Cover page	
Internal / Concurrent Audit Report for Depository Operations	
Type of Audit Report	□ Internal Audit Report (IAR) □ Concurrent Audit Report (CAR) □ Combined IAR and CAR
Name of the auditee	
DP ID(s)	INXXXXXX
	INXXXXXX
SEBI Registration Number	
Audit period	**From DD-MMM-YYYY to DD-MMM-YYYY**
Name of the auditor	
Membership no. of the auditor	
NISM – DOCE / CPE Certificate no. [*of any one person conducting the internal and/or concurrent audit*]	
Date till which certificate is valid	**DD-MMM-YYYY**
Name of the audit firm	
Full postal address of the audit firm	
Contact number along with STD code / mobile number of auditor	
email ID of auditor	
Signature of the auditor	
Date	

Activity wise sampling details				
Sr. No.	**Area**	**Count for the audit period (total number of accounts opened, demat request processed, etc.)**	**No. of samples checked**	**Percentage of samples checked**
1	Account Opening (100%)			
2	KYC re-confirmation cases: - Initiated by Participant (100%)			
	- Intimated by NSDL (100%)			
3	Demat requests / Conversion request			
4	Remat requests / Reconversion request / Redemption request			
5	DIS book issuance (Including loose slip issuance) (100%)			
6	DIS execution (at least 25%)			
7	Pledge / hypothecation instructions			
8	Client data modifications			
9	Account Freeze			
10	Account Unfreeze			
11	Modification in the name of client pursuant to error made by Participant (100%)			
12	Power of Attorney modifications (100%)			
13	Account Closure requests - Initiated by Participant (100%)			
	- Initiated by client			
14	Transmission (100%)			
15	Investor grievances received by Participant (100%)			

16	Providing statement of accounts to clearing member (100% process level) (For count / samples checked, specify number of occasions of dispatch during audit period - typically it would be six for the six month period). [In case a Participant does not have any clearing member account and has only beneficial owner account then 'Not Applicable' may be specified].	**Specify number of occasions of dispatch of statement during audit period by Participant**	**Specify number of occasions of dispatch checked by auditor**
17	Any other samples picked by Auditors (Please provide detailed break-up of areas verified alongwith sample count for that particular area)		

Checklist				
Sr. No.	**Audit Areas**	**Auditor's Observation**	**Auditor's Remarks**	**Management's Comment***
1	**KYC and Account Opening**			
1.1	Whether proof of identity, proof of address and other stipulated documents have been obtained for all the accounts as per KYC guidelines issued by SEBI, PMLA and NSDL?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.2	Whether PANs and copies of PAN Cards have been obtained for all the accounts, wherever applicable?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.3	Whether PANs are verified with the database of Income Tax Department and stamp of "PAN Verified" has been affixed on the photocopy of the PAN card(s) for all the accounts?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.4	If correspondence address of a third party has been accepted, whether guidelines prescribed by SEBI, PMLA and NSDL have been followed?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.5	Whether all KYC application forms and account opening forms are completely filled in respect of all account holder(s)?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.6	Whether photograph(s) of client(s)/Authorised signatories/Director(s)/ Promoter(s)/ Trustee(s)/ Partner(s) etc provided on KYC Form matches with the photograph on Proof of Identity and PAN card of respective person(s)?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.7	Whether signature(s) of client(s)/Authorised signatories provided on Account Opening Form and KYC Documents matches with the signature(s) on Proof of Identity and PAN card of respective person(s)?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.8	Whether copies of all the documents submitted by the applicant are self-attested?	□ Yes □ No	If no, then number of accounts with discrepancies	

