



Central Depository Services (India) Limited

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COMMUNIQUE TO DEPOSITORY PARTICIPANTS

CDSL/AUDIT/DP/POLCY/2021/493

October 29, 2021

REVISED FORMAT FOR REPORT ON INTERNAL AUDIT AND CONCURRENT AUDIT OF RISK PRONE AREAS OF DP OPERATIONS FOR HALF YEAR ENDED 30TH SEPTEMBER 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 30th September 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 30th September, 2021 is 15th November 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 30th September 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.

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



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8. CDSL reserves the right to advise a Participant to change its auditor if quality of the report is found to be unsatisfactory or if 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, 2305-8515.

sd/-

Latha Nair
Assistant Vice President – Audit, Inspection & Compliance

The audit of the Main DP and all live connected branch DPs should be conducted along with the respective reporting service centres, if any. The auditors should visit adequate number of service centres (on sample basis) to check proper procedures are being followed at such centres.

The audit should cover all aspects of DP operations. A checklist of audit points is given below which stipulates the minimum areas to be verified. Over and above, auditors may adopt more stringent requirements and expand the scope of audit or add more audit points to achieve the audit objectives listed below.

OBJECTIVES OF AUDIT: -

The following are the broad objectives of audit to ensure that:

- a. The Participant complies with the requirements of the Depositories Act, 1996, SEBI (Depositories & Participants) Regulations, 2018, Circulars issued by SEBI/ PMLA, Bye Laws and Operating Instructions for Depository Participants, Communiqués issued by CDSL and the Rights & Obligations document provided to the Beneficial Owners.
- b. The required internal controls, checks and risk management procedures are in place.
- c. The manpower, procedures and systems of the Participant are adequate with respect to the current and projected business of the participant.
- d. Appropriate risk management policy with internal control and exception reporting mechanism is in place.
- e. The systems are managed in a manner that there is no risk to business continuity and integrity of data processing system and it is maintained at all times.
- f. The procedures with respect to maintenance of records are adequate. In the event of loss or destruction of data, sufficient backup of records should be available at all times.

AUDIT REPORT: -

The audit report should contain the following:

- 1) The scope, objectives, period covered and nature and extent of audit work performed.
- 2) The sample size of service centres visited, specifying no. of service centres visited and their percentage to the total service centres of the DP.
- 3) Observations on all the audit points mentioned in the checklist given below highlighting the exceptions and deviations of repetitive nature. In case of any deviation from the prescribed procedure, the exact nature of deviation should be stated.
- 4) Recommendations of auditors with respect to internal controls, procedures, etc.
- 5) Management comments on all the exceptions, deviations, adverse observations and recommendations made by the auditor.

- 6) Compliance status regarding observations made in the earlier audit report/s, previous SEBI and CDSL inspection. In case of any misleading compliance provided by the DP, the internal auditor should specifically mention the same.
- 7) In case if any point / comment is of confidential nature, auditor may communicate it separately to CDSL.
- 8) The checklist points which are not applicable should be marked as 'not applicable' indicating the reason for the same in the remark column or else may be considered as a non compliance. The number of instances where non-compliance has been observed should be stated under the column 'No. of instances'.
- 9) In case of Account Opening and KYC documentation, "NA" is valid only if there are no accounts opened during the period and same needs to be mentioned by the auditors in remarks column.

Note: (1) Auditors are advised to refer to the Compliance Manual & Inspection Manual which is available on CDSL's website.

(2) Under point no. 21 of the checklist, provide the details of Internal Auditors and Concurrent Auditors both, if the internal auditors and concurrent auditors are two different firms.

Name & Address of the Depository Participant:

DP-ID :

Period for which the audit is conducted:

Name, Telephone number and Email ID of the Compliance Officer:

| | | |
|--|---------------------------------|---------------------------------|
| Number of accounts opened during the period under Audit | | |
| Number of accounts closed during the period under audit. | | |
| a) Initiated by BOs | | |
| b) Initiated by DP | | |
| Number of active accounts | | |
| Total number of transmissions | | |
| Sampling Plan | | |
| Audit Area | Total Count during audit period | Sample Size (In actual numbers) |
| | | Sample Size (%) |
| Service centres visited | | |
| Account opening | | |
| BO Account data modifications including POA | | |
| Dematerialisation/ Destatementization | | |

| | | | |
|---|--|--|--|
| Rematerialisation/ Restatementisation | | | |
| DIS issuance | | | |
| DIS processing - Off market, on market, inter-depository, early pay in instructions | | | |
| Physical | | | |
| E-DIS | | | |
| Transaction Statements | | | |
| Account closure initiated by BO | | | |
| A – Online (100%) | | | |
| B- Others | | | |
| Account closure initiated by DP | | | |
| Pledge, unpledge, hypothecation & confiscation instructions | | | |
| Transmissions | | | |
| Freeze & Unfreeze | | | |
| a. Statutory | | | |
| b. Others | | | |
| BO Grievances/ Redressal | | | |
| Non Disposal Undertakings (NDUs) | | | |
| Accreditation of investors (IGP) | | | |

Place of keeping records: - Main DP & Live Connected Branch DPs both should be provided by the Main DP.

Type of documents will be either "ALL" or "specific type of documents" like account opening forms, Instruction slips etc.

| DP ID | Place at which documents are being stored | Type of documents stored | Documents kept for the Period (From-To) | Remarks |
|-------|---|--------------------------|---|---------|
| | | | | |

1) Account Opening and KYC Documents:

