



Central Depository Services (India) Limited

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COMMUNIQUE TO DEPOSITORY PARTICIPANTS

CDSL/AUDIT/DP/POLCY/2021/236

May 25, 2021

REVISED FORMAT FOR REPORT ON INTERNAL AUDIT AND CONCURRENT AUDIT OF RISK PRONE AREAS OF DP OPERATIONS FOR HALF YEAR ENDED 31ST MARCH 2021

As per CDSL Bye-laws 16.3.1 every participant shall ensure that an internal audit shall be conducted in respect of the participant's operations relating to CDSL by a qualified Chartered Accountant / Company Secretary / Cost Accountant having a valid certificate of practice, at such intervals as may be specified by CDSL from time to time and furnished the same to CDSL.

2. The scope, objectives, and the revised checklist of the IAR is enclosed which will be applicable for the Internal / Concurrent audit for the half year ended 31st March 2021. If the internal auditor and concurrent auditor of the DP is the same then the consolidated report should be submitted in the format specified [Refer Annexure-A] and if the auditors are different, then internal audit report should be submitted in the format specified (Refer Annexure-A) along with the report on concurrent audit (CAR) of risk prone areas as per the specified format [Refer Annexure-B] as an attachment to the internal audit report.

3. The due date for submission of IAR for half year ended 31st March, 2021 has been extended from 15th May, 2021 to 31st July, 2021 as per SEBI Circular SEBI/HO/MIRSD/DOP/P/CIR/2021/559 dated April 29, 2021.

4. CDSL has developed a facility for online submission of IAR and CAR from half year ended 31st March, 2017. The submission of IAR and CAR should be online as per the procedure prescribed in the Communique [CDSL/A.I&C/DP/POLCY/2017/215](#) dated April 28, 2017. Physically submitted IAR and CAR report will not be accepted and considered as non-submission.

5. DPs which have been activated during the half year ended 31st March 2021 should submit the audit report pertaining to the period from the date of activation till the end of the half year.

6. NISM Qualification:

The audit report should contain a declaration to the effect that at least one person conducting the internal and/or concurrent audit of the depository participant is NISM certified. The audit report submitted by the DP and signed by the auditors who have not fulfilled the requirement of NISM qualification will not be accepted and considered as non-submission.



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7. Compliance officers are required to bring this communiqué to the notice of the Internal and Concurrent Auditors and ensure compliance.

8. CDSL reserves the right to advise a Participant 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.

Queries regarding this communiqué may be addressed to CDSL – Audit, Inspection & Compliance Department on telephone nos. (022) 2305-8678, 2305-8679, 2305-8518 and 2305-8513.

sd/-

Latha Nair
Assistant Vice President – Audit, Inspection & Compliance