

Circular No.: NSDL/POLICY/2024/0147

October 10, 2024

Subject: Internal and Concurrent Audit of depository operations

Participants are aware that as per NSDL Bye Law 10.3.1, Every Participant shall ensure that an internal audit in respect of its depository operations is conducted at intervals of not more than six months by a qualified Chartered Accountant or a Company Secretary or a Cost and Management Accountant, holding a Certificate of Practice and a copy of the internal audit report shall be furnished to the Depository on half yearly basis.

Attention of Participants is invited to Circular No. NSDL/POLICY/2024/0042 dated April 08, 2024 in which guidelines related to scope of the audit and format of the audit report were provided. The audit report format has been modified and enclosed as **Annexure 1** (in track change mode) and as **Annexure 2** (without highlighting the changes). The broad objectives / guidelines for the internal / concurrent audit are enclosed as **Annexure 3**.

Participants are advised to take note of the following:

1. Audit should cover all facets of the depository operations. Auditor may expand the scope of audit / add more audit points to achieve the objectives enclosed as Annexure 3. Participants are advised to extend full co-operation to their auditors to enable them to perform an effective audit. All circulars / guidelines issued by NSDL / SEBI from time to time and other information / records desired by the auditors should be made available to them within a reasonable time.
2. Participants are required to forward the audit report as per the schedule given below to NSDL:

| Audit Period | Due date for submission of report to NSDL |
|-------------------------|--|
| April 1 to September 30 | November 15 |
| October 1 to March 31 | May 15 |

3. The Participants which remain operational for less than three months in an audit period can submit audit report for that audit period along with the audit report for next audit period. For example, if a Participant is made operational by NSDL on July 01, 2023, then it can submit first audit report for period July 01, 2023 – March 31, 2024.



4. Audit work for areas which are covered under the scope of concurrent audit should be completed by the next working day. If the audit cannot be completed by the next working day due to large volume, it must be completed within a week. The concurrent audit includes the following areas:
- i) Account opening,
 - ii) Delivery Instruction Slip (DIS) book issuance,
 - iii) Execution of DIS.
 - iv) Power of Attorney modifications,
 - v) Account closure requests initiated by Participant,
 - vi) Investor grievances received by Participant,
 - vii) Providing Transaction Statements to clearing members (process level)
 - viii) KYC reconfirmation intimated by NSDL and initiated by Participant,
 - ix) Replacement of Original DIS image in tamper proof storage
 - x) Non-Disposal Undertakings (NDU)
 - xi) Modification in the name of client (including minor correction in name)
 - xii) Client data modifications
 - xiii) Accreditation of investors (IGP)
 - xiv) Freezes due to statutory orders (freeze reason codes 15 to 33)
 - xv) Pledge & Hypothecation (w.e.f October 1, 2020)
 - xvi) Margin Pledge / Re-Pledge
 - xvii) Online account closure by client
 - xviii) Execution of Electronic/ E-DIS
5. Participants may appoint same auditor for concurrent and internal audit. If both audits are done by same auditor, then a consolidated report must be submitted instead of two separate reports. If both audits are being done by different auditors, then two separate reports must be submitted.
6. Participants are advised to note that the audit report format provided in this circular is applicable for audit period April 01, 2024 to September 30, 2024 and onwards.



7. Participants are hereby informed that internal and/or concurrent audit reports which are not as per guidelines will be treated as non-submission of the report. NSDL reserves the right to advise a Participant to change its auditor if the quality of the report is found to be not satisfactory or the audit is not carried out as per guidelines.
8. The auditors should visit adequate number of service centers (on sample basis) to check whether proper procedures are being followed at such centers.
9. Any one person conducting the internal and/or concurrent audit (risk prone areas) should obtain certification from the National Institute of Securities Markets (NISM) by passing the NISM- Series-VI: Depository Operations Certification Examination DOCE). Alternatively, such persons, if eligible, may undergo Continuing Professional Education (CPE) program for depository operations (details available on www.nism.ac.in)
10. While submission of Internal Audit Report (IAR), kindly ensure that all the auditor's details are updated on e-pass portal i.e. Certification number, Certificate validity date, address of the auditor etc. as per NSDL Circular NSDL/POLICY/2024/0083 dated June 13, 2024.
11. It is recommended to appoint / rotate Internal Auditor by the Participants to break any continued long-term association of an audit firm / partner with the management of a -Participants.

For any information/clarifications, Participants are requested to email Participant-Interface@nsdl.com or contact Mr. Rohit Kumar at rohitk@nsdl.com .

For and on behalf of
National Securities Depository Limited
AROCKIARAJ Date: 2024.10.10
11:04:02 +05'30'

Arockiaraj
Manager

Enclosures: Three



| FORTHCOMING COMPLIANCE | | | |
|--|---|-------------------|---|
| Particulars | Deadline | Manner of sending | Reference |
| Investor Grievance Report (Monthly) | By 10 th of the following month | Through e-PASS | Para 22 of 'Grievance Redressal' chapter and Para 28 of 'Internal Controls/Reporting to NSDL/SEBI' chapter of NSDL Master Circular for Participants |
| Networth Certificate and Audited Financial Statements (yearly) | October 31 st | Through e-PASS | Para 20.7 of NSDL Master Circular for Participants on Internal Controls/Reporting to NSDL / SEBI chapter. |
| Compliance report w.r.t Same Mobile number and/ or email address captured for multiple accounts. (monthly) | Before 25 th of following month | Through Email. | Circular No.: NSDL/POLICY/2024/0115 dated August 21, 2024 |
| Cyber Security & Cyber Resilience framework of Depository Participants (Quarterly) | By 15 th of the following month. | Through e-PASS | Para 2.62 of NSDL Master Circular for Participants on 'Internal Controls/Reporting to NSDL/SEBI' chapter. |
| Risk based Supervision of Participants (Half yearly) | October 31 st | Through e-PASS | Para 7 of NSDL Master Circular for Participants on 'Internal Controls/Reporting to NSDL/SEBI' chapter. |
| Reporting of status of the alerts generated by Participants (Quarterly) | Within 15 days from the end of the quarter | Through e-PASS | Para 11.6 of NSDL Master Circular for Participants on 'Internal Controls/Reporting to NSDL/SEBI' chapter. |
| Internal/ Concurrent Audit Report (half yearly) | November 15 th | Through e-PASS | Para 20.4 of NSDL Master Circular for Participants on 'Internal Controls/Reporting to NSDL/SEBI' chapter. |



Annexure 1

| Cover page | |
|--|---|
| Internal / Concurrent Audit Report for Depository Operations | |
| Type of Audit Report | <input type="checkbox"/> Internal Audit Report (IAR) <input type="checkbox"/> Concurrent Audit Report (CAR) <input type="checkbox"/> 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 | |
| PAN 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 | |
| Registration No. of 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 | | | |
| 4 | Remat requests | | | |
| 5 | Conversion requests | | | |
| 6 | Reconversion requests | | | |
| 7 | Redemption requests | | | |
| 8 | DIS book issuance (Including loose slip issuance) (100%) | | | |
| 9 | Total DIS execution (at least 25%) | | | |
| | a) Physical DIS | | | |
| | b) Digitally signed DIS images (having DP as well as NSDL digital signature) extracted from tamper proof storage (at least 10% of the DIS samples selected by Auditor). | | | |
| 10 | Total Electronic /E DIS execution (at least 25%) | | | |
| 11 | Replacement of Original DIS image in tamper proof storage (100%) | | | |
| 12 | Pledge / hypothecation Instructions (100%) | | | |
| 13 | Margin Pledge / Re-pledge (100%) | | | |
| 14 | Client data modifications [100%] | | | |
| 15 | Account Freeze | | | |
| | a) Freezes due to statutory orders (100%) | | | |
| | b) Other Freezes | | | |
| 16 | Account Unfreeze | | | |
| | a) Unfreezes due to statutory orders (100%) | | | |

| | | | | |
|----|---|--|---|--|
| | b) Other Unfreezes | | | |
| 17 | Modification in the name of client(including minor correction in name) (100%) | | | |
| 18 | Power of Attorney modifications (100%) | | | |
| 19 | Account Closure requests - Initiated by Participant (100%) | | | |
| | - Initiated by client – Online (100%) | | | |
| | - Initiated by client - Others | | | |
| 20 | Transmission (100%) | | | |
| 21 | Investor grievances received by Participant (100%) | | | |
| 22 | Non Disposal Undertakings (NDU) (100%) | | | |
| 23 | Accreditation of investors (IGP) (100%) | | | |
| 24 | 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 | |
| 25 | 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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)? | <input type="checkbox"/> Yes <input type="checkbox"/> 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)? | <input type="checkbox"/> Yes <input type="checkbox"/> 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 (other than online KYC) matches with the signature(s) on Proof of Identity of respective person(s)? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of accounts with | |

| Checklist | | | | |
|-----------|---|---|--|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | | | 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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 client and obtained an acknowledgement of the same from the client? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of accounts with discrepancies | |

| Checklist | | | | |
|-------------|---|---|--|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | | | must be mentioned here | |
| 1.16 | Whether DP has uploaded the KYC information on the system of the KRA within 03 working days from the date of completion of KYC process? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of accounts with discrepancies must be mentioned here | |
| 1.17 | Whether required information / documents are forwarded by Participant to KRA for cases which are informed as incomplete by KRA? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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 (especially for non- individual clients)? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |
| 1.22 | Reliance on the records of client due diligence (KYC) carried out by a third party | | | |
| | (a) Whether Participant is in compliance with PMLA/ SEBI guidelines related to 'Reliance on the records of client due diligence (KYC) carried out by a third party'? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | | |
| | (b) Whether Participant has maintained logs of client authentication or records of client request authenticated ? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | | |

| Checklist | | | | |
|------------------|--|---|--|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | (c) Whether Participant has obtained consent of client for opening of demat account by relying on third party KYC? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | | |
| | (d) Whether data entered in DPM system matches with the client details as available in third party KYC? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | | |
| 1.23 | Whether FATCA/CRS declaration is obtained by Participant? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details must be mentioned here | |
| 1.24 | Whether SARAL account is opened as per SEBI/NSDL guidelines? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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" and 'Legal Entity' finalised by CERSAI and within ten days after the commencement of an account-based relationship with a client.? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |
| 1.28 | Whether participant is doing online KYC? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 1.29 | If answer to 1.28 is "Yes" whether participants has followed necessary guidelines prescribed by SEBI under circular no.: SEBI/HO/MIRSD/DOP/CIR/P/2020/73 dated April 24, 2020 ? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |
| 1.30 | Whether participant has closed/suspended the account opened through online KYC, where the investor has given address other than as given in the OVD and intimation for account opening has returned undelivered due to reasons such as wrong / incorrect address, addressee not available etc? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |

| Checklist | | | | |
|------------------|---|---|--|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 1.31 | In case of online KYC, whether live photograph of the client has been captured , with time stamping, geo-location tagging and liveness check? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.32 | If deemed OVD has been accepted as proof of address, and updated OVD has not been received within a period of three months, whether the concerned account has been frozen and same has been intimated to NSDL? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.33 | Whether DP has obtained express consent of the investor before undertaking online KYC? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.34 | Whether DP has accepted officially Valid Document (OVD)/other document with e-sign without self-attestation only in case of online KYC? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.35 | Whether DP has verified the e-sign of the client (BO) on the basis of Name, Gender, Year of Birth mentioned in the e-sign certificate and is comparing the same with the client details available in its record? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.36 | Whether DP has inserted cropped signature (cropped from a signed cancelled cheque or signature on a white paper or signature made on the screen of a device) of the BO in the place holders of the KYC form and displayed it to the BO before e-signing the document by BO or has obtained scanned copy/ photograph of the KYC form from the BO with his wet signature under esign? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.37 | Whether DP has obtained photograph/scanned copy of PAN under the e-sign of the BO or e-PAN provided by BO through Digilocker which are issued directly by issuing authority to Digilocker? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.38 | In case where Bank account details could not be verified (match fails or does not return joint account holder name) by Penny Drop mechanism or any other mechanism using API of the Bank; | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |

| Checklist | | | | |
|-----------|---|---|--|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | whether DP has obtained signed cancelled cheque as a photo/scan of the original under eSign of the BO? | | | |
| 1.39 | Whether DP has obtained proof of identity, in addition to PAN card as specified under the rule 2(d) of the PML rules? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.40 | In case of VIPV, whether the activity log along with the credentials of the person performing the VIPV have been maintained? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.41 | Whether VIPV has been undertaken in a live environment? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.42 | Whether VIPV undertaken is clear and still and the investor in the video is easily recognizable and is not covering his/her face in any manner? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.43 | Whether VIPV process is included with random question and response from the investor including displaying the OVD, KYC form and signature or confirmed by an OTP? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.44 | Whether DP has ensured that photograph of the customer downloaded through the Aadhaar authentication / verification process matches with the investor in the VIPV? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.45 | Whether VIPV has been saved in a safe, secure and tamper-proof, easily retrievable manner and shall bear date and time stamping? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.46 | In cases where the proof of possession of Aadhaar number is submitted as OVD, whether Aadhaar number is redacted or blacked out and the DP has not stored/saved the Aadhaar number of the | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |