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|--|-----------------|-----------------------------|
| 1. a | Proof of identity is obtained from all holders of a non-body corporate as per SEBI, PMLA and CDSL requirements. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 1. b | Proof of Address is collected from all holders as per SEBI, PMLA and CDSL requirements. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 1. c | Proof of identity and address of third party is obtained and due diligence is done as prescribed by SEBI, PMLA and CDSL, in case third party address is obtained as correspondence address. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 1. d | The DP obtains the proof of correspondence address and keeps on record, if the BO is registered with KRA and does not want to use the correspondence address mentioned in the KRA system. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 1. e | All KYC documents are self-attested by the BO(s) and signature(s) of client(s)/ authorised signatories provided on account opening form and KYC documents is/are matching. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 1. f | The DP has actually verified documents with originals and affixed the stamp accordingly on all KYC documents. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 1. g | Translation into English is on record of the DP, if any proof of identity or proof of address is in foreign language. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 1. h | The DP 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. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 1. i | The DP has uploaded the existing clients' KYC details with Central KYC Records Registry (CKYCR) System. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2. a | The requirement of obtaining PAN card details has been complied with. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2. b | PAN details 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 account holders. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2. c | The DP has correctly & adequately entered PAN details in CDSL system. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|---|-----------------|-----------------------------|
| 3.a | The DP does "In person verification" as prescribed by SEBI, PMLA and CDSL guidelines and maintains record of in-person verification. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.b | Photograph(s) of BO(s) is/are collected and is signed across by the account holder. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.c | The DP performs initial KYC/due diligence and uploads the information with proper authentication on KRA system and furnishes the scanned images of the KYC documents to the KRA and retain the physical documents. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.d | Corrective actions are taken by DP, for cases kept on hold / rejected by KRA. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.e | The DP downloads/ fetches the documents from KRA site and maintains electronic records of KYCs of BOs where initial KYC is registered through other intermediary. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.f | The DP has uploaded the modification / missing data in the MF-KYC verified cases on the KRA system. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4.a | Necessary documents / information as per guidelines prescribed by SEBI and CDSL have been collected from different types of BOs such as individual investors (Minor, HUF, and NRIs etc), CMs, Corporate, OCBs, Trusts, etc. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4.b | The procedures prescribed by CDSL for opening the demat account of illiterate / disabled person/ blind or person suffering from cerebral palsy/autism/mental retardation and multiple disabilities are being complied with. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4.c | Partnership / proprietorship firm accounts are opened as per operating instruction 2.4.5. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 4.d | There is a mechanism to ensure that the details of account opening forms are entered correctly in the CDAS and opened under appropriate category. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4.e | PMS Demat/PMS Pool account opened by the DP is as per the guidelines issued by CDSL /SEBI. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4.f | The procedure prescribed by CDSL for opening & operating the AMC CM accounts for settlement of Mutual Fund units is being complied with. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|---|-----------------|-----------------------------|
| 4.g | Nomination is made as per the procedure prescribed by CDSL and nomination form is duly filled, executed and updated in CDAS. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4.h | Proof of bank details is obtained as prescribed by CDSL and same has been entered in CDAS. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4. i | The information on Financials of BOs is obtained in the account opening form. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 5 | The DP has opened BSDA account as per guidelines issued by SEBI and CDSL. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 6.a | The DP has given Rights & Obligations document to the BOs and kept acknowledgement on record in case of new demat accounts opened. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 6.b | The DP has not done any alterations in the contents of the SEBI specified Rights and Obligations document. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 6.c | The DP-CM agreement has been executed for CMs of BSE, in case of CM account opened by the DP. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 6.d | The DP has not executed any Supplementary agreement/undertaking with the BO, which is contradictory to SEBI specified Rights and Obligations document. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 7.a | Signatures of authorised signatories are properly scanned in CDAS and Back Office System along with mode of operation as per Board resolution. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 7.b | BO signatures have been appropriately scanned in CDAS and Back office system. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 8.a | Client Master Report has been provided to the BOs. (Through email, physical, through DP's web site etc.). | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 8.b | Tariff Sheet has been signed by the BO at the time of account opening. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 9 | The DP has created master POA ID for all POA holders in CDSL system and mapped to the respective demat accounts where DIS is issued to POA holder. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|---|-----------------|-----------------------------|
| 10. | The DP ensures that separate mobile number and email address is being captured for each client by checking against existing demat accounts within the same DP. (Refer Communiqué 5139) | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 11 | DP opens demat account using SARAL account opening form which is as per SEBI/ CDSL guidelines. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 12 | DP has obtained FATCA/CRS declaration from the BOs. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 13 | The DP 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 | | |
| 14 | 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 CDSL guidelines (especially for non- individual clients) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 15 | Documentation verification and maintenance of the Accredited Investors (AI) data is as per the prescribed procedure. (Communique 435 dt. August 29, 2019) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 16 | DP has made the provision in the Demat Account Opening form to mention the UCC details of the sole / first holder of Demat Account. (Ref.Comm.141 Dt. March 16, 2020) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 17 | DP has obtained UCC details along with corresponding exchange ID at the time of demat account opening from their clients. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 18.1 | In case of online on-boarding of client using Aadhar based e-KYC facility, the DP is in compliance with e-KYC authentication guidelines for Resident Investor as per SEBI Circular no. SEBI/HO/MIRSD/DOP//CIR/P/2019/123 dated November 05, 2019, SEBI/HO/MIRSD/DOP/CIR/P/2020/73 dated April 24, 2020 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 18.2 | In case of online on-boarding of client where intimation letter is returned for wrong / incorrect address, addressee not available etc, DP has not allowed any transactions in such account. (Refer SEBI circular SEBI/HO/MIRSD/DOP/CIR/P/2020/73 dated April 24, 2020) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|---|-----------------|-----------------------------|
| 18.3 | DP is registered with UIDAI as sub-KUA to undertake Aadhaar authentication services through KUAs and has entered into an agreement with KUA as per SEBI Circular SEBI/HO/MIRSD/DOP/CIR/P/2020/80 date May 12, 2020. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 18.4 | The DP has obtained express consent of the investor before undertaking online KYC. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 18.5 | The DP has accepted only officially Valid Document (OVD) with e-sign | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 18.6 | The DP has mandatorily captured Live photograph of the client with time stamping and geo- location tagging and liveness check for the accounts opened with online KYC through the Aadhaar as OVD, any other OVD or through download of KYC from KRA. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 18.7 | The 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"/> N. A. | | |
| 18.8 | The 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 the BO with his wet signature under esign. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 18.9 | The 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"/> N. A. | | |
| 18.10 | 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; the DP has obtained signed cancelled cheque as a photo/scan of the original under eSign of the BO. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 18.11 | The DP has forwarded KYC completion intimation letter through registered post/ speed post or courier, to the address of the investor in cases where the investor has given address other than as given in the OVD. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 18.12 | The DP has frozen the BO account for further transactions in the depository and intimation sent to the client on mobile number and email id or on the permanent address of the client where the investor has given address other than as given in the OVD have been returned undelivered | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|---|-----------------|-----------------------------|
| 18.13 | The 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"/> N. A. | | |
| 18.14 | In case of VIPV is undertaken activity logs along with the credentials of the person performing the VIPV are maintained by the DP. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 18.15 | The VIPV has been undertaken in a live environment. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 18.16 | The 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"/> N. A. | | |
| 18.17 | The 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"/> N. A. | | |
| 18.18 | The 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"/> N. A. | | |
| 18.19 | The 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"/> N. A. | | |
| 18.20 | In cases where the proof of possession of Aadhaar number is submitted as OVD the Aadhaar number is redacted or blacked out and the DP has not stored/saved the Aadhaar number of the BO in their system. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 18.21 | The 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"/> N. A. | | |
| 18.22 | The 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"/> N. A. | | |
| 18.23 | The DP 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"/> N. A. | | |

