Circular No.: NSDL/POLICY/2015/0012 Date: January 21, 2015

Subject: Risk based supervision of Participants.

Attention of Participants is invited to Circular No. NSDL/POLICY/2014/0129 dated December 26, 2014 and Circular no. NSDL/POLICY/2015/0007 dated January 13, 2015 regarding information to be provided by Depositories to SEBI periodically for risk assessment of Participants. In this context, Participants are requested to take note of the following:

1. SEBI has provided the revised 'Risk Assessment Template' (RAT) (*enclosed as Annexure A for information*). The RAT contains information about Participants which needs to be provided to SEBI.
2. An online platform named "e-Participant-Inspection Audit and Supervision System (e-PASS)" is developed to facilitate Participants to provide the information required in the RAT to NSDL, which will be made available to SEBI.
3. In order to facilitate Participants to access e-PASS, a separate communication would be sent to the Compliance Officer of each Participant containing information about URL of e-PASS and login credentials at the email ID of Compliance Officer of Participant, as available in NSDL records. In case there is any change in Compliance Officer's name, email ID and mobile number, In view of the above, Participants are requested to inform the same as per procedure communicated vide Circular no. NSDL/PI/2005/2550 dated December 29, 2005 (copy enclosed).
4. A .pdf template containing information to be provided by Participant to NSDL would be emailed to Compliance Officer of each Participant along with guidelines for submission. As informed earlier, information being provided by Participant, would have to be digitally signed by Compliance Officer and Internal Auditor of the Participant. The enclosed Annexure A indicates the information which is required to be provided by the Participant and the information which NSDL will provide on behalf of the Participant.

Participants are requested to take note of the same and ensure compliance.

For and on behalf of
National Securities Depository Limited

Samar Banwat
Senior Vice President

Digitally signed by
Name : Samar Banwat
Date : 21-01-2015 19:30:25
Reason : Authentication

Enclosed: One

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 (July - December)	January 31st every year.	Digitally signed compliance certificate by email at nsdl-bp-inspection@nsdl.co.in Alternatively, by hard copy to Inspection Department.	1. Circular No. NSDL/ POLICY/2006/0023 dated July 6, 2006 and Circular No. NSDL/POLICY/2010/0017 dated February 22, 2010.

Annexure A

Sr. No.	Profile of DP	Data Source	Input Type
A.1	Name of the DP	NSDL	Text
A.2	SEBI Registration No.	NSDL	Text
A.3	Date of Registration	NSDL	Date
A.4	Type of registration-Initial or Permanent	NSDL	Initial/Permanent
A.5	Status of DP (Operational, Under Closure, Under Omnibus OR All accounts closed after closure)	NSDL	Text
A.6	Nature of entity (Category under which entity is registered as DP) (Public Financial Institution, Bank, Foreign Bank, State Financial Corporation, Institution engaged in providing financial services, Custodian of securities, Clearing Corporation, Stock Broker, NBFC, Registrar to Issue or Share Transfer Agent)	NSDL	Text
A.7	Networth as at the end of the Previous Year		
A.7.1	Amount (Rs. In Crore)	NSDL	Number
A.7.2	Date	NSDL	Date
A.7.3	Percentage change in Networth Over Previous Year	NSDL	Number
A.8	Whether DP hold more than 5 % of equity capital of Depository	NSDL	Yes / No
A.9	Size of operations		
A.9.1	Number of Service Centres	NSDL	Number
A.9.2	Total Number of demat accounts with DP	NSDL	Number
A.9.3	Number of demat account in the beginning of the year	NSDL	Number
A.9.4	Number of demat accounts opened during the year	NSDL	Number
A.9.5	Number of demat accounts closed during the year	NSDL	Number
A.9.6	Number of demat accounts at the end of year	NSDL	Number
A.9.7	Value of holdings in the beginning of the year with DP	NSDL	Number
A.9.8	Value of holdings at end of year with DP	NSDL	Number
A.9.9	Number of demat accounts having mobile number registered with DP	NSDL	Number
A.9.10	Percentage of demat accounts having mobile number registered with DP	NSDL	Number
A.9.11	Number of Demat accounts where client has opted for SMS alerts	NSDL	Number