| Checklist | | | | |
|-----------------|---|--|---|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | BO in their system? | | | |
| 1.47 | Whether software and security audit and validation of online account opening App has been carried out periodically? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.48 | Whether verification process of mobile and email carried out through One Time Password (OTP) or other verifiable mechanism is included in the software and security audit and validation of account opening App? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.49 | Participant has updated the income (For accounts opened on or after August 01, 2021) details in Depository system. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.50 | Whether Participant has displayed the KYC details as downloaded from the KRA in case of online account opening and confirmed with the client that there is no change in the details downloaded from KRA. In case of any change in the details, an option is provided to the client to provide the latest details along with supporting documents? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.51 | Whether Participant has ensured that in case of new demat account opened after June 30, 2023, the PAN provided by the applicant is verified and is linked with Aadhaar in respect of all eligible persons as per circular NSDL/POLICY/2023/0079 dated June 30, 2023? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details must be mentioned here | |

| Checklist | | | | |
|-----------|--|---|--|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details must be mentioned here | |
| 2.1.3 | Whether Participant has informed BOs the deficiency / inadequacy in their KYC documents as intimated by KRA after validation in accordance with SEBI circular no. SEBI/HO/MIRSD/DoP/P/CIR/2022/46 dated April 06, 2022? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of non complied cases must be mentioned here or enclosed as Annexure | |
| 2.1.4 | If Yes, whether Participant has obtained revised KYC documents/information from BO and uploaded on KRA system for validation of KYC? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of non complied cases must be mentioned here or enclosed as Annexure | |
| 2.1.5 | Whether Participant is complying with the point no 11 of SEBI circular no. SEBI/HO/MIRSD/DoP/P/CIR/2022/46 dated April 06, 2022. – - Clients whose KYC records are not found to be valid by KRA after the validation process whether have been frozen for debit and credit by the DP? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non complied cases must be mentioned here or enclosed as Annexure | |
| 2.1.6 | Whether Participants have informed/followed up with their Clients (whose KYC records are not found to be valid by KRA after their validation process) to complete the validation/verification of their KYC details through online facility provided by the KRA's? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non complied cases must be mentioned here or enclosed as Annexure | |
| 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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 (<i>as per the KYC guidelines issued by SEBI, PMLA and NSDL</i>) are in possession of Participant? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure | |

| Checklist | | | | |
|------------------|--|--|--|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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 (including minor correction in name), 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> <input type="checkbox"/> 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 ? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of accounts with discrepancies must be mentioned | |

| Checklist | | | | |
|------------------|--|---|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 3.3 | Whether Participant has uploaded updated information on KRA platform upon receipt of information on change in KYC details of client? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of accounts with discrepancies must be mentioned | |
| 3.4 | Whether Participant has sent communication to Client informing about the modification made in the demat account of the Client? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | | |
| 3.5 | Whether Email ID captured by the participant in DPM, matches with the details provided by client? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | | |
| 3.6 | Whether the Participant has processed the request of the client to link/delink UCC in the demat account properly? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | | |
| 3.7 | Change in Bank detail request received by DP under 'Client Maintenance module' have been checked & executed in accordance with NSDL circular dated 2021-0042 dated May 05, 2021. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | | |
| 4 | Power of Attorney (POA) / Demat Debit and Pledge Instruction (DDPI) | | | |
| 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |

| Checklist | | | | |
|------------------|---|---|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 4.3 | Whether specific purpose POA contains list of demat accounts where securities can be transferred based on POA? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 4.8 | Whether DDPI documents are duly executed as per SEBI/NSDL prescribed guidelines and details (including signature of DDPI holder(s)) have been entered into DPM? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 4.9 | Whether the instructions processed on the basis of DDPI by the Participants are executed in those accounts where relevant DDPI is mapped? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |

| Checklist | | | | |
|------------------|--|---|--|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 4.10 | Whether Participant has created DDPI ID for all DDPI holders and has linked the same in DPM to the respective BO accounts and the same is updated in Back office system? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 4.11 | Whether Participant has revoked /cancelled the DDPI on the basis of client instructions? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 4.12 | Whether the date of receipt of the request from client is mentioned on POA or DDPI registration/ de-registration requests? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 4.13 | Whether addition/ deletion/ modification of POA/ DDPI details is updated within seven days of receipt of request from client? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 5.2 | Whether Nomination details are entered in DPM? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 5.4 | DP has obtained nomination details/declaration for opting out of nomination as per formats prescribed by SEBI vide circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2021/601 dated July 23, 2021 from account | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of cases with discrepancies must be mentioned here | |

| Checklist | | | | |
|-----------|---|---|---|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | holders who have opened demat account on or after October 01, 2021. | | | |
| 5.45 | Whether <u>nomination</u> forms are in the formats as prescribed by SEBI and are made available by DPs to clients for obtaining nomination details/declaration for opting out of nomination as per SEBI circular <u>SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024 and NSDL Circular NSDL/POLICY/2024/0082 dated June 13, 2024?</u> no. SEBI/HO/MIRSD/RTAMB/CIR/P/2021/6-01 dated July 23, 2021 and circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/23 dated February 24, 2022. | Yes <input type="checkbox"/> No | If no, then number of cases with discrepancies must be mentioned here | |
| 5.56 | Whether intimation is sent by DPs to clients for providing nomination details/declaration for opting out of nomination who have not provided the same earlier to ensure compliance with SEBI circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/23 dated February 24, 2022? Whether <u>participants has sent communication on fortnightly basis by way of emails and SMS to all such demat account holders who has not provided the 'choice of nomination', providing guidance regarding 'choice of nomination' to demat account holders as per NSDL Circular NSDL/POLICY/2024/0082 dated June 13, 2024?</u> | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the same. | |
| 6 | Demat / Remat / Conversion / Reconversion / Redemption request | | | |
| 6.1 | Whether the demat / conversion requests have been accepted and processed as per the prescribed procedure? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |

| Checklist | | | | |
|-------------|---|---|--|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | DRF? | | | |
| 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |
| 6.4 | Whether Participant has obtained additional documents prescribed by SEBI, in case of mismatch of name on the share certificate(s) vis-à-vis name of the beneficial owner of demat account and forwarded the same alongwith the demat request to Issuer/RTA? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | | |
| 6.5 | Whether date of receiving the demat / conversion request and date of forwarding the documents to Issuer / Registrar & Transfer Agent have been recorded correctly? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of cases with discrepancies must be mentioned here | |
| 6.6 | Whether demat 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of cases with discrepancies must be mentioned here | |
| 6.7 | Whether Participant has generated the Conversion Request Number within five days from the date of receipt of the request from its Client by initiating the request in the DPM system. | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of cases with discrepancies must be mentioned here | |
| <u>6.8</u> | <u>Whether documents received from RTA/ Issuer for rejected DRN/ RRN were sent back to respective client(s) within seven days from the date of receipt of documents from RTAs/Issuer?</u> | <u><input type="checkbox"/> Yes <input type="checkbox"/> No</u> | <u>If no, then number of cases with discrepancies must be mentioned here</u> | |
| <u>6.98</u> | Whether Participant has enclosed covering letter or client master report alongwith demat request form sent to Issuer / Registrar & Transfer Agent? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of cases with discrepancies must be mentioned here | |

| Checklist | | | | |
|-----------|---|---|--|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 6.109 | 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details must be mentioned here | |
| 6.110 | Whether any demat / conversion request was rejected due to error attributable to Participant? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If ,yes then number of cases with discrepancies must be mentioned here | |
| 6.124 | Whether Participant has taken necessary corrective and preventive measures to avoid rejections attributable to Participant? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |
| 6.132 | Whether demat cancellation request, if any, has been processed by the Participant as per the prescribed procedure? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 6.14 | <u>Whether participant has accepted and processed certificates submitted by the client in old name of the issuer only after verification of the name change information available on the NSDL website or Ministry of Corporate Affairs (MCA) website?</u> | <input type="checkbox"/> | | |
| 6.153 | Whether the remat / reconversion requests have been accepted and processed as per the prescribed procedure? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 6.164 | Whether the Mutual Fund/ Sovereign Gold Bonds (SGB) redemption requests have been accepted and processed as per the prescribed procedure? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 6.175 | DP has processed demat request on the basis of "Letter of confirmation" within 120 days of issuance of said latter in the format prescribed vide SEBI circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CI R/2022/8 dated January 25, 2022 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 7 | Delivery Instruction Slip (DIS) | | | |
| 7.1 | Issuance of DIS | | | |

| Checklist | | | | |
|------------------|--|---|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 7.1.1 | Whether physical inventory of DIS booklets is reconciled with the DIS issue records periodically? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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)? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 7.1.5 | Whether Participant has issued not more than 10 loose DIS to one account holder in a financial year (April to March) as per NSDL/POLICY/2007/0011 dated February 15, 2007? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 7.1.6 | 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 7.1.7 | 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of cases with discrepancies must be mentioned here | |
| 7.1.8 | Whether DIS printed are as per the specifications including layout, size of logo, contents and inside front & back cover of the DIS booklet? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of cases with Discrepancies must be mentioned here | |
| 7.1.9 | Whether Participant has a system in place | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not | If no, then | |

| Checklist | | | | |
|---------------|---|---|--|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | to ensure that the DIS issued prior January 7, 2014 are not accepted? | Applicable | number of cases with discrepancies must be mentioned here | |
| 7.1.10 | 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 'CL999999999', 'TR999999999' and 'RO999999999' respectively against DIS serial number for execution of instructions? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| <u>7.1.11</u> | <u>Whether Participant has delivered the DIS booklet at the registered address of the BO, if request for issuance of the DIS booklet is received in an inactive/dormant account after the DIS issuance is authorized by the Compliance Officer or any other designated senior official of the DP?</u> | <input type="checkbox"/> Yes <input type="checkbox"/> No <u>Not Applicable</u> | <u>If no, then number of cases with discrepancies must be mentioned here</u> | |
| <u>7.1.12</u> | <u>Whether participant has verified the transactions with the BO via recorded phone call on registered number of BO and recorded the details of the process, date, time, etc., where 5 or more ISINs and all such ISIN balances are transferred and such verification is additionally authorized by the Compliance Officer or any other designated senior official of the DP?</u> | <input type="checkbox"/> Yes <input type="checkbox"/> No <u>Not Applicable</u> | <u>If no, then number of cases with discrepancies must be mentioned here</u> | |
| 7.2 | <i>Verification of DIS</i> | | | |
| 7.2.1 | Whether 'date and time stamp' is affixed on both Participant and client copy of DIS received? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be | |

| Checklist | | | | |
|-----------|---|---|---|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | | | 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)? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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 / as per the mode of operation for joint accounts)? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |

| Checklist | | | | |
|------------------|---|---|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 7.2.10 | Whether Participant is ensuring that information under columns "Consideration" and "Reason / Purpose /code" and payment details in case of off market sale are mentioned for off market instructions by clients and the same are captured in DPM system ? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of cases with discrepancies must be mentioned here | |
| 7.2.11 | Whether Participant has collected supporting documents for cases of "Off Market Transfers", where it is required to be collected? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 7.2.12 | Whether Participant follows maker - checker system to process the instructions? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of cases with discrepancies must be mentioned here | |
| 7.2.13 | 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)? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of cases with discrepancies must be mentioned here | |
| 7.2.14 | 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 7.2.15 | Whether instructions executed in the DPM system are as per DIS? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of cases with discrepancies must be mentioned here | |
| 7.2.16 | Whether Participant accepts instructions from clients in electronic form (Other than Speed-e/SPICE)? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 7.2.17 | If reply to 7.2.16 is yes, whether NSDL's approval has been obtained? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |

| Checklist | | | | |
|------------------|---|---|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 7.2.18 | If reply to 7.2.16 is yes, whether NSDL prescribed guidelines are being followed in case of acceptance and execution of instructions in electronic form? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 7.2.19 | Whether participant has obtained a one-time self-declaration (as per the format Annexure A prescribed by Circular No.: NSDL/POICY/2020/0017) from the demat account holders that the transactions involved is a bonafide transfer instruction before executing IDT instructions in Government Securities in their demat accounts? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 7.2.20 | Whether instruction is obtained from client intending to avail block with early pay-in facility as per prescribed guidelines? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies | |

| Checklist | | | | |
|------------|---|---|--|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | | | must be mentioned here | |
| 7.3.5 | Whether authorized replacement of the original DIS image is carried out as per NSDL guidelines and the reason for such replacement is appropriately recorded in the Index file? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 7.3.6 | 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 7.3.7 | Whether tamper proof storage system restricts unauthorized alteration or deletion? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 7.3.8 | Whether tamper proof storage system is in compliance with the specification prescribed by NSDL? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 7.3.9 | Whether tamper proof storage system has facility to check integrity of the system? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 7.3.10 | 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned Here | |
| 7.4 | E-DIS | | | |
| 7.4.1 | Whether e-DIS facility provided by DP ensures capturing all details that are otherwise being captured in physical DIS ? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 7.4.2 | Whether instruction given by BO through e-DIS is towards actual transfer of securities to meet obligation for a single settlement number / date? | <input type="checkbox"/> Yes <input type="checkbox"/> No Not Applicable | If no, then details of the non compliance must be mentioned here | |

| Checklist | | | | |
|------------------|---|---|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 7.4.3 | Whether DP ensures that Pre-trade authorisation / Mandate is obtained from BO authorising DP to transfer specific securities for meeting on-market settlement obligation only? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 7.4.4 | Whether mandate provided by BO pertain to a single settlement number /settlement date? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 7.4.5 | Whether Securities transferred on basis of mandate provided by client are credited only to client's trading member pool account? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 7.4.6 | Whether DP ensures that the mandate provided by the client is in its favour and does not authorize any assignee of the DP? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 7.4.7 | Whether mandate does not facilitate DP to transfer securities for off market trades and to execute trades in the name of client without client's consent? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 7.4.8 | Whether mandate does not facilitate the DP to open an email ID on behalf of client for receiving relevant communications? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 7.4.9 | Whether mandate does not prohibit to issue DIS to BO and also from operating the account? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 7.5 | Dormant Account Monitoring | | | |
| 7.5.1 | Whether <u>in case of an account which remained inactive i.e., where no debit transaction had taken place for a continuous period of 6 12 months and whenever any security is transferred at a time, participant has verified such transactions with the BO via recorded phone call on registered number of BO by the authorized official of the DP and record the details of the process, date, time, etc., of the verification on the instruction slip under his/her signature and additionally authorised by the Compliance officer or any other designated senior official of the DP?</u> in case of an accounts which remained inactive i.e., where no debit transaction had | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |

| Checklist | | | | |
|-----------|--|---|---|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | 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? | | | |
| 7.5.2 | 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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 (online & physical) has been processed as per prescribed procedure within 30 days of receipt of account closure request from the client? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 8.5 | Whether Participant uses 'Transfer of Holding' module to process account closure and transmission requests where the target account is in NSDL (Except transmission cases having multiple nominations)? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies | |

| Checklist | | | | |
|-----------|--|---|---|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | | | must be mentioned here | |
| 8.6 | Whether Participant has freezed the demat account in case Participant is unable to close the account due to pending demat/remat requests, ISIN in suspended status or due to open pledges, etc? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| | | | | |
| 8.7 | Whether online account closure facility provided by Participant offering online account opening? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then reason must be mentioned here | |
| 8.8 | In case of online account closure requests, whether Participant has maintained, and stored system logs of the closure instructions and e-signed electronic requests received in electronic form in a secured manner? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 8.9 | Whether participant has informed their clients regarding the availability of facility & procedure for online closure of demat accounts through emails, SMS, weekly / fortnightly / monthly newsletters etc? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |

| Checklist | | | | |
|-----------|--|---|---|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 9.2 | Whether all transmission cases have been processed within 7 days of receipt of the complete set of transmission request | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 9.3 | Whether the Participant has requested the notifier to furnish the death certificate of the investor, upon receipt of intimation of the demise of an investor where participant received information does not have access to or is not in a position to obtain the death certificate? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 9.4 | Whether Participant has intimated the investor(s), notifier(s), or the nominee(s), about the KYC status of the investor being flagged off as "On Hold" in the KRA? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 9.5 | If the Participant has not obtained the death certificate by next working day, whether kyc modification request status is updated to KRA as 'information on death of investor received confirmation awaited'? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 9.6 | If the Participant has obtained the death certificate, whether same is received along with the PAN from the notifier and has complied with below; a. Followed the procedure of verification of the death certificate by the next working day of its receipt b. Record and retain self-certified copy of proof of identity, relationship with deceased and contact details of the notifier. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 9.7 | Whether participant on verification of death certificate, submitted KYC modification request in the KRA and blocked all debit transactions in the account? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |

| Checklist | | | | |
|------------------|---|---|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 9.8 | Whether upon receipt of intimation of KYC status as 'Blocked permanently', from KRA, the deceased account has been immediately blocked for all debit transactions and the notifier/nominee/surviving joint account holder(s), are intimated within 5 days about the procedure for transmission? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 9.9 | Whether participant has conducted additional due diligence before allowing any transaction received by any intermediary in the account which is flagged off as "On Hold"? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 9.10 | Where Participant finds the information about demise of the investor proved to be incorrect, whether participant has submitted the updated 'KYC modification request' in the KRA system on the same day? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 9.11 | Whether participant has allowed the transactions in the joint demat account of the deceased, only after deletion of name of the deceased holder, where mode of operation opted by the BO(s) is Either or Survivor? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 9.12 | Whether participant has followed the guidelines provided by NSDL for deletion of name of the deceased holder, in case of transmission of securities to joint holders? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies | |
| 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |

| Checklist | | | | |
|------------------|--|---|--|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 10.3 | Whether appropriate reason has been captured while freezing/unfreezing clients' account? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |
| 10.4 | Whether participant has unfrozen 6- KYC non-compliant demat account on the basis of client request after obtaining necessary details as per the prescribed guidelines and has maintained record? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |
| 10.5 | Whether Participants has verified the status of KYC record prior to removal of suspension for given PAN on KRA system (for sole / all the eligible joint holders) and ensures that same is shown as validated by KRA? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |
| 10.6 | Whether Participants before removal of suspension has verified that PAN is linked with Aadhaar and updated the PAN flag for sole / all the eligible joint holders as specified in Circular NSDL/POLICY/2023/0038 dated March 21, 2023? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |
| 10.7 | Whether participant has sent physical copy of intimation / confirmation through registered post on the registered address of the Client and maintained correspondence / proof of dispatch where valid email ID and Mobile Number are not available and same is updated simultaneously based on the client request Circular NSDL/POLICY/2023/0144 dated October 11, 2023? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details should be mentioned here | |
| 11.4 | Whether Participant has dedicated email ID for informing investor grievances? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details must be mentioned here | |
| 11.5 | Whether Participant has provided the link to SCORES portal on its website from where the client can view details of the demat account? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details should be mentioned here | |
| 11.6 | Whether Participant has displayed | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details | |

| Checklist | | | | |
|------------------|--|---|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | procedure for filing of complaints on SCORES and benefits for the same on its website and has incorporated this information in the welcome kit given to the client after account opening? | | 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then the periodicity of providing the statement must be mentioned | |
| 12.2 | In case of Participant registered as Custodian and has obtained exemption from receiving CAS for their institutional clients, whether transaction statements are provided as per the prescribed frequency? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then the periodicity of providing the statement must be mentioned | |
| 12.3 | Whether statements are provided to the client as and when requested? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details must be mentioned here | |
| 12.4 | 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |
| 12.5 | Whether statements are generated from back office or DPM system? | <input type="checkbox"/> Back office <input type="checkbox"/> DPM System | | |
| 12.6 | If generated from back office, whether the details match with statement generated from DPM system? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 12.7 | Whether the narration of corporate action / ISIN description (<i>especially in case of debt</i>) appearing in the statement of accounts are meaningful to the Client? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 12.8 | If Participant is sending statement of accounts through internet (web based / email), then whether the relevant guidelines have been followed? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |

| Checklist | | | | |
|-----------------|---|---|--|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| <u>12.9 (a)</u> | <u>Whether Participant has sent at least one annual statement of holding through email in respect of accounts with no transaction and nil balance even after the account has remained in such state for one year or account which has become nil holding during the year, unless investor has specifically opted to receive the same in physical form??</u> | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | <u>If no, then number of cases _____ with discrepancies must be mentioned here</u> | |
| <u>12.9(b)</u> | <u>Whether half yearly statement of holding is sent to the BO through email, in case of accounts with credit balance but no transactions during the year, unless investor has specifically opted to receive the same in physical form?</u> | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | <u>If no, then number of cases _____ with discrepancies must be mentioned here</u> | |
| 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 | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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.? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 13.5 | In case of applicable Non Individual clients, whether Participant 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |

| Checklist | | | | |
|-----------|--|--|--|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No STR filled | If no, then details of the non compliance must be mentioned here | |
| 13.10 | Whether Participant has submitted any separate intimation of filing of important and urgent STR to FIU- India on the designated email IDs of FIU as per NSDL circular no. NSDL/POLICY/2022/035 dated March 10, 2022? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No urgent/important STR observed by Participant | If no, then details of the non compliance must be mentioned here | |
| 13.11 | Whether on the basis of risk assessment of the clients, client classification has been carried out for all the clients? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 13.12 | 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, Sanctions list of United Nations Security Council and list of any other authorities, issued from time to time?? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 13.13 | In case any account of PEP has been opened, whether Senior Management approval has been obtained for establishing business relationships? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 13.14 | 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 | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |

| Checklist | | | | |
|-----------|--|---|--|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | is also taken into consideration? | | | |
| 13.15 | 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 13.16 | Whether Participant has appointed a 'Principal officer' as required under PMLA and intimated about changes, if any, in the Principal Officer to FIU-India? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 13.17 | Whether Participant has appointed a 'Designated Director' as required under PMLA and intimated about changes, if any, in the Designated Director to FIU-India? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 13.18 | Whether there is a mechanism to deal appropriately with the fortnightly alerts provided by NSDL in accordance with NSDL circular no. NSDL/POLICY/2008/0088 dated December 30, 2008?? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 13.19 | Whether there is a mechanism to deal appropriately with the monthly alerts provided by NSDL in accordance with NSDL circular no. NSDL/POLICY/2023/0014 dated February 02, 2023? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 13.20 | If any suspicious transaction is reported to FIU-India then whether count of STRs reported to FIU-India are informed to NSDL? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No STR filled | If no, then details of the non compliance must be mentioned here | |
| 13.21 | Whether suspicious transaction register (physical and/or in electronic form) has been maintained for all alerts generated at both, DPs end & Depository end.? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 13.22 | Whether Principal Officer as well as Designated Director of the DP are registered in new FINnet system? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 14 | Operations Manual | | | |

| Checklist | | | | |
|------------------|--|---|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 14.1 | Whether Participant has prepared an operations manual? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 14.2 | If reply to 14.1 is yes, whether operations manual covers all depository activities? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then give details here | |
| 15.3 | Whether Participant maintain the records relating to its depository business for the minimum period as prescribed in SEBI and NSDL guidelines? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then give details here | |
| 16 | Outsourced activities | | | |
| 16.1 | Whether Participant has outsourced record keeping activity (partly or fully)? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then give details here | |
| 16.3 | Whether any business activity other than record maintenance is outsourced? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

| Checklist | | | | |
|------------------|--|---|--|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 16.4 | If reply to 16.3 is yes, mention the activities outsourced and whether NSDL's approval has been obtained? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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) except those doing basic / elementary level / clerical level work and whose work is supervised by NISM qualified person? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of non compliance must be mentioned here | |

| Checklist | | | | |
|------------------|---|---|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 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 ? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If yes, then mention count of service centres audited and Service Centre codes 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)? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must | |
| 18.2 | Whether Participant has taken adequate preventive measures in respect of deviations noted during last NSDL inspection? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | | |
| 18.3 | Whether Participant has taken adequate preventive and corrective measures in respect of deviations noted during last internal / concurrent audit? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If yes, provide details along with supporting documents | |
| 19 | Reporting by Participant to its Board of Directors | | | |
| 19.1 | Whether Participant has placed last inspection findings alongwith management comment before its Board of Directors/ Audit Committee? <i>(same may be verified from the extract of the minutes of the Board Meeting).</i> | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? <i>(same may be verified from the extract of the minutes of the Board Meeting)</i> | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If yes, then mention date of the Board Meeting | |

| Checklist | | | | |
|------------------|---|---|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 20 | Billing | | | |
| 20.1 | Whether all account holder are billed as per the tariff sheet? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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 holder(s) at transferee Participant and at transferor Participant are identical in all respects? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of accounts, with discrepancies must be mentioned here | |
| 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22 | Miscellaneous areas | | | |
| 22.1 | Whether supplementary agreement / letter of confirmation / power of attorney obtained / executed, if any with account holder are in compliance with 'Rights and Obligations of the Beneficial Owner and Depository Participant' document / SEBI/ NSDL guidelines? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must | |