2) **Account Modifications and other requirements:**

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 1.a | Modification to account details is done only after accepting account modification form/letters duly signed by BO(s) except for the demographic details. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 1.b | Modification to account details is updated in CDAS and Back office system and intimated to the BO. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2.a | In case of Change of address, self attested proof of address has been obtained from the BO & procedure prescribed by KRA is followed by the DP. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2.b | In case of change in address of the BO, confirmation letter is sent to BO at old as well as new address. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2.c | In case of change in name of the BO, DP has followed the procedure and obtained the documents as prescribed by SEBI/CDSL & procedure prescribed by KRA is followed. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2.d | Rectification in the name of the BO (individuals and non individuals) on account of typographical error at DP end is carried out as prescribed in the Communiqué 5141 and required documents are kept on records. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2.e | In case of change of signature of the BO (Individual or Corporate), procedure as prescribed by CDSL and SEBI is followed. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2.f | Mode of operation is specified correctly in the CDAS and Back office system while effecting change in signature. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3 | Change in bank account details with proof has been obtained and entered in CDAS as prescribed by SEBI and CDSL. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4 | Nomination is modified / updated / captured as per CDSL guidelines. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 5 | Power of Attorney modification is done as per CDSL guidelines. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 6 | PAN details have been modified / updated / captured correctly in CDAS and Back office system and procedure prescribed by KRA is followed. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|--|-----------------|-----------------------------|
| 7 | The DP has reassessed the eligibility of the BOs at the end of every billing cycle and has converted all existing eligible demat accounts into BSDA unless such BOs specifically opt to continue to avail the facility of a regular demat account as per SEBI circular no. CIR/MRD/DP/20/2015 dated December 11, 2015. (Refer communique 5615) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 8 | DP has properly processed addition/deletion request of UCC details of sole/first account holder. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

3) Dematerialization / Rematerialisation / Destatementization / Restatementization:

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|--|-----------------|-----------------------------|
| 1.a | The Demat requests are accepted and processed (including Transposition cum demat cases and Transmission cum demat cases) as per prescribed procedure. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 1.b | The DP checks the Distinctive Numbers of certificates of securities submitted by its clients for dematerialisation with the records of Distinctive Numbers made available by CDSL 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"/> N. A | | |
| 2 | The Remat / Repurchase / Restat are processed as per prescribed procedure. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.a | The DP has a system of inward of Demat request (DRF)/MF DRF / Remat/ Repurchase received which clearly gives information about date of receipt of DRF / RRF from BO. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 3.b | There is a system to affix a stamp "surrendered for dematerialization along with DP name, DP ID and BO ID" and the certificates are defaced and mutilated before sending it to Registrar & Transfer Agents / Issuers. . (Except Government Securities Certificates). | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 3.c | The DP before accepting demat request checks with the list of companies with the maximum pending demat requests provided by CDSL. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.d | Demat / Destat / Remat / Restat requests received from BOs are sent to the Issuer/ RTA/AMC within seven days from the date of receipt of request. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 3.e | The DP has an adequate system for keeping the physical securities under safe custody till dispatch to the Issuer / RTA/ AMC. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 3.f | There is a procedure for recording of demats / remats dispatch details such as dispatch ref. no., dispatch date, name of courier / signature of the BO etc.. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 4 | In case of securities lost in transit, follow-up and action is taken by the DP and procedure has been followed. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 5.a | In case of Demat / Destat / Remat / Restat requests rejected due to the errors attributable to the DP, corrective actions are taken. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 5.b | The certificates along with rejection letters are returned to the concerned BO within 7 days of receipt from the RTA and record of such dispatch is maintained. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 6 | DP has obtained additional documents prescribed in SEBI Circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2019/122 dated November 05, 2019, 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 (comm. 31 dated January 15, 2020) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

4) Issuance of Delivery Instruction Slip (DIS):