Sr. No.	Profile of DP	Data Source	Input Type
A.9.12	Percentage of demat accounts where client has opted for SMS alerts	NSDL	Number
A.9.13	Number of demat accounts for which email ID registered with DP	NSDL	Number
A.9.14	Percentage of demat account for which email ID is registered with DP	NSDL	Number
A.9.15	Number of POA accounts to total number of accounts	NSDL	Number
A.9.16	Percentage of POA accounts to total number of accounts	NSDL	Number
A.9.17	Total number of Non PoA accounts	NSDL	Number
A.9.18	Percentage of Non POA accounts to total number of accounts	NSDL	Number
A.9.19	Percentage of Delivery Instruction transactions processed electronically out of the total Delivery Instructions Transactions (i.e. delivery instructions and not delivery instruction slips)	DP	Number
A.9.20	Total number of BSDA accounts with the DP	NSDL	Number
A.10	Details of clients as on date (following categorywise)		
A.10.1	a) Resident	NSDL	Number
A.10.2	b) Non Resident Indian	NSDL	Number
A.10.3	c) Foreign National	NSDL	Number
A.10.4	d) Qualified Foreign Investor – Individual	NSDL	Number
A.10.5	e) Foreign Portfolio Investor – Individual	NSDL	Number
A.10.6	f) HUF	NSDL	Number
A.10.7	g) Body Corporate	NSDL	Number
A.10.8	h) Mutual Fund	NSDL	Number
A.10.9	i) Trust	NSDL	Number
A.10.10	j) Bank	NSDL	Number
A.10.11	k) Financial Institution	NSDL	Number
A.10.12	l) Foreign Institutional Investor	NSDL	Number
A.10.13	m) Qualified Foreign Investor – Non Individual	NSDL	Number
A.10.14	n) Foreign Portfolio Investor – Non Individual	NSDL	Number
A.10.15	0) Clearing Member	NSDL	Number
A.11	Individual Clients (Sum of a, b, c, d, e)	NSDL	Number
A.12	Value of Holdings of Individual clients (Sum of value of holdings of a, b, c, d, e)	NSDL	Number
A.13	Institutional Clients (Sum of g, h, i, j, k, l)	NSDL	Number
A.14	Value of Holdings of Institutional Clients (Sum of value of holdings of g, h, i, j, k, l)	NSDL	Number

Sr. No.	Profile of DP	Data Source	Input Type
A.15	Non-Individual Clients (Sum of f, m, n)	NSDL	Number
A.16	Value of Holdings of Non-Individual Clients (Sum of value of holdings of f, m, n)	NSDL	Number
A.17	Total Clients (Sum of 10a to 10n)	NSDL	Number
A.18	Value of Holdings of total clients	NSDL	Number
A.19	Value of Holdings of CM/ Pool account	NSDL	Number
A.20	Total number of Active Clients	NSDL	Number
A.21	Value of holdings of total number of active clients	NSDL	Number
A.22	Total number of Inactive clients (i.e. there are no debit transactions for continous period of last six months)	NSDL	Number
A.23	Value of Holdings of total number of Inactive clients (i.e. there are no debit transactions for continous period of last six months)	NSDL	Number
A.24	Number of clients categorized as high risk clients or clients in special category	DP	Number
A.25	Total Number of employees in DP activities	DP	Number
A.26	Name, address, contact details of Key Personnel	DP	As per Table 1
A.27	Educational qualifications, financial market experience, age of Key Personnel	DP	As per Table 1
A.28	Name of Internal Auditor (specify firm name)	DP	Text
A.29	Name of Concurrent Auditor (specify firm name)	DP	Text
A.30	Number of Investor Complaints		
A.30.1	Opening balance of grievances	NSDL	Number
A.30.2	Received	NSDL	Number
A.30.3	Redressed	NSDL	Number
A.30.4	Pending	NSDL	Number
A.31.1	Name of Outsourcing Agency	DP	Text
A.31.2	Types of activities outsourced	DP	Text
A.32	Ownership and Governance		
A.32.1	Whether listed/ unlisted	DP	Listed / Unlisted
A.32.2	Name and percentage of holdings for top 10 shareholders (wherever applicable)	DP	As per Table 2
A.32.3	Constitution of Board of Directors		
A.32.3.1	Number of Directors	DP	Number
A.32.3.2	Number of Independent Directors	DP	Number
A.32.3.3	Number of Government representatives	DP	Number

