

Circular No.: NSDL/CIR/II/07/2025

Date: April 08, 2025

Subject: Internal Audit of Registrar and Transfer Agents (RTAs)/ Issuers having direct connectivity with NSDL.

RTAs/Issuers having direct connectivity with NSDL are aware that as per Bye Law 8.5.9, every Issuer or its Registrar and Transfer Agent is required to have its operations audited by a qualified Chartered Accountant or a Company Secretary or a Cost and Management Accountant holding a Certificate of Practice. Based on such audit, a copy of the report should be submitted to NSDL on half yearly basis.

Attention of RTAs/Issuers having direct connectivity is invited to Circular No. NSDL/CIR/II/23/2024 dated October 07, 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 audit are enclosed as **Annexure 3**. RTAs/ Issuers having direct connectivity are advised to take note of the following:

1. Audit should cover all facets of the RTA/Issuer having direct connectivity operations. Auditor may expand the scope of audit / add more audit points to achieve the objectives enclosed as Annexure 3. RTAs/Issuers having direct connectivity 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. RTAs/Issuers having direct connectivity should forward the audit report as per schedule given below to NSDL –

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

3. The RTAs/Issuers having direct connectivity 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 RTA/Issuer having direct connectivity is made operational by NSDL on July 1, 2024, then it can submit first audit report for period July 1, 2024 – March 31, 2025.

4. RTAs/Issuers having direct connectivity are advised to note that the audit report format provided in this circular is applicable for audit period October 1, 2024, to March 31, 2025, and onwards.
5. RTAs/Issuers having direct connectivity are hereby informed that internal audit report which is not as per guidelines will be treated as non-submission of the report. NSDL reserves the right to advise a RTA/Issuer having direct connectivity to change its auditor if quality of the report is found to be not satisfactory or the audit is not carried out as per guidelines.
6. Any one person conducting the internal audit should obtain certification from the National Institute of Securities Markets (NISM) by passing the NISM Series II A: RTAs (corporate) certificate exam and NISM Series IIB: RTAs (Mutual Fund) certificate exam (applicable only for Mutual Fund processing RTAs. Alternatively, such persons, if eligible, may undergo Continuing Professional Education (CPE) program for depository operations (details available on www.nism.ac.in).
7. Internal audit reports need to be submitted in electronic form through e-PASS platform as mentioned in circular NSDL/CIR/II/43/2020 dated November 03, 2020.
8. RTAs/Issuers having direct connectivity are requested to update the auditor's details in the 'Auditor Master' module for existing auditors and for new auditors appointed hereafter before submission of Internal Report (IAR) through e-PASS as per NSDL NSDL/CIR/II/11/2024 dated June 14, 2024.

For and on behalf of
National Securities Depository Limited

**RAKESH M
MEHTA**
Rakesh Mehta
Vice President

Digitally signed by
RAKESH M MEHTA
Date: 2025.04.08
17:20:39 +05'30'

Enclosed: Three

Cover page	
Internal Audit Report for Depository Operations	
Name of the auditee	
SHR ID(s)	INXXXXXX
	INXXXXXX
SEBI registration number	
Expiry date of SEBI registration certificate	
Audit period	From DD-MMM-YYYY to DD-MMM-YYYY
Date(s) of Internal audit	
Name of the auditor	
Membership no. of the auditor	
NISM- Series IIA /Series IIB (applicable for only Mutual Fund Processing RTAs)/CPE Certificate no.(of any person conducting the internal audit)	
Date till which certificate is valid	DD-MM-YYYY
Name of the audit firm	
Full postal address of the audit firm	
Contact number along with STD code / mobile number of auditor	
email ID of auditor	
I / We hereby declare that Circular no. NSDL/CIR/0740/20235 dated April-April 0803, 20253 was read and understood by me / us and this report is based on the guidelines given in this Circular. I / We hereby further declare that I / we have no conflict of interest with the RTA/Issuer connected to NSDL.	
Signature of the auditor	
Stamp of the auditor / audit firm	

Date

DD-MMM-YYYY

“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.”