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|---|-----------------|-----------------------------|
| 1.a | The DP issues standardised DIS as per SEBI Circular CIR/MRD/DP/ 01/2014 dated January 07, 2014 and CDSL communiqué 4488 dated June 9, 2014. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 1.b | The DP has entered / uploaded the issuance details of DIS booklet issued to BOs in CDAS. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2.a | There is a control over issue of instruction slips to the BOs e.g. proper records of instruction slip serial numbers vis-à-vis account number. (DIS issue register and Back office system). | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2.b | There is a proper inventory control mechanism for instruction slip booklets. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2.c | The physical inventory is tallied with the inventory records at prescribed intervals. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|---|-----------------|-----------------------------|
| 3.a | The first instruction slip booklet is being issued as per the procedure prescribed for the same. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.b | In case of first instruction slip booklet is not issued to the BO, (only in case where BO has given power of attorney to CM or PMS Manager), consent of the BO has been obtained for the same. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4. | Instructions slips have been issued to the BO for the account under BSDA as per SEBI guidelines. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 5.a | There is a system to issue delivery instruction booklets to the BOs based ONLY on the requisition slip which forms part of the earlier issued instruction slip booklet and is signed by all account holders. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 5.b | Signature of BO in the CDAS system and Back office software, matches with the requisition slip and issuance register. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 6.a | If any instruction slip booklet is issued on the basis of letter instead of requisition slip, the procedure prescribed under operating instructions 6.5.1.12 is followed. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 6.b | DIS issued on the basis of requisition slip to person other than BO (to the bearer), signature of the bearer is attested by the BO on the requisition slip / authority letter and acknowledgement is obtained for the receipt of the DIS booklet. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 7.a | Requisition slip has pre-stamped BOID and pre-printed instruction slip serial number range / booklet no. of the DIS booklet of which it forms a part. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 7.b | The DIS issued to BOs have pre-stamped BO ID and pre-printed serial number. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 8.a | Issuance of loose delivery slips to BOs, if any, is as per the procedure prescribed by SEBI / CDSL. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 8.b | The DP has not issued more than 10 loose DIS to any account holder in a financial year (April to March). | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 9 | The DP has captured details of Undelivered DIS serial numbers in CDAS on receipt of the information. (Refer communiqué 5327) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

5) Processing of Delivery Instruction Slip (DIS):

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|---|-----------------|-----------------------------|
| 1 | Instructions are executed only on the basis of duly signed instruction slips or through digitally signed electronic instructions, as prescribed under guidelines of SEBI and CDSL and is available for verification. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2 | Digitally signed electronic instructions are processed & executed as per operating instructions 17.9 (as prescribed under guidelines of CDSL / SEBI). | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.a | The DP has not accepted pre signed DIS with blank columns from the BO(s) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 3.b | The date and time of receipt stamp is affixed on DP's and BO's copy of DIS. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 3.c | The delivery instructions received beyond the prescribed deadlines are suitably stamped. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.d | DIS executed is complete in all manners and no mismatch is observed. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 3.e | All off-market instructions are executed in system as per the execution date written by the BO and are correctly entered by the DP. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 3.f | Blank columns in the delivery instruction slips are struck off. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 4.a | Signatures on instruction slips are verified/ matched before execution of instruction. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 4.b | Corrections / cancellation on the instruction slips, if any, are authenticated by all the joint holders/ authorised signatories / POA holder (as the case may be). | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 5 | The delivery instructions accompanied by annexures are accepted and processed as per the procedure prescribed by CDSL. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 5.a | DIS accompanied by Annexure provided with requisite information is obtained from client intending to avail block mechanism facility with early pay-in facility in accordance with the prescribed guidelines. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 6 | The DIS contains information on "consideration" and Reason/purpose" in cases of off-market transactions and payment details if consideration amount is mentioned. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|--|-----------------|-----------------------------|
| 7 | The DP does DIS slip number validation against the issue details before execution of instruction through back office software. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 8 | Signature of the account holder has been appropriately scanned in CDAS and DP Back office system (signatures checked for DIS verification). | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 9 | The DP follows the procedure as per CDSL guidelines for executing instructions received from illiterate /disabled/ blind/ / mentally disabled persons. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 10.a | The DP follows maker – checker system to process the instructions for the correctness and signatures. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 10.b | There is a system to additionally check and verify (verifier level) high value instructions executed. (DIS with value of Rs. 5 lakhs and above). | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 10.c | There is a system to additionally check and verify (verifier level) transactions originating from dormant accounts. (Not operative for 180 days or more). | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 10.d | The DP verifies transactions originating from dormant accounts with the account holders before execution and records the details of the process on instruction slip. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 11.a | There is a provision in back office for blocking of DIS serial numbers which are already used. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 11.b | There is a provision in back office for blocking of DIS serial numbers which are reported lost/misplaced/stolen. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 11.c | The DP has blocked already used DIS and/or reported lost / misplaced / stolen DIS in back office. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 11.d | DIS serial numbers of lost/ misplaced/ stolen DIS are updated in CDAS so as to prevent execution of such DIS. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 12.a | The fax indemnity in prescribed format is obtained from BOs before accepting instructions through fax. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 12.b | The original instruction slips are received within three days in case of fax instructions are accepted. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 13 | All debit transactions pertaining to the government securities have been executed only after receipt of authorization from the BO. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|--|-----------------|-----------------------------|
| 14 | The DP has used Codes as 'STOR999999999999' or 'RVET999999999999' for entering DIS Sr. numbers for instructions based on court / statutory orders or towards reversal of erroneous transfer respectively where no delivery instruction slip is available. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 15 | In case active accounts having five or more ISINs and all such ISIN balances are transferred at a time, DP has verified with the client before execution of DIS and recorded the details of verification process, date, time, etc. on DIS under the signature of the official as per SEBI guidelines (Refer Communique 846). | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 16 | In case of Inter Depository debit transactions for G-sec DP has obtained OTSD (One Time Self Declaration) stating that transactions executed in his/her demat account are bonafide transactions. (Refer communique CDSL/OPS/DP/SYSTM/2020/66 dated January 31, 2020) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 17 | DP is following the guidelines issued through CDSL communique from time to time pertaining to using uniform/standardized reason codes while executing off-market transactions. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| | Point 18 to 34 applicable to DPs providing e-DIS facility: | | | |
| 18 | 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"/> N. A | | |
| 19 | An 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 <input type="checkbox"/> N. A | | |
| 20 | 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"/> N. A | | |
| 21 | The mandate provided by BO pertain to a single settlement number /settlement date | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 22 | 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"/> N. A | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|--|-----------------|-----------------------------|
| 23 | DP has provided the facility to its client to revoke / cancel the mandate provided by them. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 24 | 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"/> N. A | | |
| 25 | The mandate adheres to the requirement of DP to return the securities to client that may have been transferred erroneously. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 26 | The 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"/> NA | | |
| 27 | The 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"/> N. A | | |
| 28 | The 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"/> N. A | | |
| 29 | DP ensures two factor authentication of Login - Login to DP's portal with customer's own customer id and password and on successful login client to be asked for security questions for authentication | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 30 | The IP address / logs of device through which transaction is originated, Message logs of SMS / Emails forwarded to BOs is stored by the DP. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 31 | The DP has a provision of a report to check DIS given online by client | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 32 | DP Back Office has check to identify the transactions executed through the online portal. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 33 | System audit report is submitted to CDSL along with Internal Audit Report of the half year ending March for each Financial Year | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 34 | DP has placed last system audit report before the Board for consideration and noting. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