Table 1							
Sr. No.	**Role of key person**	**Name of key person**	**Office Address (including city and PIN code)**	**Contact Details (Direct Telephone Number and Mobile Number)**	**Age (in completed years)**	**Educational Qualification (specify highest qualification)**	**Experience in financial market (in completed years)**
1	Head of DP operations	Text	Text	Number	Number	Text	Number
2	Compliance Officer	Text	Text	Number	Number	Text	Number
3	Principal Officer	Text	Text	Number	Number	Text	Number
4	Designated Director	Text	Text	Number	Number	Text	Number

Table 2		
Shareholding of top 10 shareholders		
Sr. No.	**Name of Shareholder**	**% of holdings**
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
	Total percentage holding of top 10 shareholders	

Sr. No.	Operational Risk	Data Source	Input Type
A	**People Risk**		
A.1	Number of instances where disciplinary actions initiated / pending against		
A.1.1	a) Key personnel	DP	Number
A.1.2	b) Employees engaged in DP operations of the DP by SEBI, Depository or any other regulatory authority	DP	Number
A.1.3	c) Total (a+b)		Number
A.2	Out of the total Number of people employed, percentage (%) of employees mandatorily to have NISM certification	DP	Number
A.3	Out of total number of employees mandatorily to have NISM certification, percentage (%) of employees not completed NISM certification	DP	Number
A.4	Number of instances when Participant or any of its Director, designated Director or Principal Officer or Compliance Officer or any other Key Personnel has at any time been convicted for any offence involving moral turpitude	DP	Number
A.5	Any criminal complaint was filed by investors against the Participant related to DP operations - Number of instances	DP	Number
B	**Process Risk**		
B.1	**House Keeping**		
B.1.1	Non compliance w.r.t. not following maker-checker system		
B.1.1.1	a) Number of instances	NSDL	Number
B.1.1.2	b) Sample Size	NSDL	Number
B.1.1.3	c) Percentage (a/b*100)		Number
B.1.2	Non compliance w.r.t. transaction related deviations including not taking due care while handling high value transactions or transactions in the dormant account		
B.1.2.1	a) Number of instances	NSDL	Number
B.1.2.2	b) Sample Size	NSDL	Number
B.1.2.3	c) Percentage (a/b*100)		Number
B.1.3	Non compliance w.r.t. DP is Accepting blank-signed DISs from the clients		
B.1.3.1	a) Number of instances	NSDL	Number
B.1.3.2	b) Sample Size	NSDL	Number
B.1.3.3	c) Percentage (a/b*100)		Number
B.1.4	Non compliance w.r.t. processing of DIS in case signature is not as per the demat records		
B.1.4.1	a) Number of instances	NSDL	Number
B.1.4.2	b) Sample Size	NSDL	Number
B.1.4.3	c) Percentage (a/b*100)		Number