			must be mentioned here	
1.9	Whether copies of all the documents submitted by the applicant are accompanied with originals for verification / properly attested by entities authorized for attesting the documents in cases where the original of the said document is not produced for verification?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.10	Whether the 'in - person' verification of the account holders has been done before activation of the account and the record of in-person verification is maintained as per SEBI, PMLA and NSDL guidelines?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.11	Whether Participant has provided a copy of the "Rights and Obligations of the Beneficial Owner and Depository Participant" document to the client either in electronic or physical form, depending upon the preference of the clientand obtained an acknowledgement of the same from the client?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.12	Whether data entered in DPM system matches with the details mentioned in the account opening form?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.13	Whether mobile number and email id captured are of the client or family member as per the circular of NSDL and SEBI?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.14	Whether the bank details have been correctly captured in compliance with SEBI and NSDL circular?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.15	Whether signature of account holder(s) as given in the account opening form has been scanned in the DPM system clearly and correctly?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.16	Whether the scanned images of the KYC documents of the clients have been furnished 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	
1.17	Whether required information / documents are forwarded by Participants to KRA for cases which are informed as incomplete by KRA?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned here	
1.18	Whether the Participant has uploaded existing clients' KYC data on KRA system and sent scanned images of KYC documents to KRA as per SEBI guidelines?	□ Yes □ No	If no, then number of accounts with discrepancies must be mentioned here	
1.19	Whether the Participant has used the KYC data of a client obtained from the KRA only for the purposes it is meant for?	□ Yes □ No	If no, then details must be mentioned here	
1.20	Whether Participant has downloaded KYC information of client(s) who are KYC compliant from KRA platform?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.21	Whether sufficient information has been obtained from clients, to identify and verify the identity of persons who beneficially own or control the securities account (i.e Ultimate Beneficial Owner) as per SEBI, PMLA and NSDL guidelines (specially for non-individual clients)?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.22	Whether activation of Rajiv Gandhi Equity Savings Scheme (RGESS) flag in the Depository account opened is as per SEBI and NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.23	Whether Participant has provided 'New Retail Investor Certificate' (NRIC) to accountholders who have availed RGESS facility or has informed to client that the NRIC is available on NSDL website?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.24	Whether SARAL account is opened as per SEBI/NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
1.25	Whether Participant has captured the KYC information for sharing with the Central KYC Records Registry in the manner mentioned in the PMLA Rules, as per the KYC template for "individuals" finalised by CERSAI?	□ Yes □ No	If no, then details must be mentioned here	

1.26	Whether Participant has uploaded the existing clients' KYC details with Central KYC Records Registry (CKYCR) System?	□ Yes □ No	If no, then details must be mentioned here	
1.27	Whether Participant is in compliance with the clauses of undertaking submitted to NSDL for availing the facility of advance generation of separate series of Client ID from the DPM system?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
2	**KYC Re-Confirmation**			
2.1	**Initiated by Participant**			
2.1.1.	Whether periodicity for updation of all documents, data or information of all clients and beneficial owners collected under the Client Due Diligence process is defined?	□ Yes □ No	If no, then details must be mentioned here	
2.1.2	Whether all documents, data or information of all clients and beneficial owners collected under the Client Due Diligence process is updated as per defined periodicity and as and when there are suspicions of money laundering or financing of terrorism?	□ Yes □ No	If no, then details must be mentioned here	
2.2	**Intimated by NSDL**			
2.2.1	Whether KYC confirmation response is updated on i-assist intranet site of NSDL within the stipulated time as prescribed by NSDL?	□ Yes □ No □ Not Applicable	If no, then details of cases with delayed responses must be mentioned here or enclosed as Annexure	
2.2.2	For all such accounts for which KYC is confirmed on i-assist, whether all KYC documents (*as per the KYC guidelines issued by SEBI, PMLA and NSDL*) are in possession of Participant?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	

2.2.3	Whether all such KYC documents (referred in point no. 2.2.2) are verified with originals / properly attested by entities authorized for attesting the documents?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.4	Whether all such KYC documents are verified by the auditor before KYC confirmation response is updated by the Participant on i-assist on concurrent basis and auditor has provided certification to that effect?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.5	Whether Participant has suspended for debits all such accounts which are reported as KYC non-compliant on i-assist after giving appropriate notice to the client(s) till the time such client(s) submits necessary KYC documents as per the KYC guidelines issued by SEBI, PMLA and NSDL?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
2.2.6	For accounts reported as non-compliant by the Participant on i-assist where the client(s) subsequently submits necessary KYC documents as per the stipulated KYC guidelines, whether the Participant has provided KYC confirmation response to NSDL?	□ Yes □ No □ Not Applicable	If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure	
3	**Client Data Modification**			
3.1	Whether clients' request for changes in data (e.g. name of client, address, signature, bank details, mobile number, E-mail, mode of receiving annual report, AGM notice and other communications, Type & Sub type, RGESS Flag, BSDA Flag, Mode of receiving statement of account in electronic form, Family flag, SI indicator etc.) have been processed as per prescribed procedure?	Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	

3.2	Whether Client name modification pursuant to error of Participant has been processed as per prescribed procedure ?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
3.3	Whether Participant has uploaded updated information on KRA platform upon receipt of information on change in KYC details of client?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
4	**Power of Attorney (POA)**			
4.1	Whether POA documents are duly executed as per SEBI/NSDL prescribed guidelines and details (including signature of POA holder(s)) have been entered into DPM?	□ Yes □ No □ Not Applicable	If no, then number of accounts with discrepancies must be mentioned	
4.2	Whether POA contains clauses which are as per the SEBI stipulated guidelines?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
4.3	Whether specific purpose POA contains list of demat accounts where securities can be transferred based on POA?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
4.4	Whether Participant has created POA ID for all POA holders in DPM and map the same to the respective demat account where DIS is issued to POA holder?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.5	For specific purpose POA, list of demat accounts where securities can be transferred are mapped with POA ID in DPM?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
4.6	Whether modification/cancellation of Power of Attorney is done as per SEBI/NSDL prescribed guidelines and details have been entered into DPM?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
4.7	Whether Participant has complied with the requirement of not obtaining POA in its capacity as a Participant?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