6) Scanning of Delivery Instructions Slips (DIS) :

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 1 | The DP does scanning and uploading of all DISs entered/executed in the system along with Annexure, if any within stipulated time period. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2 | The DIS received through fax for execution is scanned and uploaded and thereafter the original DIS received is also scanned and uploaded in CDAS within ten working days. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3 | Scanned images of DIS are legible and tagged to the correct DIS serial number. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 4 | Scanned images of DIS are checked with original DIS. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 5 | The DP checks from DPU4 report for pendency of DIS to be scanned and uploaded and does the scanning and uploading of pending DIS images. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

7) Power of Attorney:

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|---|-----------------|-----------------------------|
| 1.a | Power of Attorney (POA) documents are duly executed as per SEBI guidelines and the same have been appropriately entered. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 1.b | Set-up/modification/cancellation of Power of Attorney is recorded in CDAS / Back office within the prescribed time limit from the date of receipt. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 2.a | The POA executed by a BO in favour of a stock broker does not have any clauses contradictory to SEBI guidelines. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2.b | When POA is given to CM/Stock broker and DP for the purpose of pay-in related transactions and margin requirements, POA contains list of demat accounts where funds and securities can be moved. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|---|-----------------|-----------------------------|
| 3.a | The DP has mandatorily registered the BO for SMART (SMS Alert) facility, at the time of setting up POA. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 3.b | Change in case of SMS flag, caution has been exercised to check that the POA facility is de-registered and same is intimated to the BO. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 4 | The DP has created master POA ID for all POA holders in CDAS and has been linked 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"/> N. A. | | |

8) Account Transfer / Account Transmission / Account Closure:

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|--|-----------------|-----------------------------|
| 1 | BO has submitted Account Closure Form (ACF) / letter duly signed as per CDSL guidelines. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2 | 30 days notice is given to the BO before closing his account, in case account closure is initiated by DP. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.a | The DP has complied with the procedure for initiation of closure / transfer of balances / rematerialisation within 7 days of receipt of account closure request, in case of account closure (online & physical) initiated by BO. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.b | Procedure prescribed for closing an account with pending demat position is followed in case, such a request is received from the BO. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4.a | In case of Shifting of Account, procedure prescribed by CDSL is followed. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4.b | In case of account closure, where demat request is pending for disposal by Issuer/ RTA, the procedure prescribed in Operating Instructions (10.5.3.19) is followed. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 5 | In case of demat account closure / account transfer / shifting of the demat account, the DP has refunded AMC for the remaining quarter/s, in case the same is collected upfront. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 6. | The transmission requests are processed in accordance with the procedure prescribed by CDSL / SEBI/ PMLA like obtaining duly filled TRF and notarized /attested (by a Gazetted officer) copy of death certificate ,and processing the same within 7 days of receipt of the same etc.. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 7. | Applicable to DP who has offered online closure facility to their clients: DP has followed Online Closure guidelines as per Communique no. 311 dated July 16, 2021. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 8. | In case of online closure requests, DP has maintained, and stored system logs of the closure instructions and e-signed electronic requests received in electronic form in a secured manner. (100% audit) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

9) Transaction Statement:

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 1.a | The details of statement of transactions generated from back office match with the statements generated from CDAS system. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 1.b | Records for transaction statements provided to BO, giving details such as account number, date of dispatch; period for which the statement was dispatched etc. is maintained. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2 | Main DP sends the statement of account (transaction/holding statement) to all BOs as per SEBI and CDSL guidelines. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.a | The DP has obtained written consent of the BO, if the statements are being sent in electronic form and in accordance with guidelines prescribed by CDSL. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.b | The statements of account are sent under digital signature of DP official, if sent in electronic form. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4 | If the job of dispatch of transaction and holding statements is assigned to CDSL for specific BOs, Main DP dispatches the same to the remaining BOs. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|--|-----------------|-----------------------------|
| 5 | In case the third party address has been accepted as a correspondence address, the DP has ensured that the statement of transactions and holding are sent to the BO's permanent address at least once in a year. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

10) Other Transactions (Pledge/Unpledge/Confiscation And Freeze/ Unfreeze):

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 1 | Pledge, unpledge, confiscation instructions are processed as per procedure prescribed by CDSL/ SEBI / PMLA. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2 | Freeze, unfreeze, instructions are processed as per procedure prescribed by CDSL/ SEBI / PMLA. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3 | PAN card is obtained before unfreezing an account which was frozen for debit due to non-availability of PAN. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4 | Set-up /Modification / Termination of Non Disposal Undertakings (NDUs) is done appropriately. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 5 | Margin Pledge/Unpledge/Repledge/Invocation instructions are processed as per prescribed procedure | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 6 | Complete, correct and valid Margin Pledge/Repledge Request are set up by the DP under specific pledge type 'Margin Pledge'/Margin Repledge" | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 7 | The TM/CM has opened a separate account under the specific type and sub-type specified by CDSL to accept margin pledge by client. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

11) Compliance on Service Centre :

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---------------------|----------|-----------------|-----------------------------|
|---------|---------------------|----------|-----------------|-----------------------------|