| Checklist | | | | |
|-----------|--|---|---|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | | | be mentioned here | |
| 22.3 | Whether pledge and hypothecation instructions are processed as per prescribed procedure? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.4 | Whether Margin Pledge/ Re-pledge (initiation, release, invocation) transactions are processed as per prescribed guidelines. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.5 | Whether Participant has executed software utilities provided by NSDL on a monthly basis and taken appropriate action in respect of the exceptions identified? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 22.6 | Whether forms in use for various activities are in accordance with latest NSDL Business rules and other relevant guidelines? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then mention the forms and the discrepancies observed therein. | |
| 22.7 | Whether Participant has a policy for dealing with conflicts of interest? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 22.8 | Whether Board of Directors of the Participant has reviewed the policy document dealing with conflicts of interest on a periodic basis? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 22.9 | Whether Participant has opened new demat accounts as BSDA, if such demat account is eligible for BSDA, unless specific consent is provided by BO by way of email from the registered email-id to avail the facility of a regular demat account? Whether Participant has offered BSDA facility to all eligible Beneficial Owners? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |
| 22.10 | Whether Participant has reassessed the eligibility of the Beneficial owner at the end of every billing cycle to convert the demat account into BSDA or vice versa and converted all eligible demat accounts into BSDA unless specific consent is provided by BO by way of email from the registered email-id opting to continue to avail the facility of a regular demat account? Whether the Participant has reassessed the eligibility of the Beneficial Owners at the end of every billing cycle to provide facility | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |

| Checklist | | | | |
|--------------|--|---|---|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | 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? | | | |
| <u>22.11</u> | <u>Whether Participant after conversion of a regular account into BSDA or vice versa, has send a communication (letter/email/Client Master Report generated from the DPM System or its back office or any other mode the Participant may deem fit) to the Client informing them of the changes made to their account, along with the charges that will apply if the BSDA is subsequently converted into a regular account?</u> | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | <u>If no, then details must be mentioned here</u> | |
| <u>22.12</u> | Whether Participant has taken up the matter with Clients where same mobile number and email ID is captured for more than one Client? Whether participant has framed a policy to reduce instances of same mobile number and/ or email address captured for multiple client accounts, particularly by reviewing reports provided by NSDL on periodic basis, with the aim to eliminate such occurrences entirely? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | <u>If no, then reason for the non compliance must be mentioned here</u> | |
| <u>22.13</u> | <u>Whether mobile numbers/email addresses captured in the demat account of client is not of Participant, their KMPs, other employees, etc?</u> | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | <u>If no, then reason for the non compliance must be mentioned here</u> | |
| <u>22.14</u> | <u>Whether participants has given a 30 days' notice to concerned clients to provide a request to update the family flag or to provide the updated mobile number/email address for updating in the demat account, stating that in case of non-receipt of a response from the clients, such accounts will be suspended for debit?</u> | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | <u>If no, then reason for the non compliance must be mentioned here</u> | |
| <u>22.15</u> | <u>Whether participants has maintained verifiable records for audit purposes of attempts made by them to seek updated email address/ mobile number or a declaration for the family flag from their respective clients?</u> | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | <u>If no, then reason for the non compliance must be mentioned here</u> | |
| <u>22.16</u> | <u>Whether DIVS GAP report utilities is executed on regular basis and appropriate action (if required) is taken?</u> | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | <u>If no, then details of the non compliance must be mentioned here</u> | |

| Checklist | | | | |
|-----------|--|---|--|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 22.173 | Whether 'Document Received Date' has been captured correctly in DPM/eDPM by the Participant in respect of various service requests? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 22.184 | Whether Participant is in Compliance with SEBI Circular on Implementation of the Multilateral Competent Authority Agreement and Foreign Account Tax Compliance Act? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 22.195 | Whether request of Hold / Hold Release for Non Disposal Undertaking/ Agreement are processed as per the prescribed guidelines? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.2046 | Whether reclassification of the existing accounts which require a change in type and sub-type are completed in accordance with NSDL Circular on Reclassification of type and sub-type? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.2147 | Whether accreditation of investors for the purpose of Innovators Growth Platform is carried out as per the prescribed procedure? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.2248 | Whether Participant has devised a mechanism to verify the details of target demat accounts pertaining to Bank/NBFC to ensure that IDT instructions by Trading Members/Clearing Members are executed as per the guidelines prescribed by SEBI? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 22.2349 | Whether Participant has framed and adopted a surveillance policy based on nature of its depository business, type of clients, number of demat accounts, number of transactions along with the indicative list of alerts etc. in accordance with NSDL circular no. NSDL/POLICY/2021/0072 dated July 15, 2021. | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 22.240 | Whether Participant has proper system in place to generate the surveillance alerts as per the Board approved policy adopted by it? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 22.254 | Whether the surveillance policy of the Participant has been approved by its Board of Directors. In case, the Participant is incorporated outside India, then the surveillance policy of the Participant may be approved by a Committee constituted to | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |

| Checklist | | | | |
|-----------|---|---|---|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | oversee its Indian Operations? | | | |
| 22.262 | Whether the Participant has reviewed its surveillance policy atleast once in a year?. | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 22.273 | Whether quarterly MIS on the number of alerts generated and processed as prescribed at (point no. 6) of NSDL circular no. NSDL/POLICY/2021/0072 dated July 15, 2021 has been prepared and presented before the Participant's Board of Directors / Committee? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 22.284 | Whether Participant has submitted quarterly report (including nil report) on status of the alerts , in the format prescribed vide NSDL circular no. NSDL/POLICY/2021/0072 dated July 15, 2021 to the depository within 15 days from end of the quarter? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non-compliance must be mentioned here | |
| 22.295 | Whether the Participant has reported adverse observations / instances noticed by it and action taken thereof by Participants, to depository within 7 days of the date of identification? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non-compliance must be mentioned here | |
| 22.3026 | Whether all the alerts generated by the Participant were disposed within 30 days from the date of generation / date of receipt of alerts from the depository? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non-compliance must be mentioned here | |
| 22.3127 | Whether Internal auditor has reviewed the surveillance policy, its implementation, effectiveness and reviewed the alerts generated during the period of audit? | <input type="checkbox"/> Yes <input type="checkbox"/> No | Comment from auditor on the effectiveness of the surveillance policy must be mentioned here | |
| 22.3228 | Whether the Participant has put in place internal code of conduct, controls and checks and balances to prevent circulation of unauthenticated news by its employees (including temporary and voluntary) by various modes of communication in accordance with point no.2.3 of SEBI master circular no NSDL/POLICY/2022/130 dated September 22, 2022? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non-compliance must be mentioned here | |

| Checklist | | | | |
|-----------|--|---|--|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 22.3329 | Whether pledge, hypothecation and NDU instructions executed by DPs for BOs who are promoters are processed as per NSDL Circular no. NSDL/POLICY/2022/089 dated June 28, 2022? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.340 | Whether participant has obtained Annexure B for BOs who are promoters as per NSDL Circular no. NSDL/POLICY/2022/089 dated June 28, 2022 and captured correct reason code in DPM? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.351 | In case of demat account having correspondence or permanent address of Sikkim, whether the KYC details captured in the depository system is matching with the documentary proof provided by clients? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.362 | If no, discrepancies / error (if any) on the part of the participant , whether the same is rectified by the DP and audited by the Auditor? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.373 | In case of discrepancies observed in verification of Sikkim based account opened during the audit period, whether participant has frozen demat account and the same is informed to the client for rectification of records? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.384 | Whether participant has unfrozen the demat account of Sikkim based BOs only after receipt of rectified documents from the BO and are found in order after due verification? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.395 | Whether participant has provided option to the client to opt for mode of operation in case of joint holder accounts as per NSDL Circular no. NSDL/POLICY/2022/025 dated February 28, 2022 and NSDL Circular no. NSDL/POLICY/2022/053 dated April 08, 2022 and updated in DPM? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 22.4036 | Whether Participant has complied with the guidelines prescribed on the framework for delivery of Show Cause Notice (SCN) / Order issued by SEBI as per NSDL Circular no. NSDL/POLICY/2022/126 dated September 09, 2022 for attempting the delivery of SCN and has maintained record? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.4137 | In case where Participant is able to deliver the Show Cause Notice (SCN), whether Participant has obtained signed acknowledgement of receipt of Show Cause | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |

| Checklist | | | | |
|-----------|---|---|--|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | Notice (SCN) from the Noticee / Addressee or its authorized representative in the specified format i.e. Annexure A and forwarded the copy to NSDL? | | | |
| 22.4238 | In case where Participant is not able to complete physical delivery of SCN / Order to the Noticee / Addressee, whether the Participant has intimated NSDL, within the date specified by NSDL in it's communication, about the non-delivery? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.4339 | For cases where client approaches Participant for activation of such accounts, whether Participant has obtained and updated KYC details in depository system and KRA and has obtained signed acknowledgement of receipt of SCN/Order issued by SEBI before forwarding the request to NSDL for reactivation? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.440 | Whether Participant has verified report of mobile number revocation list (MNRL) and taken necessary steps to ensure compliance in accordance with NSDL Circular no. NSDL/POLICY/2023/0015 dated February 02, 2023? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.451 | Whether Participant is complying with the requirements w.r.t. Framework for Adoption of Cloud Services by SEBI Regulated Entities (REs) in accordance with NSDL Circular no. NSDL/POLICY/2023/0033 dated March 08, 2023 and SEBI Circular no. SEBI/HO/ITD/ITD_VAPT/P/CIR/2023/033 dated March 06, 2023 including reporting of quarterly progress report as per the roadmap and compliance with respect to the framework to be reported regularly? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.462 | Whether Participant is complying with the following requirements w.r.t. Online Resolution of Disputes in the Indian Securities Market in accordance with NSDL Circular no. NSDL/POLICY/2023/0093 dated August 01, 2023 & NSDL/POLICY/2023/0126 dated September 22, 2023: | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |

| Checklist | | | | |
|-----------|--|---|--|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 22.472.a | Implementation of ODR mechanism as required in aforesaid circular w.r.t. registration of Depository Participants on the ODR Portal by August 15, 2023. | Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 22.472.b | Display a link to the ODR Portal on the home page of their websites and mobile apps. | Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 22.472.c | Action Taken Report (“ATR”) has been submitted to SEBI within 21 calendar days from the date of receipt of the complaint from SCORES portal. | Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 22.483 | Whether guidelines / procedure specified by NSDL for opening the Client Nodal MFOS Account of SB/CM is compiled in accordance with NSDL Circular no. NSDL/POLICY/2023/0077 dated June 30, 2023? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.494 | Website related compliance | | | |
| 22.494.1 | Whether Participant is complying with the following requirements w.r.t maintenance of a website by depository participants in accordance with NSDL Circular no. NSDL/POLICY/2023/0025 dated February 17, 2023. - Participant has maintained a website as prescribed? - Whether the participant has displayed information mandated by SEBI/NSDL on its website from time to time? - if any modification in the URL same is reported to NSDL within 3 days of such changes? | <input type="checkbox"/> Yes <input type="checkbox"/> No Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.494.2 | 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?? | <input type="checkbox"/> Yes <input type="checkbox"/> No Not Applicable | If no, then details of the non compliance must be mentioned here | |

| Checklist | | | | |
|-----------|---|---|--|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 22.494.3 | Whether Participant has published investor charter on its website in accordance with NSDL circular no. :Guidelines, NSDL/POLICY/2021/0126 dated Dec 23, 2021. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.494.4 | Whether Participant has displayed Escalation matrix on their website in order to further strengthen the process of handling Investors Grievances as per NSDL Circular NSDL/POLICY/2022/122 dated September 01, 2022 & NSDL/POLICY/2022/156 dated November 10, 2022? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.494.5 | Whether Participant is complying with the following requirements w.r.t. Investor Grievances Escalation Matrix displayed on their website in accordance with NSDL Circular no. NSDL/POLICY/2022/156 dated November 10, 2022: <ul style="list-style-type: none"> • Contact numbers mentioned in Escalation Matrix are not same for more than one or for all escalated levels • Contact numbers are in use and are reachable during working hours/ • IVRS allows caller to reach the desired escalated level and call is being handled by the escalated person | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.5045 | Designated Depository Participants (DDP) compliances | | | |
| 22.5045.1 | Whether DDP follow the guidelines for processing of FPI and other specific entities applications? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, kindly provide the necessary details | |
| 22.5045.1 | Whether DDP has appropriate systems, procedures and mechanisms to check, if any, change in the material information previously furnished by the FPI to the DDP and/or SEBI, which has a bearing on the certificate granted by the DDP on behalf of the Board or relating to any direct or indirect change in its structure or ownership or control, change in regulatory status, merger, demerger or restructuring, change in category/ sub-category / structure/ jurisdiction/ name of FPI/ beneficial ownership etc, of the FPI? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, kindly provide the necessary details | |