5	**Nomination**			
5.1	Whether nomination is made as per the prescribed procedure and based on the duly filled nomination form?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5.2	Whether Nomination details are entered in DPM?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
5.3	Whether nomination is modified / cancelled in demat account as per NSDL prescribed guidelines?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6	**Demat / Remat / Conversion / Reconversion / Redemption request**			
6.1	Whether the demat / conversion requests have been accepted and processed as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.2	Whether Participant refers to the list of Distinctive Numbers of certificates submitted for dematerialisation as made available by NSDL and ensures that the appropriate International Securities Identification Number (ISIN) is filled in DRF?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
6.3	Whether Participant refers to lists of companies having high demat pendency and non-responding/services stopped by Registrar and Transfer Agent(s) as displayed on NSDL website and informs clients suitably while accepting demat requests of these companies?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
6.4	Whether date of receiving the demat / conversion request and date of forwarding the documents to Issuer / Registrar & Transfer Agent have been recorded correctly?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
6.5	Whether demat / conversion requests received have been sent to Issuer / Registrar & Transfer Agent within seven days from the date of receipt of the request from the account holder?	□ Yes □ No	If no, then number of cases with discrepancies	

			must be mentioned here	
6.6	Whether there are sufficient provisions / arrangements for safe keeping of security certificates received from account holders for dematerialisation and certificates received after rejection of the demat request from Issuer / Registrar & Transfer Agent?	□ Yes □ No	If no, then details must be mentioned here	
6.7	Whether any demat / conversion request was rejected due to error attributable to Participant?	□ Yes □ No	If ,yes then number of cases with discrepancies must be mentioned here	
6.8	Whether Participant has taken necessary corrective and preventive measures to avoid rejections attributable to Participant?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
6.9	Whether demat cancellation request, if any, has been processed by the Participant as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.10	Whether the remat / reconversion requests have been accepted and processed as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
6.11	Whether the Mutual Fund redemption requests have been accepted and processed as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7	**Delivery Instruction Slip (DIS)**			
7.1	***Issuance of DIS***			
7.1.1	Whether physical inventory of DIS booklets is reconciled with the DIS issue records periodically?	□ Yes □ No	If no, then details must be mentioned here	

7.1.2	Whether the DIS issued to client has pre-printed DIS serial number, DP ID, and a pre-printed/ pre-stamped Client ID or POA ID in case of DIS issued to POA holder??	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.3	Whether DIS booklets have been issued on receipt of requisition slips signed by the client (all holders in case of joint account)?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.4	Whether issuance of loose DIS to account holder is done as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.5	If DIS booklet is handed over to the authorized person other than account holder, then whether the signature of authorized person and his proof of identity are verified before issuance of DIS booklet?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.1.6	Whether the details regarding issuance of DIS (booklet and loose slips) to the clients have been entered in the DPM within two days of issuance?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.7	Whether DIS printed are as per the specifications including layout, size of logo, contents and inside front & back cover of the DIS booklet?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.1.8	Whether Participant has a system in place to ensure that the DIS issued prior January 7, 2014 are not accepted?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

7.1.9	Whether in cases of inter depository account closure, inter depository transmission of securities and execution of instructions based on court/regulatory orders, Participant has captured the required codes such as 'CL9999999999', 'TR9999999999' and 'RO9999999999' respectively against DIS serial number for execution of instructions?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2	***Verification of DIS***			
7.2.1	Whether 'date and time stamp' is affixed on both Participant and client copy of DIS received?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.2	Whether serial number of all the DIS(s) reported as lost / misplaced / stolen by the account holder or undelivered DIS are blocked in the DPM ?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.3	Whether DIS(s) given by account holder are available for all instructions executed in DPM (instruction other than those given by account holders through Speed-e electronically)?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.4	Whether signature(s) on DIS match with the signature(s) scanned in the DPM system?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.5	Whether corrections / cancellation on DIS, if any, are authenticated by the client (all holders for joint accounts)?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.6	Whether Participant accepts instructions by fax from account holder?	□ Yes □ No		
7.2.7	If reply to 7.2.6 is yes, then whether original DIS has been received within three working days for all faxed instructions?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	

