Circular No.: NSDL/POLICY/2013/0097 Date: July 30, 2013

Sub: Internal and Concurrent Audit Report

Participants are aware that as per Bye Law 10.3, each Participant is required to have its depository operations audited by a qualified Chartered Accountant or a Company Secretary or a Cost and Management Accountant holding a Certificate of Practice. Such audit should be conducted at least twice a year and a copy of the report should be submitted to NSDL.

All Participants are advised to refer to Circular No. **NSDL/POLICY/2013/0068 dated May 7, 2013** in which guidelines related to scope of the audit and format of the audit report (IAR/ CAR) were provided. Since then, there were certain audit areas which required further clarity, and for which it is required to revise the guidelines by amending the checkpoints in the checklist defining the scope of the internal / concurrent audit.

In view of the above, Participants are requested to take note of the amended checkpoint 1.13 and 1.19 as mentioned below:

Sr. No.	Audit Areas	Auditor's Observation	Auditor's Remarks	Management's Comment*
1.13	Whether the scanned images of the KYC ~~application form and supporting~~ documents of the clients has been furnished ~~sent~~ to KRA within 10 working days from the date of execution of documents by clients?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.19	Whether Participant has provided 'New Retail Investor Certificate (NRIC)' to accountholders who have availed RGESS facility or have informed to client that the NRIC is available on NSDL website?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	

* Mandatory if auditor's observation is negative

Participants are also requested to note that in accordance with Circular No. **NSDL/POLICY/2013/0084 dated June 27, 2013**, the internal audit findings along with management comments pertaining to the above mentioned addendum are placed before its Board of Directors.

Participants are advised to note that the revised guidelines provided in this circular are applicable for audit period **April 1, 2013 to September 30, 2013** and onwards.

For and on behalf of
National Securities Depository Limited

Samar Banwat
Senior Vice President

FORTHCOMING COMPLIANCE			
Particulars	**Deadline**	**Manner of sending**	**Reference**
Investor Grievance Report (Monthly)	By 10th of the following month.	By email at dp_igreport@nsdl.co.in. Alternatively, by hard copy to the Investor Relationship Cell.	1. Circular No. NSDL/PI/98/500 dated October 6, 1998. 2. Circular No. NSDL/PI/2004/1688 dated September 16, 2004.
Compliance Certificate (January - June)	July 31st every year	Digitally signed compliance certificate by email at nsdl-bp-inspection@nsdl.co.in Alternatively, by hard copy to Inspection Department.	Circular No. NSDL/ POLICY/2006/0023 dated July 6, 2006 and Circular No. NSDL/POLICY/2010/0017 dated February 22, 2010

Signature Not Verified
Digitally signed by BANWAT SAMAR
Date: 2013.07.30 18:34:46 +05:30
Reason: Authentication
Location: NSDL, Mumbai