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|--|-----------------|-----------------------------|
| 1 | DP has updated its new service centre details, if any as prescribed in the communiqué 6272 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2 | All the service centres of the DP display the name of the DP prominently. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.a | Modification in contact details of the service centre, if any, are carried out as prescribed in the communiqué 6272. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.b | The DP has followed procedure for closure of service centre as per prescribed in the communiqué 3579 and 6272. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4 | Details of service centre with DP matches with the details of service centre displayed on CDSL's website. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 5 | Identification documents (including photo-identification) of all the persons engaged in DP operations are maintained at both Main DP and service centre. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 6 | The staffs at the service centre having Checker / Verifier rights are NISM Series VI DOCE certified staff. (Refer Communiqué 4650 dated 21.08.2014). | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 7.a | Service centre (including service centre of live connected branches) managed by franchisee is duly registered with regulatory authority such as a Stock Exchange, SEBI, RBI or IRDA. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 7.b | The DP has signed an agreement with the franchisee covering services that can be offered by the franchisee. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 7.c | The franchisee is not carrying out functions which are in contravention to CDSL guidelines. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 8 | The scope of activity of the service centres is documented and adhered to. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 9 | The Main DP has given only maker rights to the (franchisee) in respect of verification of delivery instruction slips and restricted the checker entry rights/execution of DIS to itself. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 10.a | Reconciliation between the branches / service centres and Main DP takes place for the purpose of maintenance of account opening form, Demat request, instruction slips and blank instruction booklets issued by and / or received from the branch, BO grievances received and resolved. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 10.b | There is a control, co-ordination and the supervisory set up for reporting events that have occurred at live connected branches / service centres that require management intervention. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 11 | The service centres of the DP have adequate provisions for safety and security of the documents pertaining to the BOs. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 12 | Service centres display the types of services provided by each of them. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 13 | Service centres are made aware of relevant and critical information relating to DP Operations by the Main DP. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 14 | Proper records of investor grievances received and redressed is maintained and prominently displayed basic information about the grievance redressal mechanism by the Service Centre. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 15 | The discrepancies and /or non-compliances observed during previous CDSL Service Centre inspection has complied with and submitted compliance report to CDSL. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

12) Back Office Software:

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|---|-----------------|-----------------------------|
| 1.a | Back office software is being used extensively for all DP activities and all transactions are uploaded in CDAS. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 1.b | The DP's Back office software has minimum risk containment measures as prescribed in communiqué 1577 and O.I 6.5.4.2. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2.a | Back office is updated daily for the transactions done on the CDAS. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2.b | The back-up of data residing in back office (or any data maintained in electronic form) with respect to depository operations is taken. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|---|-----------------|-----------------------------|
| 3 | Proper mechanism exists to ensure integrity of files from back-office before they are uploaded from DP terminal. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 4 | DP has complied with mapping of UCC details in back office software. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

13) BO Grievances / Redressal:

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|---|-----------------|-----------------------------|
| 1.a | All the grievances of BOs arising at the Main DP or at the branch are recorded and redressed within the stipulated time of 30 days.(except disputes/court matters). | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 1.b | There is no BO grievance pending for more than 30 days for reason other than 'pending demat'. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. | | |
| 1.c | BO grievances which are pending for more than 30 days are reported to CDSL through monthly grievance report and action taken thereon for redressal. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2 | The DP has informed CDSL about all grievances received from the BOs irrespective of such complaints are received by them directly from the BO or through CDSL or through Scores. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 3 | The DP informs the investors of the action taken to redress the grievances. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4.a | The DP has designated e-mail id for informing investor grievances and the DP having website has displayed the same on the website as per SEBI circular no. MRD/DOP/Dep/SE/cir-22/06 dated December 18, 2006. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 4.b | Grievance Redressal mechanism is printed on the inside back cover of DIS issued by DP as per SEBI and CDSL guidelines. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 4.c | The DP has prominently displayed basic information about the grievance redressal mechanism available to investors in the Main DP. (Refer communiqué 4675) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 5 | The DP has not received complaints for data entry errors / omission from BOs. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|--|-----------------|-----------------------------|
| 6 | DP has provided a link to SCORES portal, within the demat account dashboard of clients to make it easier to lodge grievances. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 7 | DP has displayed information regarding 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 (comm.332 dated July 04, 2019) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

14) Audit of other Transactions / Services / Tariff Structure/Surveillance Obligation:

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|---|-----------------|-----------------------------|
| 1.a | Whether the DP has outsourced activities which are permissible as per SEBI circular no. CIR/MIRSD/24/2011 dated 15.12.2011. (Refer comm. 2775). | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 1.b | If reply to 14.1.a above is yes, mention the activities outsourced and whether CDSL approval has been obtained? (Refer CDSL Bye Law 5.3.30 and CDSL-DP agreement clause 52) and all the steps / procedures / requirement mentioned in the CDSL approval letter have been complied with. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 1.c | The DP has on record comprehensive policy for all outsourced activities and written agreement with the third party describing all material aspects of the outsourcing arrangement. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 2.a | Notice of at least 30 days is given to the BOs before effecting increase in charges/fees and also updated on CDSL website. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 2.b | The DP does not levy charges to BOs for account opening / account closure etc., which are prohibited by SEBI (Refer communiqué 4991). | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2.c | The DP has uploaded the tariff details and subsequent modification (if any) to CDSL's website. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2.d | The DP has billed all the BOs (its clients) as per the tariff sheet | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 3.a | Registration of clients to easiest is done after obtaining registration forms. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|---|-----------------|-----------------------------|
| 3.b | Registration of Trusted accounts at easiest is done after obtaining Letter in the given format from trusted account holders. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 4 | The DP follows maker-checker concept in all of its activities to ensure the accuracy of the data and as a mechanism to check unauthorised transaction. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 5 | All forms used by the DP are in conformity with CDSL's prescribed format. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 6.a | The concurrent audit of risk prone areas on 100% basis is being conducted by the auditor conducting internal audit in accordance with the guidelines specified by CDSL.(If the concurrent auditor is different, please attach the consolidated concurrent audit report as Annexure B). | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 6.b | Concurrent audit reports are submitted by the concurrent auditor to the DP on monthly basis by 10th of the next month and are in format as per communiqué 2018-205 dated 20-04-2018. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 6.c | The major negative observations in the concurrent audit are informed to CDSL immediately. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 6.d | Non-compliances observed in concurrent audit report of risk prone areas during audit period have been rectified and checked by the auditors. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 7.a | The details of the compliance officer/director/investor relations officers/ authorised signatories/ office address and change if any is informed by DP to CDSL in the prescribed format. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 7.b | Compliance Officer of the DP has obtained NISM-Series-III A: Securities Intermediaries Compliance (Non-Fund) Certification Examination (SICCE) as per SEBI notification dated 11th March 2013. (Refer Communiqué 3549). | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 8 | The DP has informed CDSL 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"/> N. A | | |
| 9 | The DP has framed 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. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