7.2.8	If reply to 7.2.6 is yes, then whether Participant has obtained an indemnity from account holders who want to give instruction over fax?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.9	If Participant is accepting delivery instruction in form of an annexure to a DIS, whether it is done as per the prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.10	Whether Participant is ensuring that information under columns "Consideration" and "Reason / Purpose /code" are mentioned for off market instructions by clients?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.11	Whether Participant follows maker - checker system to process the instructions?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.12	Whether there is an additional level of verification for high value instructions in a single DIS (DIS with value of Rs. 5 lakhs and above)?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.13	Whether in case active accounts has five or more ISINs and all such ISIN balances are transferred at a time, Participant has verified with the client before execution of DIS and recorded the details of the same on DIS?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
7.2.14	Whether instructions executed in the DPM system are as per DIS?	□ Yes □ No	If no, then number of cases with discrepancies must be mentioned here	
7.2.15	Whether Participant accepts instructions from clients in electronic form (Other than Speed-e/SPICE)?	□ Yes □ No		
7.2.16	If reply to 7.2.15 is yes, whether NSDL's approval has been obtained?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	

7.2.17	If reply to 7.2.15 is yes, whether NSDL prescribed guidelines are being followed in case of acceptance and execution of instructions in electronic form?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3	**Scanning of Delivery Instruction Slips (DIS) and Tamper proof storage of DIS images**			
7.3.1	Whether every DIS executed in the DPM is scanned alongwith all annexures / computer printouts (if any) by the end of the next working day and digitally signed image of the same is posted on DIVS system successfully for validation and digitally signature of NSDL?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.2	Whether the Participant scans the DIS received through fax and post the same to the DIVS and whenever original DIS is received the same is also scanned and posted on DIVS system within one working day from receipt of original DIS?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.3	Whether scanned images of DIS are legible and tagged to the correct DIS serial number?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.4	Whether the NSDL signed DIS images are stored in the system set up by the Participant as per the specification of NSDL?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.3.5	Whether tamper proof storage system of DIS images in which the NSDL signed DIS images (i.e. response files generated by DIVS) are stored, maintain proper records of all NSDL signed DIS images including audit trail for changes made, if any and have adequate checks and procedures to prevent unauthorized changes to scanned DIS images?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

7.3.6	Whether tamper proof storage system restricts unauthorized alteration or deletion?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.7	Whether tamper proof storage system is in compliance with the specification prescribed by NSDL?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.8	Whether tamper proof storage system has facility to check integrity of the system?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.3.9	Whether alert generated by tamper proof storage system during integrity check are monitored, corrective actions are taken and reported the same to NSDL by the Participant?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
7.4	**Dormant Account Monitoring**			
7.4.1	Whether in case of an accounts which remained inactive i.e., where no debit transaction had taken place for a continuous period of 6 months and whenever all the ISIN balances in that account (irrespective of the number of ISINs) are transferred at a time, Participant has verified with the client before execution of DIS?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
7.4.2	Whether authorized official of the Participant verifying such transactions with the Client has recorded the details of the process, date, time, etc., of the verification on the instruction slip under his signature?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8	**Account Closure**			
8.1	Whether clients' request for closure of account has been processed as per prescribed procedure within 30 days of receipt of account closure request from the client?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies	

			must be mentioned here	
8.2	Whether DIS has been obtained in case of transfer of securities to an account other than clients' own account pursuant to account closure?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.3	Whether 30 days notice is given to the client as well as to the depository before closing client account, in case account closure is initiated by Participant?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
8.4	Whether Participant has refunded the account maintenance charges collected upfront on annual/half yearly basis (if so), to the client for the balance of the quarter/s, in the event of closing of the demat account or shifting of the demat account from one Participant to another?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
9	**Transmission of Securities**			
9.1	Whether all transmission cases have been processed as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
9.2	Whether all transmission cases have been processed within 7 days of receipt of the transmission request?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	

10	**Freeze/Unfreeze**			
10.1	Whether freeze and unfreeze instructions received from the clients' are processed as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10.2	Whether PAN card is obtained and verified as per prescribed procedure before unfreezing an account which was frozen due to non-availability of PAN	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
10.3	Whether appropriate reason has been captured while freezing/unfreezing clients' account in case freeze is initiated by Participant?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
11	**Investor Grievances**			
11.1	Whether all investors' grievances have been redressed as per the procedure and within the stipulated time?	□ Yes □ No □ Not Applicable	If no, then give details of grievances pending for redressal	
11.2	Whether Participant has prominently displayed basic information about the grievance redressal mechanism available to investors in their offices?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
11.3	Whether grievances received directly from clients at service center or DPM setup location through NSDL or SEBI are included in the monthly Investor grievance report submitted to NSDL by Participant?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
11.4	Whether Participant has dedicated email ID for informing investor grievances?	□ Yes □ No	If no, then details must be mentioned here	
12	**Statement of Account (including transaction statement and holdings statement)**			