Sr. No.	Operational Risk	Data Source	Input Type
B.1.5	Non compliance w.r.t. non- execution of DIS on or before execution date mentioned by client on DIS		
B.1.5.1	a) Number of instances	NSDL	Number
B.1.5.2	b) Sample Size	NSDL	Number
B.1.5.3	c) Percentage (a/b*100)		Number
B.1.6	Non compliance w.r.t. DIS executed for quantity different from that mentioned by client in DIS		
B.1.6.1	a) Number of instances	NSDL	Number
B.1.6.2	b) Sample Size	NSDL	Number
B.1.6.3	c) Percentage (a/b*100)		Number
B.1.7	Non compliance w.r.t. transfer of securities to wrong account or failure to execute DIS within time or partial execution of DIS		
B.1.7.1	a) Number of instances	NSDL	Number
B.1.7.2	b) Sample Size	NSDL	Number
B.1.7.3	c) Percentage		Number
B.1.8	Non compliance w.r.t. Delivery Instruction Slip (DIS) related deviation other than B.1.1 to B.1.7 above		
B.1.8.1	a) Number of instances	NSDL	Number
B.1.8.2	b) Sample Size	NSDL	Number
B.1.8.3	c) Percentage (a/b*100)		Number
B.1.9	Non compliance w.r.t. freeze/unfreeze related deviation		
B.1.9.1	a) Number of instances	NSDL	Number
B.1.9.2	b) Sample Size	NSDL	Number
B.1.9.3	c) Percentage (a/b*100)		Number
B.1.10	Non compliance w.r.t. Power of Attorney (POA) related deviation		
B.1.10.1	a) Number of instances	NSDL	Number
B.1.10.2	b) Sample Size	NSDL	Number
B.1.10.3	c) Percentage (a/b*100)		Number
B.1.11	Whether Participant has a computerized /automated system to process instructions received from POA holders to debit the client's account? (Yes / No)	DP	Yes/ No
B.1.12	Non compliance w.r.t. Account opening/KYC document related deviation		
B.1.12.1	a) Number of instances	NSDL	Number
B.1.12.2	b) Sample Size	NSDL	Number
B.1.12.3	c) Percentage (a/b*100)		Number
B.1.13	Non compliance w.r.t. BSDA related deviation		
B.1.13.1	a) Number of instances	NSDL	Number
B.1.13.2	b) Sample Size	NSDL	Number

Sr. No.	Operational Risk	Data Source	Input Type
B.1.13.3	c) Percentage (a/b*100)		Number
B.1.14	Non compliance w.r.t. Client Data Modification (CDM) related deviation		
B.1.14.1	a) Number of instances	NSDL	Number
B.1.14.2	b) Sample Size	NSDL	Number
B.1.14.3	c) Percentage (a/b*100)		Number
B.1.15	Non compliance w.r.t. Maintainence of record and document related deviation		
B.1.15.1	a) Number of instances	NSDL	Number
B.1.15.2	b) Sample Size	NSDL	Number
B.1.15.3	c) Percentage (a/b*100)		Number
B.1.16	Non compliance w.r.t. Demat/Remat/Conversion /Reconversion request related deviation		
B.1.16.1	a) Number of instances	NSDL	Number
B.1.16.2	b) Sample Size	NSDL	Number
B.1.16.3	c) Percentage (a/b*100)		Number
B.1.17	Non compliance w.r.t. Transaction statement related deviation		
B.1.17.1	a) Number of instances	NSDL	Number
B.1.17.2	b) Sample Size	NSDL	Number
B.1.17.3	c) Percentage (a/b*100)		Number
B.1.18	Non compliance w.r.t. opening and closing and modification of Service Centres deviations		
B.1.18.1	a) Number of instances	NSDL	Number
B.1.18.2	b) Sample Size	NSDL	Number
B.1.18.3	c) Percentage		Number
B.1.19	Non compliance w.r.t. Inter Depository Transfer (IDT) related deviation		
B.1.19.1	a) Number of instances	NSDL	Number
B.1.19.2	b) Sample Size	NSDL	Number
B.1.19.3	c) Percentage (a/b*100)		Number
B.1.20	Non compliance w.r.t. Account transfer related deviation		
B.1.20.1	a) Number of instances	NSDL	Number
B.1.20.2	b) Sample Size	NSDL	Number
B.1.20.3	c) Percentage (a/b*100)		Number
B.1.21	Non compliance w.r.t. Transmission related deviations		
B.1.21.1	a) Number of instances	NSDL	Number
B.1.21.2	b) Sample Size	NSDL	Number
B.1.21.3	c) Percentage (a/b*100)		Number
B.1.22	Non compliance w.r.t. Pledge/unpledge related deviation		
B.1.22.1	a) Number of instances	NSDL	Number