15) Records / Registers and documents to be maintained:

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|--|-----------------|-----------------------------|
| 1 | The DP has developed internal mechanism for maintenance and preservation of all records and information for a period of 8 years in the manner that allows easy and quick retrieval of data. Ref. SEBI (D&P) Regulations, 2018 dated 03.10.2018 | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2 | Nomination Register is maintained as per CDSL guidelines. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 3 | Register of documents / certificates received and sent for dematerialization / rematerialisation and demat/remat reject received and handed over to the BO is maintained. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 4 | Power of Attorney register is maintained as per CDSL Guidelines. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 5 | Investor Grievance Register is maintained. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 6 | DIS Issued Register is maintained. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 7 | The DP has maintained Suspicious Transaction Register as prescribed by CDSL regarding the alerts being provided and actions taken are recorded as per communiqué 5156 | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 8 | Records are kept separately for each depository. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

Note: Registers should be maintained either in physical or in back office. The same should not be maintained in excel sheets.

16) Centralized Depository Accounting System (CDAS):

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|---|-----------------|-----------------------------|
| 1.a | Secrecy of passwords maintained at all levels. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 1.b | The variable access rights' as suggested by CDSL is implemented. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 1.c | The DP uses its 'easiest' login for processing of instruction(s) at least once in a month. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2.a | Main DP is maintaining record of identification documents (including photo-identification) of the persons engaged in DP operations at its office, at live connected branches and at | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|---|-----------------|-----------------------------|
| | service centers. (Refer O.I 17.7.2). | | | |
| 2.b | At least one staff operating the CDAS has obtained 4 days training at CDSL. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2.c | The associated person(s) employed or engaged by the DP other than those engaged in basic elementary / clerical level activities & supervised by NISM DOCE certified personnel, are NISM-Series VI DOCE certified / attended CPE programme as applicable to grandfathered employees. (Refer comm. 4650 dated 21.08.2014) | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 3 | The Anti Virus Software installed is upgraded regularly on a weekly basis. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

17) Status of compliance for deviations / observations noted in last inspection/internal audit:

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 1.a | The discrepancies and /or non-compliances observed during previous CDSL inspection, and last two internal audits and concurrent audits are rectified and /or complied with. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 1.b | The discrepancies and /or non-compliances observed during inspection conducted by SEBI or any other regulatory authorities are rectified and /or complied with. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 1.c | The DP has implemented the procedure as confirmed in the previous compliance report for the last inspection and/ or internal audit report. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2.a | Depository Participant has placed last CDSL inspection report and corrective action before the meeting of its Board of Directors held on_____. (same may be verified from the extract of the minutes of the Board Meeting) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2.b | Depository Participant has placed last SEBI inspection report and corrective action before the meeting of its Board of Directors held on_____. (same may be verified from the extract of the minutes of the Board Meeting) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2.c | Depository Participant has placed last Internal Audit report / Concurrent Audit report and corrective action before the meeting of its Board of Directors held on_____. (same may be verified from the extract of the minutes of the Board Meeting) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2.d | Board of the DP was satisfied with the corrective actions taken. | <input type="checkbox"/> Yes | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---------------------|--|-----------------|-----------------------------|
| | | <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

18) Compliance under Prevention of Money Laundering Act, 2002 (PMLA):

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 1 | The DP has prepared a PMLA policy as per SEBI and PMLA guidelines (SEBI circular SEBI/ HO/ MIRSD/ DOP/ CIR/ P/ 2019/113 dated October 15, 2019) (Comm CDSL/OPS/DP/POLCY/2019/542 dated October 25, 2019) and a copy is sent to FIU-IND. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2.a | Principal Officer' is appointed as required under the PMLA Act. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2.b | The DP has intimated the appointment / change in Principal officer, if any to FIU - India. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.a | Designated Director has been appointed by the DP as required under the PMLA Act. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 3.b | The DP has intimated the appointment / change of Designated Director to FIU - India. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 4.a | The DP has provided appropriate training on PMLA to its staff members to create awareness and made available the PMLA policy for compliance purpose. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 4.b | The DP has adequate screening procedure in place to ensure high standards when hiring employee. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 5.a | The DP has defined and adopted customer acceptance policy. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 5.b | The DP has undertaken Client Due diligence measures including requirements for proper identification before account opening and ensures that the identity of the clients does not match with any person having known criminal background or is not banned in any other manner, in terms of criminal or civil proceedings by any enforcement agency worldwide. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 5.c | The DP has categorized clients into low, medium and high risk based on its perception of risk depending upon client's background, type of business activity, transactions etc. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|--|-----------------|-----------------------------|
| 5.d | PMLA Policy contains defined parameters on Categorisation of clients into "Clients of Special Category (CSC) like politically exposed persons, NRIs, High net worth Individuals and clients with dubious reputation. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 6.a | The DP has updated the income and occupation details either in CDAS or Back office system. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 6.b | The DP checks and monitors and scrutinizes the transactions / Value of securities in the demat accounts of the BO(s) based on income and occupation details as per PMLA guidelines and follows ongoing due diligence for ensuring effectiveness of the AML Procedures. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 6.c | PMLA policy has defined the periodicity of updating of KYC documents for the client due diligence (CDD) process (especially when there are suspicions in transactions) | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 7.a | The DP has a system in place for identifying suspicious transactions and directly reporting the same to FIU - India within 7 days of detecting of the same. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 7.b | The DP has informed CDSL the number of STRs, if any, filed by them directly with FIU-IND by the 7 th of the succeeding month. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 8.a | The periodicity of review of policy is defined in the PMLA policy. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 8.b | The DP has done the periodic review of the PMLA Policy by any DP official other than the official who originally drafted the policy. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

19) Compliance on Designated Depository Participants(DDPs):