12.1	Whether statements provided to the clearing member accounts are as per the prescribed frequency?	□ Yes □ No □ Not Applicable	If no, then the periodicity of providing the statement must be mentioned	
12.2	Whether statements are provided to the client as and when requested?	□ Yes □ No	If no, then details must be mentioned here	
12.3	In case a third party address has been captured in the demat account, whether a statement is sent to the address of the Client once a year?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
12.4	Whether statements are generated from back office or DPM system?	□ Back office □ DPM system		
12.5	If generated from back office, whether the details match with statement generated from DPM system?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
12.6	Whether the narration of corporate action / ISIN description (*especially in case of debt*) appearing in the statement of accounts are meaningful to the Client?	□ Yes □ No □ Not Applicable	If no, then number of cases along with the nature of discrepancies must be mentioned here	
12.7	If Participant is sending statement of accounts through internet (web based / email), then whether the relevant guidelines have been followed?	□ Yes □ No □ Not Applicable	If no, then number of cases with discrepancies must be mentioned here	
13	**Compliance under Prevention of Money Laundering Act, 2002 (PMLA)**			
13.1	Whether Participant has adopted a policy to comply with its obligations under PMLA?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	

13.2	If reply to 13.1 is yes, whether the policy is in line with SEBI / NSDL requirements, approved by Board of Participant and reviewed periodically?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.3	Whether Participant has complied with all the policies and procedures as prescribed under PMLA and SEBI guidelines such as customer due diligence, suspicious transaction monitoring and reporting, record keeping etc.?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.4	Whether AML Policy is updated to reflect recent changes as prescribed by SEBI?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.5	In case of applicable Non Individual clients, Whether Participants obtains copy of balance sheet and latest share holding pattern, including list of all those holding control, either directly or indirectly, in terms of SEBI takeover Regulations, duly certified by the company secretary / Whole Time Director/ MD, every year?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.6	Whether Participant has carried out risk assessment to mitigate its money laundering and terrorist financing risk with respect to its clients, as required under PMLA?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.7	Whether necessary checks and balances are put in place to ensure that the identity of the clients (both existing and new) does not match with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement agency worldwide?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.8	Whether the Participant has internal mechanism to monitor and detect suspicious transactions as per the requirements of PMLA/SEBI/NSDL?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.9	Whether Participant has submitted STR within 7 days of arriving at a conclusion that any transaction, or a series of transactions integrally connected are of suspicious nature?	□ Yes □ No □ No STR filled	If no, then details of the non compliance	

			must be mentioned here	
13.10	Whether on the basis of risk assessment of the clients, client classification has been carried out for all the clients?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.11	Whether enhanced due diligence measures have been applied for clients categorised as high risk / special category including clients who are residents of jurisdictions listed in FATF statements?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.12	In case any account of PEP has been opened, whether Senior Management approval has been obtained for establishing business relationships?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
13.13	Whether ongoing due diligence and scrutiny of the transactions and account throughout the course of the business relationship is conducted by the Participant to ensure that the transactions being conducted are consistent with the Participant's knowledge of the client, its business and risk profile and where necessary, the client's source of funds is also taken into consideration?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.14	Whether Participant has revisited the CDD process when there are suspicions of money laundering or financing of terrorism and the matter has been disposed off after carrying necessary due diligence?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.15	Whether Participant has appointed a 'Principal officer' as required under PMLA and intimated about changes, if any, in the Principal Officer to FIU-India?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.16	Whether Participant has appointed a 'Designated Director' as required under PMLA and intimated about changes, if any, in the Designated Director to FIU-India?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
13.17	Whether there is a mechanism to deal appropriately with the alerts provided by NSDL?	□ Yes □ No	If no, then details of the non	