Sr. No.	Operational Risk	Data Source	Input Type
B.1.22.2	b) Sample Size	NSDL	Number
B.1.22.3	c) Percentage (a/b*100)		Number
B.1.23	Instances where compensation was paid to client due to errors of DP		
B.1.23.1	a) Number of instances	DP	Number
B.1.23.2	b) Amount (Rs. In Lacs)	DP	Number
B.1.24	Percentage of Instances out of total records checked - Accepting POAs which authorizes a broker to make off-market transfers in favour of third parties, flouting SEBI guidelines on POAs		
B.1.24.1	a) Number of instances	NSDL	Number
B.1.24.2	b) Sample Size	NSDL	Number
B.1.24.3	c) Percentage (a/b*100)		Number
B.2	**Fraud, Vigilance and Accountability**		
B.2.1	Non Compliance under Prevention of Money Laundering Act, 2002 (PMLA) related deviation		
B.2.1.1	a) Number of instances	NSDL	Number
B.2.1.2	b) Sample Size	NSDL	Number
B.2.1.3	c) Percentage (a/b*100)		Number
B.2.2	Number of STR filed	NSDL	Number
B.2.3	Number of fraud cases identified and/or reported related to DP operations	DP	Number
C	**Customer service and complaint redressal mechanism**		
C.1	Non compliance w.r.t. Complaints related deviation		
C.1.1	a) Number of instances	NSDL	Number
C.1.2	b) Sample Size	NSDL	Number
C.1.3	c) Percentage (a/b*100)		Number
C.2	Number of complaints received		
C.2.1	Direct	NSDL	Number
C.2.2	Indirect (through SEBI/Depository)	NSDL	Number
C.2.3	As a Percentage relative to the total number of clients		Number
C.3	Number of Complaints pending beyond 30 days	NSDL	Number
C.4	Number of complaints of unauthorised debit received	NSDL	Number
C.5	Number of arbitration matters initiated by		
C.5.1	a) DP	NSDL	Number
C.5.2	b) Client	NSDL	Number
C.5.3	c) Total (a+b)		Number

Sr. No.	Operational Risk	Data Source	Input Type
C.6	Number of Arbitration matters in favour of DP or against the DP. The amount claimed and awarded in the arbitration matter		
C.6.1	Awards against DP		
C.6.1.1	a) Number of instances	NSDL	Number
C.6.1.2	b) Amount claimed (Rs. In Lacs)	NSDL	Number
C.6.1.3	c) Amount Awarded (Rs. In Lacs)	NSDL	Number
C.6.2	Awards in favour of DP		
C.6.2.1	a) Number of instances	NSDL	Number
C.6.2.2	b) Amount claimed (Rs. In Lacs)	NSDL	Number
C.6.2.3	c) Amount awarded (Rs. In Lacs)	NSDL	Number
C.6.3	Awards dismissed (Number of instances)	NSDL	Number
C.7	Number of awards challenged		
C.7.1	a) by DP	NSDL	Number
C.7.2	b) by Client	NSDL	Number
C.7.3	c) Total (a+b)		Number
C.8	Number of Awards where any adverse remarks were made in Award	NSDL	
C.8.1	Insurance		
C.8.1.1	Number of Insurance claim filed by DP	NSDL	Number
C.8.1.2	Amount of Insurance claim (Rs. In Lacs)	NSDL	Number
D	**Technology Risk**		
D.1	Non Compliance w.r.t. Information Technology Area related deviation		
D.1.1	a) Number of instances	NSDL	Number
D.1.2	b) Sample Size	NSDL	Number
D.1.3	c) Percentage (a/b*100)		Number
E	**Compliance Risk**		
E.1	Number of instances of Non-compliance observed in submission of periodical reports		
E.1.1	a) Internal and Concurrent Audit Report	NSDL	Number
E.1.2	b) IG Report	NSDL	Number
E.1.3	c) Annual Financial Statement and Networth Certificate	NSDL	Number
E.1.4	d) Compliance Certificate	NSDL	Number
E.1.5	e) Any other report	NSDL	Number
E.1.6	g) Total (sum of a to e)	NSDL	Number
E.2	Non Compliance w.r.t. not uploading KYC details with KRA timely		
E.2.1	a) Number of instances	NSDL	Number
E.2.2	b) Sample Size	NSDL	Number
E.2.3	c) Percentage (a/b*100)		Number
E.3	Penalties Levied /advisory letter issued- Number of Instances	NSDL	Number