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

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

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

2.13	Whether RTA/Issuer connected to NSDL is processing dematerialization request in respect of the remaining physical shares in line with guidelines issued under NSDL Circular 24/2019 dated November 18, 2019 (SEBI Circular No. 2019/ 122 dated November 5, 2019) with respect of Enhanced due diligence for dematerialization of physical securities. ?	<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	
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2.14	Whether RTA/Issuer connected to NSDL has obtained the additional documents explaining the difference in name in line with guidelines issued under NSDL Circular 24/2019 dated November 18, 2019 (SEBI Circular No.2019/122 dated November 5, 2019) with respect to instances, where flags/alerts have been generated by Depository for mismatch of name on the share certificate (s) vis a vis name of the BO of demat account.	<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	
2.15	Whether RTA/Issuer connected to NSDL follows operational guidelines for transfer and Dematerialization of re-lodged physical shares in line with guidelines issued under NSDL Circular 47/2020 dated December 11, 2020 (SEBI Circular No.2020/236 dated December 2, 2020)	<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	
2.16	Whether RTA accepted partial dematerialisation i.e. entire request is not rejected or returned where only a part of request to be rejected?	<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	
2.17	Whether RTA has accepted and processed the certificates submitted in old name of the issuer, only if participant has verified the name change information from NSDL website or Ministry of Corporate Affairs (MCA) website?	<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	
2.18	Whether RTA / Issuer Companies issues a reminder after the end of 45 days and 90 days from the date of issuance of Letter of Confirmation, informing the securities holder/claimant to submit the demat request as above, in case no such request has been received by the RTA / Issuer Company?	<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	
2.19	Whether RTA / Issuer Companies credited the securities to the Suspense Escrow Demat Account of the Company, In case securities holder/claimant fails to submit the demat request within 120 days?	<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	
3	Demat Request Rejection			
3.1	Whether rejection memos have been sent within five days of rejection?	<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	
3.2	Whether rejection memo contains DP ID, client ID, rejection code and rejection reason?	<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	
3.3	Whether rejection code and rejection reason as mentioned in the rejection memo matches with that captured in the NSDL 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	

3.4	Whether the rejection code and rejection reason selected by RTA/Issuer connected to NSDL for rejecting the request were correct?	<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	
3.5	Whether certificates or letter of confirmation and physical documents are sent to the concerned Participant within 5 days of rejection of demat request?	<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	

3.6	Whether proof of despatch for request rejections has been properly maintained by the RTA/Issuer connected to NSDL?	<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	
3.7	Whether rejection memos have been sent only after rejecting the requests in NSDL 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 Conversion Request Confirmation

4.1	While processing conversion request, whether the RTA/Issuer connected to NSDL verifies the details mentioned in the CRF with that recorded on the SOA and with details as received electronically?	<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	
4.2	Whether any requests have been confirmed where there exists any prohibitory order, stop transfer, attachment order, or disputed title on the said mutual fund (MF) units?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable		
4.3	If reply to 4.2 above is yes, mention the number of cases along with details of the matter.			
4.4	While processing conversion request, whether the RTA verifies the signature of the applicant(s) with the signature as available in record of the RTA/Issuer connected to NSDL?	<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	Whether conversion request form of Alternative Investment Fund (AIF) units are processed in accordance with SEBI/ NSDL 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 Conversion Request Rejection

5.1	Whether rejection memos along with SOA have been sent in cases of rejections and proof of dispatch maintained?	<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 rejection code and rejection reason as mentioned in the rejection memo matches with that captured in the NSDL 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	
5.3	Whether the rejection code and rejection reason selected by RTA/Issuer connected to NSDL for rejecting the request, was correct?	<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 Remat Request Confirmation

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6.1	Whether RTA/Issuer connected to NSDL transfers the registered ownership of securities from the name of National Securities Depository Limited to the name of the BO when the remat requests are processed?	<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 certificates are sent within period of 30 days from the date of receipt of remat request?	<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	
6.3	Whether proof of despatch of physical certificates has been properly maintained by RTA/Issuer connected to NSDL?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, then number of cases with discrepancies must be mentioned here	
7	Remat Rejection			
7.1	Whether rejection memos have been sent in all cases of rejections within five days of rejection?	<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	Whether rejection memo contains DP ID, client ID, rejection code and rejection reason?	<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	
7.3	Whether rejection code and rejection reason as mentioned in the rejection memo matches with that captured in the NSDL 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	
7.4	Whether the rejection code and rejection reason selected by RTA/Issuer connected to NSDL for rejecting the request were correct?	<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	
7.5	Whether proof of despatch for request rejections has been properly maintained by the RTA/Issuer connected to NSDL?	<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	
7.6	Whether rejection memos have been sent only after rejecting the requests in NSDL 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	
8	Reconversion/Redemption/Repurchase Request Confirmation			

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

10.5	Whether details of shareholding of each allottee whose shares have been credited to suspense account is properly maintained by the Issuer?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, then number of cases with discrepancies must be mentioned here	
10.6	In case if the RTA/Issuer connected to NSDL has transferred any shares out of the said suspense account during the audit period, whether the same was as per the stipulated procedure?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, then number of cases with discrepancies must be mentioned here	
10.7	Whether in case of redemptions, RTA/Issuer connected to NSDL has made payment towards repurchase / redemption to the clients?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, then number of cases with discrepancies must be mentioned here	