| Checklist | | | | |
|-----------|---|--|---|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 22.5146 | 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 | |
| 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then mention the mismatch | |
| 23.2 | Whether Participant is taking backup on a daily basis? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 23.3 | Whether Participant has kept remote backup media as per prescribed guidelines? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 23.4 | Whether updated antivirus is installed on the server and all the client machines? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 23.5 | Whether log shipping facility for log generation is working and Backup/DR server (if available) are in Sync? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 23.6 | Whether all the software installed on server and client machines are licensed? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 23.7 | Whether RAID has been configured as per the prescribed guidelines? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 23.8 | Whether database reorg and shrinking are done as per the prescribed guidelines? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 23.9 | Whether scheduled switch to fallback connectivity (internet) is done and the record thereof is maintained? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 23.10 | Whether all the hardware / equipments used for depository operations are covered under AMC / warranty? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 23.12 | Whether adequate physical and logical access restrictions for usage of system are in place? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 23.13 | Whether backup of back office data is taken? | <input type="checkbox"/> Yes <input type="checkbox"/> No Not Applicable | | |
| 23.14 | Whether back office is directly connected to DPM system? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

| Checklist | | | | |
|-----------------------|---|---|--|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 23.15 | If reply to 23.14 is yes, whether it is in accordance with NSDL guidelines? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 23.17 | Whether physical access to client machines and server is restricted only to authorised persons? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 23.20 | Whether Data-in motion and Data-at-rest is encrypted by the participant by using strong encryption methods such as Advanced Encryption Standard (AES), RSA, SHA-2, etc.? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | 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 35 (a) of SEBI (Depositories and Participants) Regulations, 2018? | <input type="checkbox"/> Yes <input type="checkbox"/> 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)? | <input type="checkbox"/> Yes <input type="checkbox"/> 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 23(2) of the SEBI (Depositories & Participants) Regulations, 2018 read with the criteria specified under regulation 20 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |

| Checklist | | | | |
|--|--|--|--|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 24.5 | Whether AI/ML reporting form (if applicable),cyber attacks and threats reports, if any have been submitted to respective authorities as per prescribed guidelines? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 24.6 | Whether change in Director / compliance officer/Principle officer/Designated director/ Shareholding pattern of the Participant /name of the participant/registered address of the participant and any such changes have been informed to NSDL? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No such changes | If no, then details of the non compliance must be mentioned here | |
| 24.7 | Whether any other deviation/non-compliance observed by internal auditor which is not specifically covered above? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If Yes, then details must be mentioned here | |
| 24.8 | Whether Participant has informed NSDL within 7 days of passing of any order / indictments by any competent authority against it? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If Yes, please provide details of order/indictment. If no, details of the non compliance must be mentioned here | |
| 24.9 | Whether guidelines/information issued by SEBI/NSDL from time to time has been communicated to all the clients by the participants wherever applicable? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If No, then details must be mentioned here | |
| 25 | Auditor's Certification | | | |
| 25.1 | Whether management comments are adequate for the deviations highlighted? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, kindly provide the necessary details | |
| 25.2 | Whether any high risk activity was identified as part of the audit and focused on, as part of the audit? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If Yes, kindly provide the necessary details | |
| 25.3 | Whether all audit checkpoints have been completed as per the stipulated timelines? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, kindly provide the necessary details | |
| 25.4 | If reply to 25.3 is no, whether the delay and attribution, if any, to the Participant have been highlighted to the management? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, kindly provide the necessary details | |
| 26 | Unique Document Identification Number (UDIN) | | To be filled by Practicing Chartered Accountants (if applicable) | |
| 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, 2018, 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. Working papers and evidences for the audit are available in our record.

13. We have considered adequate samples for the purpose of audit.

14. 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.

Annexure 1

| Cover page | |
|--|---|
| Internal / Concurrent Audit Report for Depository Operations | |
| Type of Audit Report | <input type="checkbox"/> Internal Audit Report (IAR) <input type="checkbox"/> Concurrent Audit Report (CAR) <input type="checkbox"/> 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 | |
| PAN 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 | |
| Registration No. of 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 | | | |
| 4 | Remat requests | | | |
| 5 | Conversion requests | | | |
| 6 | Reconversion requests | | | |
| 7 | Redemption requests | | | |
| 8 | DIS book issuance (Including loose slip issuance) (100%) | | | |
| 9 | Total DIS execution (at least 25%) | | | |
| | a) Physical DIS | | | |
| | b) Digitally signed DIS images (having DP as well as NSDL digital signature) extracted from tamper proof storage (at least 10% of the DIS samples selected by Auditor). | | | |
| | | | | |
| 10 | Total Electronic /E DIS execution (at least 25%) | | | |
| 11 | Replacement of Original DIS image in tamper proof storage (100%) | | | |
| 12 | Pledge / hypothecation Instructions (100%) | | | |
| 13 | Margin Pledge / Re-pledge (100%) | | | |
| 14 | Client data modifications [100%] | | | |
| 15 | Account Freeze | | | |
| | a) Freezes due to statutory orders (100%) | | | |
| | b) Other Freezes | | | |
| 16 | Account Unfreeze | | | |
| | a) Unfreezes due to statutory orders (100%) | | | |

| | | | | |
|----|---|--|---|--|
| | b) Other Unfreezes | | | |
| 17 | Modification in the name of client(including minor correction in name) (100%) | | | |
| 18 | Power of Attorney modifications (100%) | | | |
| 19 | Account Closure requests - Initiated by Participant (100%) | | | |
| | - Initiated by client – Online (100%) | | | |
| | - Initiated by client - Others | | | |
| 20 | Transmission (100%) | | | |
| 21 | Investor grievances received by Participant (100%) | | | |
| 22 | Non Disposal Undertakings (NDU) (100%) | | | |
| 23 | Accreditation of investors (IGP) (100%) | | | |
| 24 | 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 | |
| 25 | 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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)? | <input type="checkbox"/> Yes <input type="checkbox"/> 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)? | <input type="checkbox"/> Yes <input type="checkbox"/> 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 (other than online KYC) matches with the signature(s) on Proof of Identity of respective person(s)? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of accounts with | |

| Checklist | | | | |
|-----------|---|---|--|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | | | 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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 client and obtained an acknowledgement of the same from the client? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of accounts with discrepancies | |

| Checklist | | | | |
|-------------|---|---|--|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | | | must be mentioned here | |
| 1.16 | Whether DP has uploaded the KYC information on the system of the KRA within 03 working days from the date of completion of KYC process? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of accounts with discrepancies must be mentioned here | |
| 1.17 | Whether required information / documents are forwarded by Participant to KRA for cases which are informed as incomplete by KRA? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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 (especially for non- individual clients)? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |
| 1.22 | Reliance on the records of client due diligence (KYC) carried out by a third party | | | |
| | (a) Whether Participant is in compliance with PMLA/ SEBI guidelines related to 'Reliance on the records of client due diligence (KYC) carried out by a third party'? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | | |
| | (b) Whether Participant has maintained logs of client authentication or records of client request authenticated ? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | | |

| Checklist | | | | |
|------------------|--|---|--|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | (c) Whether Participant has obtained consent of client for opening of demat account by relying on third party KYC? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | | |
| | (d) Whether data entered in DPM system matches with the client details as available in third party KYC? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | | |
| 1.23 | Whether FATCA/CRS declaration is obtained by Participant? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details must be mentioned here | |
| 1.24 | Whether SARAL account is opened as per SEBI/NSDL guidelines? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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" and 'Legal Entity' finalised by CERSAI and within ten days after the commencement of an account-based relationship with a client.? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |
| 1.28 | Whether participant is doing online KYC? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 1.29 | If answer to 1.28 is "Yes" whether participants has followed necessary guidelines prescribed by SEBI under circular no.: SEBI/HO/MIRSD/DOP/CIR/P/2020/73 dated April 24, 2020 ? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |
| 1.30 | Whether participant has closed/suspended the account opened through online KYC, where the investor has given address other than as given in the OVD and intimation for account opening has returned undelivered due to reasons such as wrong / incorrect address, addressee not available etc? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |

| Checklist | | | | |
|------------------|---|---|--|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 1.31 | In case of online KYC, whether live photograph of the client has been captured , with time stamping, geo-location tagging and liveness check? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.32 | If deemed OVD has been accepted as proof of address, and updated OVD has not been received within a period of three months, whether the concerned account has been frozen and same has been intimated to NSDL? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.33 | Whether DP has obtained express consent of the investor before undertaking online KYC? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.34 | Whether DP has accepted officially Valid Document (OVD)/other document with e-sign without self-attestation only in case of online KYC? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.35 | Whether DP has verified the e-sign of the client (BO) on the basis of Name, Gender, Year of Birth mentioned in the e-sign certificate and is comparing the same with the client details available in its record? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.36 | Whether DP has inserted cropped signature (cropped from a signed cancelled cheque or signature on a white paper or signature made on the screen of a device) of the BO in the place holders of the KYC form and displayed it to the BO before e-signing the document by BO or has obtained scanned copy/ photograph of the KYC form from the BO with his wet signature under esign? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.37 | Whether DP has obtained photograph/scanned copy of PAN under the e-sign of the BO or e-PAN provided by BO through Digilocker which are issued directly by issuing authority to Digilocker? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.38 | In case where Bank account details could not be verified (match fails or does not return joint account holder name) by Penny Drop mechanism or any other mechanism using API of the Bank; | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |

| Checklist | | | | |
|------------------|---|---|--|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | whether DP has obtained signed cancelled cheque as a photo/scan of the original under eSign of the BO? | | | |
| 1.39 | Whether DP has obtained proof of identity, in addition to PAN card as specified under the rule 2(d) of the PML rules? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.40 | In case of VIPV, whether the activity log along with the credentials of the person performing the VIPV have been maintained? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.41 | Whether VIPV has been undertaken in a live environment? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.42 | Whether VIPV undertaken is clear and still and the investor in the video is easily recognizable and is not covering his/her face in any manner? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.43 | Whether VIPV process is included with random question and response from the investor including displaying the OVD, KYC form and signature or confirmed by an OTP? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.44 | Whether DP has ensured that photograph of the customer downloaded through the Aadhaar authentication / verification process matches with the investor in the VIPV? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.45 | Whether VIPV has been saved in a safe, secure and tamper-proof, easily retrievable manner and shall bear date and time stamping? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.46 | In cases where the proof of possession of Aadhaar number is submitted as OVD, whether Aadhaar number is redacted or blacked out and the DP has not stored/saved the Aadhaar number of the | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |

| Checklist | | | | |
|-----------|---|---|--|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | BO in their system? | | | |
| 1.47 | Whether software and security audit and validation of online account opening App has been carried out periodically? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.48 | Whether verification process of mobile and email carried out through One Time Password (OTP) or other verifiable mechanism is included in the software and security audit and validation of account opening App? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.49 | Participant has updated the income (For accounts opened on or after August 01, 2021) details in Depository system. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> Applicable | If no, then details must be mentioned here | |
| 1.50 | Whether Participant has displayed the KYC details as downloaded from the KRA in case of online account opening and confirmed with the client that there is no change in the details downloaded from KRA. In case of any change in the details, an option is provided to the client to provide the latest details along with supporting documents? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details must be mentioned here | |

| Checklist | | | | |
|------------------|--|---|--|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 2.1.3 | Whether Participant has informed BOs the deficiency / inadequacy in their KYC documents as intimated by KRA after validation in accordance with SEBI circular no. SEBI/HO/MIRSD/DoP/P/CIR/2022/46 dated April 06, 2022? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of non complied cases must be mentioned here or enclosed as Annexure | |
| 2.1.4 | If Yes, whether Participant has obtained revised KYC documents/information from BO and uploaded on KRA system for validation of KYC? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of non complied cases must be mentioned here or enclosed as Annexure | |
| 2.1.5 | Whether Participant is complying with the point no 11 of SEBI circular no. SEBI/HO/MIRSD/DoP/P/CIR/2022/46 dated April 06, 2022. – - Clients whose KYC records are not found to be valid by KRA after the validation process whether have been frozen for debit and credit by the DP? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non complied cases must be mentioned here or enclosed as Annexure | |
| 2.1.6 | Whether Participants have informed/followed up with their Clients (whose KYC records are not found to be valid by KRA after their validation process) to complete the validation/verification of their KYC details through online facility provided by the KRA's? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non complied cases must be mentioned here or enclosed as Annexure | |
| 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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 (<i>as per the KYC guidelines issued by SEBI, PMLA and NSDL</i>) are in possession of Participant? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of cases with discrepancies must be mentioned here or enclosed as Annexure | |

