signatory is obtained by the RTA handling only electronic connectivity?	□ Yes □ No □ Not Applicable	If no, then details of discrepancies must be mentioned here	
16.5	While processing demat request, whether confirmation received from the company is compared with the list of authorised signatories before updating system by the RTA handling only electronic connectivity?	□ Yes □ No □ Not Applicable	If no, then details of discrepancies must be mentioned here	
16.6	Whether the RTA handling only electronic connectivity ensures that no activity is carried out in case of companies who have not provided specimen signatures of the authorized signatories?	□ Yes □ No □ Not Applicable	If no, then details of discrepancies must be mentioned here	
16.7	Whether Issuer connected to NSDL / RTA has processed requests for transfer of locked-in securities or securities held under suspended ISIN in case of account closure (inter-depository) and transmission (intra depository and inter-depository) as per prescribed guidelines?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here.	
16.8	Whether depository operations handled by RTA / Issuer connected to NSDL are in accordance with SEBI/ NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, details of discrepancies must be mentioned here	
16.9	Whether the Issuer having connectivity with NSDL and handling registry operations in-house, has more than one lac share holders?	□ Yes □ No □ Not Applicable	If no, details of discrepancies must be mentioned here	

16. 10	If reply to 16.9 above is yes, whether procedure for registration as Share Transfer Agent has been initiated/ completed with SEBI?	□ Yes □ No □ Not Applicable	If no, details of discrepancies must be mentioned here	
16.11.	Whether all associated persons engaged in depository operations are NISM certified as per SEBI/NSDL guidelines?	□ Yes □ No	If no, details of discrepancies must be mentioned here	
16.12	Whether any other deviation/non-compliance observed by internal auditor which is not specifically covered above?	□ Yes □ No	If Yes, then details must be mentioned here	
17	**System Areas**			
17.1	Whether adequate physical and logical access restrictions for usage of system are in place?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
17.2	Whether scheme of variable access rights is implemented?	□ Yes □ No	If no, then details of the issue must be mentioned here	
17.3	Whether NSDL system is used only for the depository operations and no other software or alteration of parameters / configuration has been made?	□ Yes □ No	If no, then details of the issue must be mentioned here	
17.4	Whether Antivirus software in the client machine is updated as per prescribed frequency?	□ Yes □ No	If no, then details of the issue must be mentioned here	
17.5	Whether all the softwares installed on client machine are licensed?	□ Yes □ No	If no, then details of the issue must be mentioned here	
17.6	Whether documentation relating to procedure for internet and etoken has been maintained?	□ Yes □ No	If no, then details of the issue must be mentioned here	
17.7	Whether hardware and operating system on machines used for depository operations are as per the specifications mentioned in the latest Form B submitted to NSDL?	□ Yes □ No	If no, then details of the issue must be mentioned here	

17.8	Whether scheduled switch to fallback connectivity is done and the record thereof is maintained?	□ Yes □ No	If no, then details of the issue must be mentioned here	
17.9	Whether all the hardware / equipments used for depository operations are covered under AMC / warranty?	□ Yes □ No	If no, then details of the issue must be mentioned here	
17.10.	Whether backup of back office data is taken?	□ Yes □ No	If no, then details of the issue must be mentioned here	
17.11	Unique Document Identification Number (UDIN)		To be filled by Practicing Chartered Accountants/ Company Secretaries (if applicable)	
	Important References (only illustrative, not exhaustive) -			
1	NSDL Bye laws and Business Rules			
2	Compliance Manual			
2	Other circulars issued by NSDL and SEBI from time to time			
Management's Comment* - Mandatory if auditor's observation is negative.				