			compliance must be mentioned here	
13.18	If any suspicious transaction is reported to FIU-India India then whether count of STRs reported to FIU-India are informed to NSDL?	□ Yes □ No □ No STR filled	If no, then details of the non compliance must be mentioned here	
13.19	Whether suspicious transaction register (physical and/or in electronic form) has been maintained?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
14	**Operations Manual**			
14.1	Whether Participant has prepared an operations manual?	□ Yes □ No		
14.2	If reply to 14.1 is yes, whether operations manual covers all depository activities?	□ Yes □ No □ Not Applicable	If no, then mention the areas not covered in operations manual	
14.3	If reply to 14.1 is yes, whether operations manual is updated as and when required?	□ Yes □ No □ Not Applicable	If no, then mention when is it updated	
14.4	If reply to 14.1 is yes, whether operations manual is available to persons who need to refer it?	□ Yes □ No □ Not Applicable	If no, then mention how is the work done by those persons	
14.5	If reply to 14.1 is yes, whether procedures mentioned in the operations manual are followed?	□ Yes □ No □ Not Applicable	If no, then give details here	
15	**Maintenance of record**			
15.1	Whether Participant has informed NSDL about place(s) of record keeping?	□ Yes □ No	If no, then mention the place of record keeping	
15.2	Whether an internal mechanism has been evolved by Participant for proper maintenance and preservation of such records and information in the manner that allows easy and quick retrieval of data as and when requested by competent authorities?	□ Yes □ No	If no, then give details here	
16	**Outsourced activities**			

16.1	Whether Participant has outsourced record keeping activity (partly or fully)?	□ Yes □ No	If yes, then the name of the agency / firm and nature of arrangement must be mentioned here	
16.2	If reply to 16.1 is yes, whether NSDL's approval has been obtained?	□ Yes □ No □ Not Applicable	If no, then give details here	
16.3	Whether any business activity **other than record maintenance** is outsourced?	□ Yes □ No		
16.4	If reply to 16.3 is yes, mention the activities outsourced and whether NSDL's approval has been obtained?	□ Yes □ No □ Not Applicable	If no, then give details here	
16.5	If reply to 16.1 and / or 16.3 is yes -			
	a) Whether Participant has entered into legally binding written contract/agreement/terms and conditions with the Vendor(s) as per the stipulated guidelines issued by SEBI?	□ Yes □ No □ Not Applicable	If no, then various outsourcing risks inherent in the process must be mentioned here	
	b) Whether proper checks and control mechanism has been implemented by the vendor/agency?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
	c) Whether during the course of periodic review, material outsourcing risks if any, are properly mitigated?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
	d) Whether Participant has a comprehensive policy to guide the assessment of whether and how the above activities are outsourced in terms of stipulated SEBI guidelines?	□ Yes □ No □ Not Applicable	If no, then details should be mentioned here	
17	**Service centre (whether offering the services as a DPM setup, branch, franchisee, collection centre, drop box centre or called by any other name)**			
17.1	Whether NSDL's approval has been obtained for all the service centres opened during the audit period?	□ Yes □ No □ Not Applicable	If no, then details of non compliance must be mentioned here	
17.2	Whether prescribed procedure has been followed for any service centre closed / terminated during the audit period?	□ Yes □ No □ Not Applicable	If no, then details of non compliance must be mentioned here	

17.3	Whether the data of all the service centres (DPM setup, branch, franchisee, collection centre, drop box centre or called by any other name) displayed on the NSDL website is updated and correct?	□ Yes □ No	If no, then details such as missing service centre, non existent service centre, errors in contact person name or contact information, etc. must be mentioned here	
17.4	Whether the associated persons engaged or employed by Participant have required certification (NISM-CPE/DOCE/NCFM/NCDO) except those doing basic / elementary level / clerical level work and whose work is supervised by NISM qualified person?	□ Yes □ No	If no, then details of non compliance must be mentioned here	
17.5	Whether internal audit has been conducted at adequate number of service centres other than DPM setup to verify guidelines prescribed by SEBI, PMLA and NSDL have been followed ?	□ Yes □ No □ Not Applicable	If yes, then mention count of service centres audited and locations thereof and If no, then details of non compliance must be mentioned here	
17.6	Whether the depository services offered at the service center are displayed at the service centers (where all depository services are not offered by the service center)?	□ Yes □ No □ Not Applicable	If no, then details of non compliance must be mentioned here	
18	**Status of compliance for deviations / observations noted in last NSDL inspection and internal / concurrent audit report**			
18.1	Whether Participant has complied with all the deviations noted during last NSDL inspection?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
18.2	Whether Participant has taken adequate preventive measures in respect of deviations noted during last NSDL inspection?	□ Yes □ No □ Not Applicable		
18.3	Whether Participant has taken adequate preventive and corrective measures in respect of deviations noted during last internal / concurrent audit?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance	