| Checklist | | | | |
|------------------|--|---|--|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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 (including minor correction in name), 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 <input type="checkbox"/> No <input type="checkbox"/> <input type="checkbox"/> 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 ? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of accounts with discrepancies must be mentioned | |

| Checklist | | | | |
|------------------|--|---|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 3.4 | Whether Participant has sent communication to Client informing about the modification made in the demat account of the Client? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | | |
| 3.5 | Whether Email ID captured by the participant in DPM, matches with the details provided by client? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | | |
| 3.6 | Whether the Participant has processed the request of the client to link/delink UCC in the demat account properly? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | | |
| 3.7 | Change in Bank detail request received by DP under 'Client Maintenance module' have been checked & executed in accordance with NSDL circular dated 2021-0042 dated May 05, 2021. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | | |
| 4 | Power of Attorney (POA) / Demat Debit and Pledge Instruction (DDPI) | | | |
| 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |

| Checklist | | | | |
|------------------|--|---|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 4.8 | Whether DDPI documents are duly executed as per SEBI/NSDL prescribed guidelines and details (including signature of DDPI holder(s)) have been entered into DPM? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 4.9 | Whether the instructions processed on the basis of DDPI by the Participants are executed in those accounts where relevant DDPI is mapped? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 4.10 | Whether Participant has created DDPI ID for all DDPI holders and has linked the same in DPM to the respective BO accounts and the same is updated in Back office system? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |

| Checklist | | | | |
|------------------|--|--|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 4.11 | Whether Participant has revoked /cancelled the DDPI on the basis of client instructions? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 4.12 | Whether the date of receipt of the request from client is mentioned on POA or DDPI registration/ de-registration requests? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 4.13 | Whether addition/ deletion/ modification of POA/ DDPI details is updated within seven days of receipt of request from client? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 5.2 | Whether Nomination details are entered in DPM? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 5.4 | Whether nomination forms are in the formats as prescribed by SEBI and are made available by DPs to clients for obtaining nomination details/declaration for opting out of nomination as per SEBI circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024 and NSDL Circular NSDL/POLICY/2024/0082 dated June 13, 2024? | Yes <input type="checkbox"/> No | If no, then number of cases with discrepancies must be mentioned here | |

| Checklist | | | | |
|------------------|---|---|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 5.5 | Whether participants has sent communication on fortnightly basis by way of emails and SMS to all such demat account holders who has not provided the 'choice of nomination', providing guidance regarding 'choice of nomination' to demat account holders as per NSDL Circular NSDL/POLICY/2024/0082 dated June 13, 2024? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the same. | |
| 6 | Demat / Remat / Conversion / Reconversion / Redemption request | | | |
| 6.1 | Whether the demat / conversion requests have been accepted and processed as per the prescribed procedure? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |
| 6.4 | Whether Participant has obtained additional documents prescribed by SEBI, in case of mismatch of name on the share certificate(s) vis-à-vis name of the beneficial owner of demat account and forwarded the same alongwith the demat request to Issuer/RTA? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | | |
| 6.5 | Whether date of receiving the demat / conversion request and date of forwarding the documents to Issuer / Registrar & Transfer Agent have been recorded correctly? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of cases with discrepancies must be mentioned here | |

| Checklist | | | | |
|------------------|---|---|--|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 6.6 | Whether demat 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of cases with discrepancies must be mentioned here | |
| 6.7 | Whether Participant has generated the Conversion Request Number within five days from the date of receipt of the request from its Client by initiating the request in the DPM system. | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of cases with discrepancies must be mentioned here | |
| 6.8 | Whether documents received from RTA/ Issuer for rejected DRN/ RRN were sent back to respective client(s) within seven days from the date of receipt of documents from RTAs/Issuer? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of cases with discrepancies must be mentioned here | |
| 6.9 | Whether Participant has enclosed covering letter or client master report alongwith demat request form sent to Issuer / Registrar & Transfer Agent? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of cases with discrepancies must be mentioned here | |
| 6.10 | 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details must be mentioned here | |
| 6.11 | Whether any demat / conversion request was rejected due to error attributable to Participant? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If ,yes then number of cases with discrepancies must be mentioned here | |
| 6.12 | Whether Participant has taken necessary corrective and preventive measures to avoid rejections attributable to Participant? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |
| 6.13 | Whether demat cancellation request, if any, has been processed by the Participant as per the prescribed procedure? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 6.14 | Whether participant has accepted and processed certificates submitted by the client in old name of the issuer only after | <input type="checkbox"/> | | |

| Checklist | | | | |
|------------------|---|---|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | verification of the name change information available on the NSDL website or Ministry of Corporate Affairs (MCA) website? | | | |
| 6.15 | Whether the remat / reconversion requests have been accepted and processed as per the prescribed procedure? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 6.16 | Whether the Mutual Fund/ Sovereign Gold Bonds (SGB) redemption requests have been accepted and processed as per the prescribed procedure? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 6.17 | DP has processed demat request on the basis of "Letter of confirmation" within 120 days of issuance of said latter in the format prescribed vide SEBI circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CI R/2022/8 dated January 25, 2022 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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)? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |

| Checklist | | | | |
|------------------|--|---|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 7.1.5 | Whether Participant has issued not more than 10 loose DIS to one account holder in a financial year (April to March) as per NSDL/POLICY/2007/0011 dated February 15, 2007? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 7.1.6 | 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 7.1.7 | 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of cases with discrepancies must be mentioned here | |
| 7.1.8 | Whether DIS printed are as per the specifications including layout, size of logo, contents and inside front & back cover of the DIS booklet? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of cases with Discrepancies must be mentioned here | |
| 7.1.9 | Whether Participant has a system in place to ensure that the DIS issued prior January 7, 2014 are not accepted? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 7.1.10 | 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 'CL999999999', 'TR999999999' and 'RO999999999' respectively against DIS serial number for execution of instructions? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 7.1.11 | Whether Participant has delivered the DIS booklet at the registered address of the BO, if request for issuance of the DIS booklet is received in an inactive/dormant account after the DIS issuance is authorized by the Compliance Officer or | <input type="checkbox"/> Yes <input type="checkbox"/> No Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |

| Checklist | | | | |
|------------------|--|---|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | any other designated senior official of the DP? | | | |
| 7.1.12 | Whether participant has verified the transactions with the BO via recorded phone call on registered number of BO and recorded the details of the process, date, time, etc., where 5 or more ISINs and all such ISIN balances are transferred and such verification is additionally authorized by the Compliance Officer or any other designated senior official of the DP? | <input type="checkbox"/> Yes <input type="checkbox"/> No Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 7.2 | <i>Verification of DIS</i> | | | |
| 7.2.1 | Whether 'date and time stamp' is affixed on both Participant and client copy of DIS received? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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)? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of cases with discrepancies must be mentioned here | |
| 7.2.5 | Whether corrections / cancellation on DIS, | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then | |

| Checklist | | | | |
|------------------|---|---|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | if any, are authenticated by the client (all Holders / as per the mode of operation for joint accounts)? | | number of cases with discrepancies must be mentioned here | |
| 7.2.6 | Whether Participant accepts instructions by fax from account holder? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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" and payment details in case of off market sale are mentioned for off market instructions by clients and the same are captured in DPM system ? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of cases with discrepancies must be mentioned here | |
| 7.2.11 | Whether Participant has collected supporting documents for cases of "Off Market Transfers", where it is required to be collected? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 7.2.12 | Whether Participant follows maker - checker system to process the instructions? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of cases with | |

| Checklist | | | | |
|-----------|---|---|---|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | | | discrepancies must be mentioned here | |
| 7.2.13 | 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)? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of cases with discrepancies must be mentioned here | |
| 7.2.14 | 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 7.2.15 | Whether instructions executed in the DPM system are as per DIS? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then number of cases with discrepancies must be mentioned here | |
| 7.2.16 | Whether Participant accepts instructions from clients in electronic form (Other than Speed-e/SPICE)? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 7.2.17 | If reply to 7.2.16 is yes, whether NSDL's approval has been obtained? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |
| 7.2.18 | If reply to 7.2.16 is yes, whether NSDL prescribed guidelines are being followed in case of acceptance and execution of instructions in electronic form? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 7.2.19 | Whether participant has obtained a one-time self-declaration (as per the format Annexure A prescribed by Circular No.: NSDL/POICY/2020/0017) from the demat account holders that the transactions involved is a bonafide transfer instruction before executing IDT instructions in Government Securities in their demat accounts? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |

| Checklist | | | | |
|------------------|---|---|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 7.2.20 | Whether instruction is obtained from client intending to avail block with early pay-in facility as per prescribed guidelines? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 7.3.5 | Whether authorized replacement of the original DIS image is carried out as per NSDL guidelines and the reason for such replacement is appropriately recorded in the Index file? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 7.3.6 | 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |

| Checklist | | | | |
|------------|--|---|--|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 7.3.7 | Whether tamper proof storage system restricts unauthorized alteration or deletion? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 7.3.8 | Whether tamper proof storage system is in compliance with the specification prescribed by NSDL? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 7.3.9 | Whether tamper proof storage system has facility to check integrity of the system? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 7.3.10 | 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned Here | |
| 7.4 | E-DIS | | | |
| 7.4.1 | Whether e-DIS facility provided by DP ensures capturing all details that are otherwise being captured in physical DIS ? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 7.4.2 | Whether instruction given by BO through e-DIS is towards actual transfer of securities to meet obligation for a single settlement number / date? | <input type="checkbox"/> Yes <input type="checkbox"/> No Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 7.4.3 | Whether DP ensures that Pre-trade authorisation / Mandate is obtained from BO authorising DP to transfer specific securities for meeting on-market settlement obligation only? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 7.4.4 | Whether mandate provided by BO pertain to a single settlement number /settlement date? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 7.4.5 | Whether Securities transferred on basis of mandate provided by client are credited only to client's trading member pool account? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 7.4.6 | Whether DP ensures that the mandate provided by the client is in its favour and does not authorize any assignee of the DP? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |

| Checklist | | | | |
|------------------|--|---|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 7.4.7 | Whether mandate does not facilitate DP to transfer securities for off market trades and to execute trades in the name of client without client's consent? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 7.4.8 | Whether mandate does not facilitate the DP to open an email ID on behalf of client for receiving relevant communications? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 7.4.9 | Whether mandate does not prohibit to issue DIS to BO and also from operating the account? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 7.5 | Dormant Account Monitoring | | | |
| 7.5.1 | Whether in case of an account which remained inactive i.e., where no debit transaction had taken place for a continuous period of 12 months and whenever any security is transferred at a time, participant has verified such transactions with the BO via recorded phone call on registered number of BO by the authorized official of the DP and record the details of the process, date, time, etc., of the verification on the instruction slip under his/her signature and additionally authorised by the Compliance officer or any other designated senior official of the DP? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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 (online & physical) has been processed as per prescribed procedure within 30 days of receipt of account closure request from the client? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |

| Checklist | | | | |
|-----------|--|---|---|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 8.3 | Whether 30 days notice is given to the client well as to the depository before closing client account, in case account closure is initiated by Participant? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 8.5 | Whether Participant uses 'Transfer of Holding' module to process account closure and transmission requests where the target account is in NSDL (Except transmission cases having multiple nominations)? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 8.6 | Whether Participant has frozen the demat account in case Participant is unable to close the account due to pending demat/remat requests, ISIN in suspended status or due to open pledges, etc? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 8.7 | Whether online account closure facility provided by Participant offering online account opening? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then reason must be mentioned here | |
| 8.8 | In case of online account closure requests, whether Participant has maintained, and stored system logs of the closure instructions and e-signed electronic requests received in electronic form in a secured manner? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 8.9 | Whether participant has informed their clients regarding the availability of facility & procedure for online closure of demat accounts through emails, SMS, weekly / fortnightly / monthly newsletters etc? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |

| Checklist | | | | |
|-----------|--|---|---|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 9 | Transmission of Securities | | | |
| 9.1 | Whether all transmission cases have been processed as per prescribed procedure? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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 complete set of transmission request | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 9.3 | Whether the Participant has requested the notifier to furnish the death certificate of the investor, upon receipt of intimation of the demise of an investor where participant received information does not have access to or is not in a position to obtain the death certificate? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 9.4 | Whether Participant has intimated the investor(s), notifier(s), or the nominee(s), about the KYC status of the investor being flagged off as "On Hold" in the KRA? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 9.5 | If the Participant has not obtained the death certificate by next working day, whether kyc modification request status is updated to KRA as 'information on death of investor received confirmation awaited'? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 9.6 | If the Participant has obtained the death certificate, whether same is received along with the PAN from the notifier and has complied with below; a. Followed the procedure of verification of the death certificate by the next working day of its receipt b. Record and retain self-certified copy of proof of identity, relationship with deceased and contact details of the notifier. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |

| Checklist | | | | |
|------------------|---|---|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 9.7 | Whether participant on verification of death certificate, submitted KYC modification request in the KRA and blocked all debit transactions in the account? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 9.8 | Whether upon receipt of intimation of KYC status as 'Blocked permanently', from KRA, the deceased account has been immediately blocked for all debit transactions and the notifier/nominee/surviving joint account holder(s), are intimated within 5 days about the procedure for transmission? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 9.9 | Whether participant has conducted additional due diligence before allowing any transaction received by any intermediary in the account which is flagged off as "On Hold"? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 9.10 | Where Participant finds the information about demise of the investor proved to be incorrect, whether participant has submitted the updated 'KYC modification request' in the KRA system on the same day? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 9.11 | Whether participant has allowed the transactions in the joint demat account of the deceased, only after deletion of name of the deceased holder, where mode of operation opted by the BO(s) is Either or Survivor? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 9.12 | Whether participant has followed the guidelines provided by NSDL for deletion of name of the deceased holder, in case of transmission of securities to joint holders? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of | |

| Checklist | | | | |
|------------------|--|---|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | | | discrepancies | |
| 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |
| 10.4 | Whether participant has unfrozen 6- KYC non-compliant demat account on the basis of client request after obtaining necessary details as per the prescribed guidelines and has maintained record? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |
| 10.5 | Whether Participants has verified the status of KYC record prior to removal of suspension for given PAN on KRA system (for sole / all the eligible joint holders) and ensures that same is shown as validated by KRA? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |
| 10.6 | Whether Participants before removal of suspension has verified that PAN is linked with Aadhaar and updated the PAN flag for sole / all the eligible joint holders as specified in Circular NSDL/POLICY/2023/0038 dated March 21, 2023? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |
| 10.7 | Whether participant has sent physical copy of intimation / confirmation through registered post on the registered address of the Client and maintained correspondence / proof of dispatch where valid email ID and Mobile Number are not available and same is updated simultaneously based on the client request Circular NSDL/POLICY/2023/0144 dated October 11, 2023? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |

| Checklist | | | | |
|------------------|---|---|--|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details should be mentioned here | |
| 11.4 | Whether Participant has dedicated email ID for informing investor grievances? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details must be mentioned here | |
| 11.5 | Whether Participant has provided the link to SCORES portal on its website from where the client can view details of the demat account? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details should be mentioned here | |
| 11.6 | Whether Participant has displayed procedure for filing of complaints on SCORES and benefits for the same on its website and has incorporated this information in the welcome kit given to the client after account opening? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then the periodicity of providing the statement must be mentioned | |
| 12.2 | In case of Participant registered as Custodian and has obtained exemption from receiving CAS for their institutional clients, whether transaction statements are provided as per the prescribed frequency? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then the periodicity of providing the statement must be mentioned | |
| 12.3 | Whether statements are provided to the client as and when requested? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details must be mentioned here | |
| 12.4 | 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |
| 12.5 | Whether statements are generated from back office or DPM system? | <input type="checkbox"/> Back office <input type="checkbox"/> DPM System | | |
| 12.6 | If generated from back office, whether the details match with statement generated from DPM system? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of | |

| Checklist | | | | |
|-----------|---|---|---|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | | | discrepancies must be mentioned here | |
| 12.7 | Whether the narration of corporate action / ISIN description (<i>especially in case of debt</i>) appearing in the statement of accounts are meaningful to the Client? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases along with the nature of discrepancies must be mentioned here | |
| 12.8 | If Participant is sending statement of accounts through internet (web based / email), then whether the relevant guidelines have been followed? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 12.9 (a) | Whether Participant has sent at least one annual statement of holding through email in respect of accounts with no transaction and nil balance even after the account has remained in such state for one year or account which has become nil holding during the year, unless investor has specifically opted to receive the same in physical form? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of cases with discrepancies must be mentioned here | |
| 12.9(b) | Whether half yearly statement of holding is sent to the BO through email, in case of accounts with credit balance but no transactions during the year, unless investor has specifically opted to receive the same in physical form? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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 | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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.? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |

| Checklist | | | | |
|------------------|---|---|--|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 13.5 | In case of applicable Non Individual clients, whether Participant 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No STR filled | If no, then details of the non compliance must be mentioned here | |
| 13.10 | Whether Participant has submitted any separate intimation of filing of important and urgent STR to FIU- India on the designated email IDs of FIU as per NSDL circular no. NSDL/POLICY/2022/035 dated March 10, 2022? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No urgent/ important STR observed by Participant | If no, then details of the non compliance must be mentioned here | |
| 13.11 | Whether on the basis of risk assessment of the clients, client classification has been carried out for all the clients? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 13.12 | 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, Sanctions list of United Nations Security Council and list of any other authorities, issued from time to time? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |

| Checklist | | | | |
|------------------|--|---|--|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 13.13 | In case any account of PEP has been opened, whether Senior Management approval has been obtained for establishing business relationships? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 13.14 | 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 13.15 | 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 13.16 | Whether Participant has appointed a 'Principal officer' as required under PMLA and intimated about changes, if any, in the Principal Officer to FIU-India? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 13.17 | Whether Participant has appointed a 'Designated Director' as required under PMLA and intimated about changes, if any, in the Designated Director to FIU-India? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 13.18 | Whether there is a mechanism to deal appropriately with the fortnightly alerts provided by NSDL in accordance with NSDL circular no. NSDL/POLICY/2008/0088 dated December 30, 2008?? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 13.19 | Whether there is a mechanism to deal appropriately with the monthly alerts provided by NSDL in accordance with NSDL circular no. NSDL/POLICY/2023/0014 dated February 02, 2023? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 13.20 | If any suspicious transaction is reported to FIU-India then whether count of STRs reported to FIU-India are informed to NSDL? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No STR filled | If no, then details of the non compliance must be mentioned here | |
| 13.21 | Whether suspicious transaction register (physical and/or in electronic form) has been maintained for all alerts generated at both, DPs end & Depository end.? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |

| Checklist | | | | |
|------------------|--|---|--|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 13.22 | Whether Principal Officer as well as Designated Director of the DP are registered in new FINnet system? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 14.2 | If reply to 14.1 is yes, whether operations manual covers all depository activities? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then give details here | |
| 15.3 | Whether Participant maintain the records relating to its depository business for the minimum period as prescribed in SEBI and NSDL guidelines? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then give details here | |
| 16 | Outsourced activities | | | |
| 16.1 | Whether Participant has outsourced record keeping activity (partly or fully)? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If yes, then the name of the agency / firm and nature of | |

| Checklist | | | | |
|------------------|---|---|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | | | arrangement must be mentioned here | |
| 16.2 | If reply to 16.1 is yes, whether NSDL's approval has been obtained? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then give details here | |
| 16.3 | Whether any business activity other than record maintenance is outsourced? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 16.4 | If reply to 16.3 is yes, mention the activities outsourced and whether NSDL's approval has been obtained? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details such as missing service centre, non existent service centre, errors in contact person name or contact | |

| Checklist | | | | |
|------------------|--|---|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | | | information, etc. must be mentioned here | |
| 17.4 | Whether the associated persons engaged or employed by Participant have required certification (NISM-CPE/DOCE) except those doing basic / elementary level / clerical level work and whose work is supervised by NISM qualified person? | <input type="checkbox"/> Yes <input type="checkbox"/> 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 ? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If yes, then mention count of service centres audited and Service Centre codes 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)? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must | |
| 18.2 | Whether Participant has taken adequate preventive measures in respect of deviations noted during last NSDL inspection? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | | |
| 18.3 | Whether Participant has taken adequate preventive and corrective measures in respect of deviations noted during last internal / concurrent audit? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If yes, provide details along with supporting documents | |
| 19 | Reporting by Participant to its Board of Directors | | | |

| Checklist | | | | |
|------------------|---|---|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 19.1 | Whether Participant has placed last inspection findings alongwith management comment before its Board of Directors/ Audit Committee? <i>(same may be verified from the extract of the minutes of the Board Meeting).</i> | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? <i>(same may be verified from the extract of the minutes of the Board Meeting)</i> | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> 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 holder(s) at transferee Participant and at transferor Participant are identical in all respects? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then number of accounts, with discrepancies must be mentioned here | |
| 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |

| Checklist | | | | |
|------------------|---|---|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 22 | Miscellaneous areas | | | |
| 22.1 | Whether supplementary agreement / letter of confirmation / power of attorney obtained / executed, if any with account holder are in compliance with 'Rights and Obligations of the Beneficial Owner and Depository Participant' document / SEBI/ NSDL guidelines? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.4 | Whether Margin Pledge/ Re-pledge (initiation, release, invocation) transactions are processed as per prescribed guidelines. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.5 | Whether Participant has executed software utilities provided by NSDL on a monthly basis and taken appropriate action in respect of the exceptions identified? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 22.6 | Whether forms in use for various activities are in accordance with latest NSDL Business rules and other relevant guidelines? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then mention the forms and the discrepancies observed therein. | |
| 22.7 | Whether Participant has a policy for dealing with conflicts of interest? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 22.8 | Whether Board of Directors of the Participant has reviewed the policy document dealing with conflicts of interest on a periodic basis? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 22.9 | Whether Participant has opened new demat accounts as BSDA, if such demat account is eligible for BSDA, unless specific consent is provided by BO by way of email from the registered email-id to avail the facility of a regular demat account? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |
| 22.10 | Whether Participant has reassessed the eligibility of the Beneficial owner at the end of every billing cycle to convert the demat account into BSDA or vice versa and | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |

| Checklist | | | | |
|------------------|---|---|--|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | converted all eligible demat accounts into BSDA unless specific consent is provided by BO by way of email from the registered email-id opting to continue to avail the facility of a regular demat account? | | | |
| 22.11 | Whether Participant after conversion of a regular account into BSDA or vice versa, has send a communication (letter/email/Client Master Report generated from the DPM System or its back office or any other mode the Participant may deem fit) to the Client informing them of the changes made to their account, along with the charges that will apply if the BSDA is subsequently converted into a regular account? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details must be mentioned here | |
| 22.12 | Whether participant has framed a policy to reduce instances of same mobile number and/ or email address captured for multiple client accounts, particularly by reviewing reports provided by NSDL on periodic basis, with the aim to eliminate such occurrences entirely? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then reason for the non compliance must be mentioned here | |
| 22.13 | Whether mobile numbers/email addresses captured in the demat account of client is not of Participant, their KMPs, other employees, etc? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then reason for the non compliance must be mentioned here | |
| 22.14 | Whether participants has given a 30 days' notice to concerned clients to provide a request to update the family flag or to provide the updated mobile number/email address for updating in the demat account, stating that in case of non-receipt of a response from the clients, such accounts will be suspended for debit? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then reason for the non compliance must be mentioned here | |
| 22.15 | Whether participants has maintained verifiable records for audit purposes of attempts made by them to seek updated email address/ mobile number or a declaration for the family flag from their respective clients? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then reason for the non compliance must be mentioned here | |
| 22.16 | Whether DIVS GAP report utilities is executed on regular basis and appropriate action (if required) is taken? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |

| Checklist | | | | |
|------------------|--|---|--|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 22.17 | Whether 'Document Received Date' has been captured correctly in DPM/eDPM by the Participant in respect of various service requests? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 22.18 | Whether Participant is in Compliance with SEBI Circular on Implementation of the Multilateral Competent Authority Agreement and Foreign Account Tax Compliance Act? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 22.19 | Whether request of Hold / Hold Release for Non Disposal Undertaking/ Agreement are processed as per the prescribed guidelines? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.20 | Whether reclassification of the existing accounts which require a change in type and sub-type are completed in accordance with NSDL Circular on Reclassification of type and sub-type? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.21 | Whether accreditation of investors for the purpose of Innovators Growth Platform is carried out as per the prescribed procedure? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.22 | Whether Participant has devised a mechanism to verify the details of target demat accounts pertaining to Bank/NBFC to ensure that IDT instructions by Trading Members/Clearing Members are executed as per the guidelines prescribed by SEBI? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 22.23 | Whether Participant has framed and adopted a surveillance policy based on nature of its depository business, type of clients, number of demat accounts, number of transactions along with the indicative list of alerts etc. in accordance with NSDL circular no. NSDL/POLICY/2021/0072 dated July 15, 2021. | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 22.24 | Whether Participant has proper system in place to generate the surveillance alerts as per the Board approved policy adopted by it? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 22.25 | Whether the surveillance policy of the Participant has been approved by its Board of Directors. In case, the Participant is incorporated outside India, then the surveillance policy of the Participant may be approved by a Committee constituted to | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |

| Checklist | | | | |
|------------------|---|---|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | oversee its Indian Operations? | | | |
| 22.26 | Whether the Participant has reviewed its surveillance policy atleast once in a year?. | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 22.27 | Whether quarterly MIS on the number of alerts generated and processed as prescribed at (point no. 6) of NSDL circular no. NSDL/POLICY/2021/0072 dated July 15, 2021 has been prepared and presented before the Participant's Board of Directors / Committee? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 22.28 | Whether Participant has submitted quarterly report (including nil report) on status of the alerts , in the format prescribed vide NSDL circular no. NSDL/POLICY/2021/0072 dated July 15, 2021 to the depository within 15 days from end of the quarter? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non-compliance must be mentioned here | |
| 22.29 | Whether the Participant has reported adverse observations / instances noticed by it and action taken thereof by Participants, to depository within 7 days of the date of identification? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non-compliance must be mentioned here | |
| 22.30 | Whether all the alerts generated by the Participant were disposed within 30 days from the date of generation / date of receipt of alerts from the depository? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non-compliance must be mentioned here | |
| 22.31 | Whether Internal auditor has reviewed the surveillance policy, its implementation, effectiveness and reviewed the alerts generated during the period of audit? | <input type="checkbox"/> Yes <input type="checkbox"/> No | Comment from auditor on the effectiveness of the surveillance policy must be mentioned here | |
| 22.32 | Whether the Participant has put in place internal code of conduct, controls and checks and balances to prevent circulation of unauthenticated news by its employees (including temporary and voluntary) by various modes of communication in accordance with point no.2.3 of SEBI master circular no NSDL/POLICY/2022/130 dated September 22, 2022? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non-compliance must be mentioned here | |

| Checklist | | | | |
|------------------|--|---|--|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 22.33 | Whether pledge, hypothecation and NDU instructions executed by DPs for BOs who are promoters are processed as per NSDL Circular no. NSDL/POLICY/2022/089 dated June 28, 2022? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.34 | Whether participant has obtained Annexure B for BOs who are promoters as per NSDL Circular no. NSDL/POLICY/2022/089 dated June 28, 2022 and captured correct reason code in DPM? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.35 | In case of demat account having correspondence or permanent address of Sikkim, whether the KYC details captured in the depository system is matching with the documentary proof provided by clients? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.36 | If no, discrepancies / error (if any) on the part of the participant , whether the same is rectified by the DP and audited by the Auditor? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.37 | In case of discrepancies observed in verification of Sikkim based account opened during the audit period, whether participant has frozen demat account and the same is informed to the client for rectification of records? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.38 | Whether participant has unfrozen the demat account of Sikkim based BOs only after receipt of rectified documents from the BO and are found in order after due verification? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.39 | Whether participant has provided option to the client to opt for mode of operation in case of joint holder accounts as per NSDL Circular no. NSDL/POLICY/2022/025 dated February 28, 2022 and NSDL Circular no. NSDL/POLICY/2022/053 dated April 08, 2022 and updated in DPM? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 22.40 | Whether Participant has complied with the guidelines prescribed on the framework for delivery of Show Cause Notice (SCN) / Order issued by SEBI as per NSDL Circular no. NSDL/POLICY/2022/126 dated September 09, 2022 for attempting the delivery of SCN and has maintained record? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.41 | In case where Participant is able to deliver the Show Cause Notice (SCN), whether Participant has obtained signed acknowledgement of receipt of Show Cause | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |

| Checklist | | | | |
|------------------|---|---|--|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| | Notice (SCN) from the Noticee / Addressee or its authorized representative in the specified format i.e. Annexure A and forwarded the copy to NSDL? | | | |
| 22.42 | In case where Participant is not able to complete physical delivery of SCN / Order to the Noticee / Addressee, whether the Participant has intimated NSDL, within the date specified by NSDL in it's communication, about the non-delivery? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.43 | For cases where client approaches Participant for activation of such accounts, whether Participant has obtained and updated KYC details in depository system and KRA and has obtained signed acknowledgement of receipt of SCN/Order issued by SEBI before forwarding the request to NSDL for reactivation? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.44 | Whether Participant has verified report of mobile number revocation list (MNRL) and taken necessary steps to ensure compliance in accordance with NSDL Circular no. NSDL/POLICY/2023/0015 dated February 02, 2023? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.45 | Whether Participant is complying with the requirements w.r.t. Framework for Adoption of Cloud Services by SEBI Regulated Entities (REs) in accordance with NSDL Circular no. NSDL/POLICY/2023/0033 dated March 08, 2023 and SEBI Circular no. SEBI/HO/ITD/ITD_VAPT/P/CIR/2023/033 dated March 06, 2023 including reporting of quarterly progress report as per the roadmap and compliance with respect to the framework to be reported regularly? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.46 | Whether Participant is complying with the following requirements w.r.t. Online Resolution of Disputes in the Indian Securities Market in accordance with NSDL Circular no. NSDL/POLICY/2023/0093 dated August 01, 2023 & NSDL/POLICY/2023/0126 dated September 22, 2023: | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |

| Checklist | | | | |
|-----------|--|---|--|-----------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 22.47.a | Implementation of ODR mechanism as required in aforesaid circular w.r.t. registration of Depository Participants on the ODR Portal by August 15, 2023. | Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 22.47.b | Display a link to the ODR Portal on the home page of their websites and mobile apps. | Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 22.47.c | Action Taken Report (“ATR”) has been submitted to SEBI within 21 calendar days from the date of receipt of the complaint from SCORES portal. | Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 22.48 | Whether guidelines / procedure specified by NSDL for opening the Client Nodal MFOS Account of SB/CM is compiled in accordance with NSDL Circular no. NSDL/POLICY/2023/0077 dated June 30, 2023? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.49 | Website related compliance | | | |
| 22.49.1 | Whether Participant is complying with the following requirements w.r.t maintenance of a website by depository participants in accordance with NSDL Circular no. NSDL/POLICY/2023/0025 dated February 17, 2023. - Participant has maintained a website as prescribed? - Whether the participant has displayed information mandated by SEBI/NSDL on its website from time to time? - if any modification in the URL same is reported to NSDL within 3 days of such changes? | <input type="checkbox"/> Yes <input type="checkbox"/> No Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.49.2 | 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?? | <input type="checkbox"/> Yes <input type="checkbox"/> No Not Applicable | If no, then details of the non compliance must be mentioned here | |

| Checklist | | | | |
|------------------|---|---|--|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 22.49.3 | Whether Participant has published investor charter on its website in accordance with NSDL Guidelines. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.49.4 | Whether Participant has displayed Escalation matrix on their website in order to further strengthen the process of handling Investors Grievances as per NSDL Circular NSDL/POLICY/2022/122 dated September 01, 2022 & NSDL/POLICY/2022/156 dated November 10, 2022? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.49.5 | Whether Participant is complying with the following requirements w.r.t. Investor Grievances Escalation Matrix displayed on their website in accordance with NSDL Circular no. NSDL/POLICY/2022/156 dated November 10, 2022: <ul style="list-style-type: none"> • Contact numbers mentioned in Escalation Matrix are not same for more than one or for all escalated levels • Contact numbers are in use and are reachable during working hours/ • IVRS allows caller to reach the desired escalated level and call is being handled by the escalated person | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 22.50 | Designated Depository Participants (DDP) compliances | | | |
| 22.50.1 | Whether DDP follow the guidelines for processing of FPI and other specific entities applications? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, kindly provide the necessary details | |
| 22.50.1 | Whether DDP has appropriate systems, procedures and mechanisms to check, if any, change in the material information previously furnished by the FPI to the DDP and/or SEBI, which has a bearing on the certificate granted by the DDP on behalf of the Board or relating to any direct or indirect change in its structure or ownership or control, change in regulatory status, merger, demerger or restructuring, change in category/ sub-category / structure/ jurisdiction/ name of FPI/ beneficial ownership etc, of the FPI? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, kindly provide the necessary details | |

| Checklist | | | | |
|------------------|---|--|---|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 22.51 | 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 | |
| 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then mention the mismatch | |
| 23.2 | Whether Participant is taking backup on a daily basis? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 23.3 | Whether Participant has kept remote backup media as per prescribed guidelines? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 23.4 | Whether updated antivirus is installed on the server and all the client machines? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 23.5 | Whether log shipping facility for log generation is working and Backup/DR server (if available) are in Sync? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 23.6 | Whether all the software installed on server and client machines are licensed? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 23.7 | Whether RAID has been configured as per the prescribed guidelines? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 23.8 | Whether database reorg and shrinking are done as per the prescribed guidelines? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 23.9 | Whether scheduled switch to fallback connectivity (internet) is done and the record thereof is maintained? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 23.10 | Whether all the hardware / equipments used for depository operations are covered under AMC / warranty? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 23.12 | Whether adequate physical and logical access restrictions for usage of system are in place? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 23.13 | Whether backup of back office data is taken? | <input type="checkbox"/> Yes <input type="checkbox"/> No Not Applicable | | |
| 23.14 | Whether back office is directly connected to DPM system? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

| Checklist | | | | |
|------------------|---|---|--|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 23.15 | If reply to 23.14 is yes, whether it is in accordance with NSDL guidelines? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 23.17 | Whether physical access to client machines and server is restricted only to authorised persons? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |
| 23.20 | Whether Data-in motion and Data-at-rest is encrypted by the participant by using strong encryption methods such as Advanced Encryption Standard (AES), RSA, SHA-2, etc.? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | 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 35 (a) of SEBI (Depositories and Participants) Regulations, 2018? | <input type="checkbox"/> Yes <input type="checkbox"/> 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)? | <input type="checkbox"/> Yes <input type="checkbox"/> 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 23(2) of the SEBI (Depositories & Participants) Regulations, 2018 read with the criteria specified under regulation 20 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018? | <input type="checkbox"/> Yes <input type="checkbox"/> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, then details of the non compliance must be mentioned here | |

| Checklist | | | | |
|--|--|--|--|------------------------------|
| Sr. No. | Audit Areas | Auditor's Observation | Auditor's Remarks | Management's Comment* |
| 24.5 | Whether AI/ML reporting form (if applicable),cyber attacks and threats reports, if any have been submitted to respective authorities as per prescribed guidelines? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, then details of the non compliance must be mentioned here | |
| 24.6 | Whether change in Director / compliance officer/Principle officer/Designated director/ Shareholding pattern of the Participant /name of the participant/registered address of the participant and any such changes have been informed to NSDL? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No such changes | If no, then details of the non compliance must be mentioned here | |
| 24.7 | Whether any other deviation/non-compliance observed by internal auditor which is not specifically covered above? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If Yes, then details must be mentioned here | |
| 24.8 | Whether Participant has informed NSDL within 7 days of passing of any order / indictments by any competent authority against it? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If Yes, please provide details of order/indictment. If no, details of the non compliance must be mentioned here | |
| 24.9 | Whether guidelines/information issued by SEBI/NSDL from time to time has been communicated to all the clients by the participants wherever applicable? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If No, then details must be mentioned here | |
| 25 | Auditor's Certification | | | |
| 25.1 | Whether management comments are adequate for the deviations highlighted? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, kindly provide the necessary details | |
| 25.2 | Whether any high risk activity was identified as part of the audit and focused on, as part of the audit? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If Yes, kindly provide the necessary details | |
| 25.3 | Whether all audit checkpoints have been completed as per the stipulated timelines? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If no, kindly provide the necessary details | |
| 25.4 | If reply to 25.3 is no, whether the delay and attribution, if any, to the Participant have been highlighted to the management? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable | If no, kindly provide the necessary details | |
| 26 | Unique Document Identification Number (UDIN) | | To be filled by Practicing Chartered Accountants | |
| 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, 2018, 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. Working papers and evidences for the audit are available in our record.

13. We have considered adequate samples for the purpose of audit.

14. 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.

Annexure 3

Objectives of audit of depository operations

- i. To assure the management that the operations of the Participant are in compliance with the requirements of The Depositories Act, 1996, SEBI (Depositories & Participants) Regulations, 2018, 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.
- ii. To assure management that the DPM 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.
- iii. To assure management that the capacity of computer system, staff strength and internal procedures are commensurate with the level of business activity.
- iv. To assure management and NSDL that the business operations of the Participant are conducted in a manner that the foreseeable risks are addressed with appropriate internal control mechanism.
- v. To assure management that the operations are conducted in a manner that there is no loss of revenue and receivables are received promptly.
- vi. To assure management and NSDL that the business operations of the Participant are conducted as per the operations manual and in strict adherence with NSDL prescribed procedures.