10.8	Whether RTA/Issuer connected to NSDL verifies name of the investor(s) as appearing on the Issue Application Form with that as obtained from NSDL?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, then number of cases with discrepancies must be mentioned here	
10.9	Whether the name of National Securities Depository Limited (NSDL) is recorded as "Registered owner of Securities" in the Register of Members for securities allotted in electronic form in NSDL?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, then details of discrepancies must be mentioned here	
10.10	Whether for locations where facility of ECS is available, bank details of applicants have been taken directly from demat accounts of the applicants in respect of refund in public / rights issues made completely in demat form?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	If no, then details of discrepancies must be mentioned here	
11	Reconciliation			
11.1	Whether separate folios for NSDL & CDSL are maintained in backoffice?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
11.2	What is the mechanism of carrying out daily reconciliation?	<input type="checkbox"/> Manual <input type="checkbox"/> Back office		
11.3	Whether reconciliation between NSDL control position and Register of Members is carried out on a daily basis by RTA/Issuer connected to NSDL as per SEBI/NSDL guidelines?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
11.4	If reply to 11.3 above is no, then mention the frequency at which reconciliation is being carried out.			
11.5	Whether reconciliation mismatch was observed?	<input type="checkbox"/> Yes <input type="checkbox"/> No		

11.6	If reply to 11.5 above is yes, whether RTA / Issuer connected to NSDL has sent any mismatch report to NSDL?	<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	
11.7	Whether RTA/Issuer connected to NSDL is maintaining a register for recording the reconciliation figures?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, then number of cases with discrepancies must be mentioned here	
11.8	Whether the back office records are reconciled with the NSDL records for pending remat?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, then number of cases with discrepancies must be mentioned here	
11.9	Whether arithmetic sum of shares in NSDL system, in CDSL system and shares held in physical form is equal to the total issued capital of the company?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, then number of cases with discrepancies must be mentioned here	
11.10	Whether RTA has a suitable SOP to handle instance(s) of erroneous confirmation of the demat request instead of rejection, if any in accordance with NSDL circular NSDL/CIR/II/33/2023 dated August 17, 2023?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, then number of cases with discrepancies must be mentioned here	

11.11	Whether RTA does not have any instance(s) of erroneous confirmation of the demat request instead of rejection reported resulting in mismatch in share capital? - If no, whether same has been rectified?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, then number of cases with discrepancies must be mentioned here	
12	INVESTOR GRIEVANCES			
12.1	Whether there is any system to record & redress all grievances of clients?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, then details of discrepancies must be mentioned here	
12.2	Whether the Action Taken Report (“ATR”) has been submitted to SEBI within 21 calendar days from the date of receipt of the complaint from SCORES portal?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, then details of discrepancies must be mentioned here	
12.3	Whether grievance received from Beneficial Owner directly is also reported in grievance report submitted to NSDL?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	If no, then details of discrepancies must be mentioned here	
12.4	Whether quarterly investor grievance reports have been submitted to NSDL as per SEBI / NSDL guidelines within stipulated timelines?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, then details of discrepancies must be mentioned here	
12.5	Whether RTAs disclosed the data on complaints received against them or against issues dealt by them and redressal thereof on their websites within prescribed timelines?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, then details of discrepancies must be mentioned here	
13	Record Maintenance			

13.1	Whether Issuer or its Registrar and Transfer Agent maintain the records relating to its Depository related business activities such as demat / remat / conversion / reconversion as per the period prescribed under NSDL guidelines?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, then number of cases with discrepancies must be mentioned here	
13.2	Whether all documents related to Corporate Actions are maintained ?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, discrepancies must be mentioned here	
13.3	Whether RTA has a process to maintain a record of the destroyed certificates?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, discrepancies must be mentioned here	
14	Status of compliance for deviations / observations noted in last NSDL inspection and internal / concurrent audit report			
14.1	Whether RTA/Issuer connected to NSDL has complied with all the deviations noted during last NSDL inspection?	<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	

14.2	Whether RTA/Issuer connected to NSDL 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		
14.3	Whether RTA/ Issuer connected to NSDL has taken adequate preventive and corrective measures in respect of deviations noted during last internal 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	
14.4	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	
14.5	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	
15	Reporting by RTA/Issuer connected to NSDL to its Board of Directors			
15.1	Whether RTA/ Issuer connected to NSDL has placed last inspection findings alongwith management comment before its Board of Directors? <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	