Sr. No.	Operational Risk	Data Source	Input Type
E.4	Monetary Penalty imposed by the Depository (Rs. In Lacs)	NSDL	Number
E.5	Any other action taken by the Depository- Number of instances	NSDL	Number
E.6	Monetary Penalty imposed by SEBI (Rs. In Lacs)	DP	Number
E.7	Any other action taken by SEBI-Number of instances		Number
E.7.1	Enquiry/ Prosecution	DP	Number
E.7.2	Adjudication	DP	Number
E.7.3	Warning/ Censure/ Administrative Warning	DP	Number
E.7.4	Deficiency	DP	Number
E.8	Monetary Penalty imposed by any other Agency/ court (Rs. In Lacs)		Number
E.8.1	Monetary Penalty (Rs. In Lacs)	DP	Number
E.8.2	Number of instances	DP	Number
E.9	Any other action taken by any other agency/ court-Number of instances	DP	Number
E.10	Regulatory non compliance (status of earlier Inspection observation compliance) - Number of Instances where not complied	NSDL	Number
E.11	Number of instances where the Participant did not conduct audits (excluding internal audits) as prescribed by SEBI/Depository	NSDL	Number
E.12	Suspension of registration - Number of Instances	NSDL	Number
E.13	Termination of registration - Number of Instances	NSDL	Number
E.14	Internal Audit conducted or not	DP	Yes / No
F	**Outsourcing Risk**		
F.1	Any DP related activity outsourced (excluding outsourced to Depository) - Number of DP activities	DP	Number
G	**Governance and Oversight**		
G.1	Review of audit and compliance function		
G.1.1	Whether Depository inspection report and corrective action taken have been put before the board?	DP	(Yes/No/Not Applicable)
G.1.2	Whether SEBI inspection report and corrective action taken have been put before the board?	DP	(Yes/No/Not Applicable)
G.1.3	Whether where Internal Audit report / Concurrent Audit report and corrective action taken have been put before the board?	DP	(Yes/No/Not Applicable)
G.1.4	Whether board of the DP was satisfied with the corrective actions taken?	DP	(Yes/No/Not Applicable)
Note	1. Please mention amount upto two decimal places wherever needed.		

Sr. Number	Factors to assess impact of failure	Parameters used to assess the impact of failure	Data Source
1	Size	a. Number of active BO accounts with DP as a % of total no of BO accounts in the NSDL system	NSDL
		b. Number of inactive BO accounts with DP as a % of total no of BO accounts in the NSDL system	NSDL
		c. Total number of BO accounts with DP as a % of total no of BO accounts in the NSDL system	NSDL
		d. Value of holding of active BO account with DP as a % of total value of holding in the NSDL system	NSDL
		e. Value of holding of inactive BO account with DP as a % of total value of holding in the NSDL system	NSDL
		f. Value of holding of total number of BO account with DP as a % of total value of holding in the NSDL system	NSDL