			must be mentioned here	
18.4	Whether NSDL has sought any specific comment from auditor with respect to any issue?	□ Yes □ No	If yes, then provide details / comments on issues	
18.5	Whether NSDL has sought any specific certification from auditor with respect to any issue?	□ Yes □ No	If yes, provide details along with supporting documents	
19	**Reporting by Participants to its Board of Directors**			
19.1	Whether Participant has placed last inspection findings alongwith management comment before its Board of Directors/ Audit Committee? (*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	
19.2	Whether Participant has placed last internal/concurrent audit findings alongwith management comment before its Board of Directors / Audit Committee? (*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	
20	**Billing**			
20.1	Whether all account holder are billed as per the tariff sheet?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
20.2	Whether Participant has given atleast one month's prior notice for any increase in the tariff sheet?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
20.3	Whether charges levied for demat accounts are in accordance with SEBI/NSDL guidelines?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
20.4	Whether Participant has not charged account holder(s), for transfer of all the securities lying in his account to another account of client with another branch of the same Participant or to another Participant of the same depository or another depository, provided the account	□ Yes □ No □ Not Applicable	If no, then number of accounts, with discrepancies must be mentioned here	

	holder(s) at transferee Participant and at transferor Participant are identical in all respects?			
20.5	Whether increase or decrease made in charges i.e changes in tariff sheet has been intimated to NSDL for making it available on NSDL website?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
21	**Back Office**			
21.1	If Participant is using backoffice software for depository operations like providing statement, billing etc., whether balances as per back office are reconciled on a daily basis with DPM?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22	**Miscellaneous areas**			
22.1	Whether there is any supplementary agreement / letter of confirmation / power of attorney obtained / executed with account holder which are in contravention to 'Rights and Obligations of the Beneficial Owner and Depository Participant' document / SEBI/ NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.2	Whether Participant has collected requisite documents to claim waiver of settlement fees?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.3	Whether pledge and hypothecation instructions are processed as per prescribed procedure?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.4	Whether Participant has executed software utilities provided by NSDL on a monthly basis and taken appropriate action in respect of the exceptions identified?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.5	Whether forms in use for various activities are as prescribed?	□ Yes □ No	If no, then mention the forms and the discrepancies observed	

			therein.	
22.6	Whether Participant has a policy for dealing with conflicts of interest?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.7	Whether Board of Directors of the Participant has reviewed the policy document dealing with conflicts of interest on a periodic basis?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.8	Whether Participant has provided 'Annual Statement- RGESS' to account holders who have availed RGESS facility or has informed to client that the Annual Statement for RGESS is available on NSDL website?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.9	Whether Participant has provided 'RGESS Compliance Report to client who have availed RGESS facility or has informed to client that the RGESS Compliance Report is available on NSDL website?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.10	Whether Participant has offered BSDA facility to all eligible Beneficial Owners?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.11	Whether the Participant has reassessed the eligibility of the Beneficial Owners at the end of every billing cycle to provide facility of BSDA and has converted all eligible demat accounts into BSDA until such BOs specifically opt to continue to avail the facility of a regular demat account?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
22.12	Whether Participant has displayed various tickers on its website to create awareness among clients to subscribe for SMS alerts, for KYC registration and that ASBA has been made mandatory payment mechanism for all investors including retail investors for all public issues opening on or after Jan 1, 2016??	□ Yes □ No □ Not Applicable	If no, then reason for the non compliance must be mentioned here	
22.13	Whether Participant has taken up the matter with Clients where same mobile number and email ID is captured for more than one Client?	□ Yes □ No □ Not Applicable	If no, then reason for the non compliance must be mentioned here	

22.14	Whether DIVS GAP report utilities is executed on regular basis and appropriate action (if required) is taken?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
22.15	Whether 'Document Received Date' has been captured correctly in DPM/eDPM by the Participant in respect of various service requests?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
22.16	Comment on improvements made in the operations since last audit.		Views of the auditor on the improvements, if any (or nil), in operations of the Participant should be mentioned here	
23	**System areas**			
23.1	Whether hardware and software installed on machines used for depository operations are as per the specifications mentioned in the latest Form B submitted to NSDL and made available on i-Assist?	□ Yes □ No	If no, then mention the mismatch	
23.2	Whether Participant is taking backup on a daily basis?	□ Yes □ No		
23.3	Whether Participant has kept remote backup media as per prescribed guidelines?	□ Yes □ No		
23.4	Whether updated antivirus is installed on the server and all the client machines?	□ Yes □ No		
23.5	Whether log shipping facility for log generation is working?	□ Yes □ No		
23.6	Whether all the software installed on server and client machines are licensed?	□ Yes □ No		
23.7	Whether RAID has been configured as per the prescribed guidelines?	□ Yes □ No		
23.8	Whether database reorg and shrinking are done as per the prescribed guidelines?	□ Yes □ No		
23.9	Whether scheduled switch to fallback connectivity is done and the record thereof is maintained?	□ Yes □ No		
23.10	Whether all the hardware / equipments used for depository operations are covered under AMC / warranty?	□ Yes □ No	If no, then mention whether the Participant has obtained	