15.2	Whether RTA/Issuer connected to NSDL has placed last internal audit findings alongwith management comment before its Board of Directors? <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	
16	Miscellaneous			
16.1	Whether change in office address (Registered / Corporate) and / or investor relations officer / Compliance officer / contact details of RTA / Issuer connected to NSDL has been communicated to NSDL as per prescribed guidelines?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	If no, then details of discrepancies must be mentioned here	
16.2	Whether RTA is updating Distinctive Number (DN) information in respect of all physical share capital and overall DN range for dematerialised share capital for all listed companies in the manner prescribed by SEBI?	<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	
16.3	Whether common agency requirement as prescribed by SEBI is being adhered to with respect to all the listed companies handled by the RTA?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, then number of cases with discrepancies must be mentioned here	
16.4	While processing demat request, whether name and specimen signature of authorised signatory is obtained by the RTA handling only electronic connectivity?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	If no, then details of discrepancies must be mentioned here	

16.5	While processing demat request, whether confirmation received from the company is compared with the list of authorised signatories before updating system by the RTA handling only electronic connectivity?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	If no, then details of discrepancies must be mentioned here	
16.6	Whether the RTA handling only electronic connectivity ensures that no activity is carried out in case of companies who have not provided specimen signatures of the authorized signatories?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	If no, then details of discrepancies must be mentioned here	
16.7	Whether Issuer connected to NSDL / RTA has processed requests for transfer of locked-in securities or securities held under suspended ISIN in case of account closure (inter-depository) and transmission (intra depository and inter-depository) as per prescribed guidelines?	<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.	
16.8	Whether depository operations handled by RTA / Issuer connected to NSDL are in accordance with SEBI/ NSDL guidelines?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	If no, details of discrepancies must be mentioned here	

16.9	Whether the Issuer having connectivity with NSDL and handling registry operations in-house, has more than one lac share holders?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	If no, details of discrepancies must be mentioned here	
16.10	If reply to 16.9 above is yes, whether procedure for registration as Share Transfer Agent has been initiated/ completed with SEBI?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	If no, details of discrepancies must be mentioned here	
16.11.	Whether all associated persons engaged in depository operations are NISM certified as per SEBI/NSDL guidelines?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, details of discrepancies must be mentioned here	
16.12	Whether RTA 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/CIR/II/31/2023 dated August 17, 2023: - Implementation of ODR mechanism as required in aforesaid circular i.e. registration of RTA on the ODR Portal by September 15, 2023. - Display a link to the ODR Portal on the home page of their websites and mobile apps.	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, details of discrepancies must be mentioned here	
16.13	Whether any regulatory action has been taken against RTA by SEBI, RBI, stock exchanges, etc.?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If Yes, then details regulatory action must be mentioned here	

16.14	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	
16.15	Whether any instances of delay were observed in confirmation/ rejection of pending demat/remat requests which were not processed within the stipulated time frame, where the delay is attributed to the listed Issuer?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, details of discrepancies must be mentioned here	
16.16	Whether guidelines/information issued by SEBI/NSDL from time to time has been communicated to all the companies handled by the RTA/Issuer wherever applicable?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, details of discrepancies must be mentioned here	
16.17	Whether RTA/issuer updated the details related to Grievance Redressal, Escalation, Timelines etc. with respect to depository operation, in Investor charter and also display the same on website and at prominent places in offices?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, details of discrepancies must be mentioned here	
17	System Areas			
17.1	Whether adequate physical and logical access restrictions for usage of system are in place?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, then number of cases with discrepancies must be mentioned here	
17.2	Whether scheme of variable access rights is implemented?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, then details of the issue must be mentioned here	

17.3	Whether NSDL system is used only for the depository operations and no other software or alteration of parameters / configuration has been made?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, then details of the issue must be mentioned here	
17.4	Whether Antivirus software in the client machine is updated as per prescribed frequency?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, then details of the issue must be mentioned here	
17.5	Whether all the softwares installed on client machine are licensed?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, then details of the issue must be mentioned here	
17.6	Whether documentation relating to procedure for internet and etoken has been maintained?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, then details of the issue must be mentioned here	
17.7	Whether hardware and operating system on machines used for depository operations are as per the specifications mentioned in the latest Form B submitted to NSDL?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, then details of the issue must be mentioned here	
17.8	Whether scheduled switch to fallback connectivity is done and the record thereof is maintained?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, then details of the issue must be mentioned here	

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

Annexure 3

Objectives of audit of RTA/Issuer having direct operations

- i. To assure the management that the operations of the RTA/Issuer having direct electronic connectivity with NSDL 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 various circulars issued by SEBI / NSDL from time to time.
- ii. To assure management that the DPM (SHR) system 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 RTA / Issuer having direct electronic connectivity with NSDL are conducted in a manner that the foreseeable risks are addressed with appropriate internal control mechanism.