			approval for the same?	
23.11	Whether UPS / alternate power arrangement is available for all the hardware / equipments used for depository operations?	□ Yes □ No		
23.12	Whether adequate physical and logical access restrictions for usage of system are in place?	□ Yes □ No		
23.13	Whether backup of back office data is taken?	□ Yes □ No □ Not Applicable		
23.14	Whether back office is directly connected to DPM system?	□ Yes □ No		
23.15	If reply to 23.14 is yes, whether it is in accordance with NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
23.16	Whether atleast one staff managing the systems is NSDL trained?	□ Yes □ No		
23.17	Whether physical access to client machines and server is restricted only to authorised persons?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
23.18	Whether the operating system and other softwares installed on the machines used for depository operations are as per NSDL specifications and upgraded as per NSDL guidelines?	□ Yes □ No □ Not Applicable	If no, then details of the non compliance must be mentioned here	
23.19	Whether the Participant has adequate safeguards as regards cyber security?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24	**Additional information about Participant**			
24.1	Whether Participant is satisfying the eligibility criteria as specified at Regulation 19 (a) of SEBI (Depositories and Participants) Regulations, 1996?	□ Yes □ No	If no, then details of the same must be mentioned here	
24.2	Whether the Compliance Officer of the Participant has obtained NISM-Series-III A: Securities Intermediaries Compliance (Non-Fund) Certification Examination (SICCE)?	□ Yes □ No	If no, then details of the non compliance	

			must be mentioned here	
24.3	Whether the Participant is a fit and proper person as per Regulation 7 of SEBI (Intermediaries) Regulations, 2008 and the provisions of Schedule II?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24.4	Whether Risk Assessment Template (RAT), Internal and/or Concurrent Audit Report, Net worth Certificate and Compliance Certificate has been submitted periodically by participant?	□ Yes □ No	If no, then details of the non compliance must be mentioned here	
24.5	Whether change in Director / compliance officer/ Shareholding pattern of the Participant /name of the participant/registered address of the participant and any such changes have been informed to NSDL?	□ Yes □ No □ No such changes	If no, then details of the non compliance must be mentioned here	
24.6	Whether any other deviation/non-complaince observed by internal auditor which is not specifically covered above?	□ Yes □ No	If Yes, then details must be mentioned here	
24.7	Whether Participant has informed NSDL within 7 days of passing of any order / indictments by any competent authority against it?	□ Yes □ No □ Not Applicable	If no, then details must be mentioned here	
Management's Comment* - Mandatory if auditor's observation is negative.				

Auditor's Report on Internal / Concurrent Audit

I/ We have carried out audit of depository operations of <Name of Participant> and I/We hereby declare the following:

1. The operations of the Participant are in compliance with the requirements of The Depositories Act, 1996, SEBI (Depositories & Participants) Regulations, 1996, NSDL Bye Laws and Business Rules, its agreement with NSDL and Rights and Obligations of Beneficial Owner and Depository Participant and various circulars issued by NSDL from time to time.

2. The system related to depository operations is managed and maintained in a manner that there is no threat to business continuity, integrity of data processing system is maintained at all times and methods are put in place to ensure that records are not lost, destroyed or tampered with or in the event of loss or destruction of data, sufficient backup of records is available at all times.

3. The capacity of computer system, staff strength and internal procedures are commensurate with the level of business activity.

4. The business operations of the Participant are conducted in a manner that the foreseeable risks are addressed with appropriate internal control mechanism.

5. The operations are conducted in a manner that there is no loss of revenue and receivables are received promptly.

6. The business operations of the Participant are conducted as per the operations manual and in strict adherence with NSDL prescribed procedures.

7. The Participant has required internal controls, checks, risk management procedure in place.

8. The procedures with respect to maintenance of records (electronic and physical) are adequate.

9. To the best of our knowledge and belief and according to the information and explanations sought by us, no material fraud / non-compliance / violation by the Participant is observed during the course of this Audit

10. We do not have any direct / indirect interest in or relationship with the Participant or its shareholders / directors / partners / proprietors / management and also confirm that we do not have any conflict of interest in such relationship / interest while conducting internal/concurrent audit of the said Participant.

11. The Report provided by us covers the entire scope of the Internal/concurrent audit, is true and correct.

12. I hereby declare that digital signature certificate being used by me for signing this document is a valid digital signature certificate on this date in terms of provisions of Information Technology Act, 2000 and rules framed thereunder and that it has not been revoked by the issuing authority till this date.

Signed by the auditor using its Digital Certificate.