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|--|-----------------|-----------------------------|
| 1 | The DDP has opened the account of FPI only after granting registration to FPI. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2 | The DDP has granted conditional registration of 180 days to FPI only after following SEBI guidelines as per SEBI circular dated 8.01.2014. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 3 | The DDP has obtained necessary declarations & undertakings from the FPI/FPI investor group for investment limit of 10% to be maintained. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4 | The DDP has devised mechanism to ascertain that aggregate holdings of a FPI has not exceeded the stipulated limit. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 5 | The DDP has mechanism to check about any material change in the information provided by FPI to DDP and SEBI earlier in respect of direct/indirect change in control, change in regulatory status, merger/demerger or restructuring, change in category, change in structure etc. and it reassesses the eligibility of FPI after examining the same. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

20) Certification from the Auditors:

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|---|-----------------|-----------------------------|
| 1 | At least one person conducting internal and/ or concurrent audit is NISM certified (DOCE / CPE). | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2 | Neither the audit firm nor any of the partner/ employees of the firm conducting internal audit of the DP are directly or indirectly interested or associated with the DP and do not have conflict of interest whatsoever . | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 3 | Required internal controls, checks, risk management procedure are in place. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 4 | The DP operations are carried out as per the Depositories Act 1996, SEBI (Depositories and Participants) Regulations 2018, Prevention of Money Laundering Act, 2002 Operating instructions, communiqués, CDSL Byelaws and SEBI Guidelines. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 5 | Adequate staff, hardware, and software are available at the DPs office. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 6 | The place of keeping records is adequate in terms of safety and security. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 7 | Information provided by the DP for the previous half year Risk Assessment Template has been verified and found to be factual. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 8 | The capacity of computer system, staff strength and internal procedures are commensurate with the level of business activity of the DP. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 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 | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 10 | The DP and its directors satisfy the Fit and Proper Criteria as defined in the SEBI (Intermediaries) Regulations, 2018 and CDSL Bye-laws. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 11 | The DP has submitted AI/ML and Cyber Attacks and Threats Reports as per prescribed guidelines (Communique 174 dated April 03, 2019 and Communique 375 dated July 26, 2019) | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 12 | Statutory auditor of the DP has not resigned during the audit period. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

21) Details of the Audit Firms to be provided (Mandatory requirement) :

(A) Details of Internal Auditors:

| | | |
|---|---|-------------|
| Name of the Audit Firm conducting Internal Audit | : | |
| Address of the Audit Firm | : | |
| Name of the Auditor | : | |
| Designation of the Auditor | : | |
| Registration No. of the Auditor | : | |
| PAN of the Auditor | : | |
| Office Phone No. | : | |
| Mobile No. | : | |
| Email id of the Firm | : | |
| Registration no. of the firm | : | |
| NISM – DOCE / CPE Certificate no. [of any one person conducting the internal and/or concurrent audit] name of the person to be mentioned. | : | |
| Date till which certificate is valid | : | DD-MMM-YYYY |
| <u>Unique Document Identification Number (UDIN)</u> | : | |

(B) Details of Concurrent Auditors:

| | | |
|--|---|--|
| Name of the Audit Firm conducting concurrent Audit | : | |
| Address of the Audit Firm | : | |
| Name of the Auditor | : | |
| Designation of the Auditor | : | |
| PAN of the Auditor | : | |
| Office Phone No. | : | |
| Mobile No. | : | |
| Email id of the Firm | : | |
| Registration No. of the Auditor | : | |
| Registration No. of the firm | : | |

Stamp/Seal & Signature of the Internal Auditor : _____ **Date:** _____

Management Comments : _____

Stamp and Signature of the Depository Participant : _____ **Date:** _____

The audit of the Main DP and all live connected branch DPs should be conducted along with the respective reporting service centres, if any. The auditors should visit adequate number of service centres (on sample basis) to check proper procedures are being followed at such centres.

The audit should cover all aspects of DP operations. A checklist of audit points is given below which stipulates the minimum areas to be verified. Over and above, auditors may adopt more stringent requirements and expand the scope of audit or add more audit points to achieve the audit objectives listed below.

OBJECTIVES OF AUDIT: -

The following are the broad objectives of audit to ensure that:

- a. The Participant complies with the requirements of the Depositories Act, 1996, SEBI (Depositories & Participants) Regulations, 2018, Circulars issued by SEBI/ PMLA, Bye Laws and Operating Instructions for Depository Participants, Communiqués issued by CDSL and the Rights & Obligations document provided to the Beneficial Owners.
- b. The required internal controls, checks and risk management procedures are in place.
- c. The manpower, procedures and systems of the Participant are adequate with respect to the current and projected business of the participant.
- d. Appropriate risk management policy with internal control and exception reporting mechanism is in place.
- e. The systems are managed in a manner that there is no risk to business continuity and integrity of data processing system and it is maintained at all times.
- f. The procedures with respect to maintenance of records are adequate. In the event of loss or destruction of data, sufficient backup of records should be available at all times.

AUDIT REPORT: -

The audit report should contain the following:

- 1) The scope, objectives, period covered and nature and extent of audit work performed.
- 2) The sample size of service centres visited, specifying no. of service centres visited and their percentage to the total service centres of the DP.
- 3) Observations on all the audit points mentioned in the checklist given below highlighting the exceptions and deviations of repetitive nature. In case of any deviation from the prescribed procedure, the exact nature of deviation should be stated.
- 4) Recommendations of auditors with respect to internal controls, procedures, etc.
- 5) Management comments on all the exceptions, deviations, adverse observations and recommendations made by the auditor.

- 6) Compliance status regarding observations made in the earlier audit report/s, previous SEBI and CDSL inspection. In case of any misleading compliance provided by the DP, the internal auditor should specifically mention the same.
- 7) In case if any point / comment is of confidential nature, auditor may communicate it separately to CDSL.
- 8) The checklist points which are not applicable should be marked as 'not applicable' indicating the reason for the same in the remark column or else may be considered as a non compliance. The number of instances where non-compliance has been observed should be stated under the column 'No. of instances'.
- 9) In case of Account Opening and KYC documentation, "NA" is valid only if there are no accounts opened during the period and same needs to be mentioned by the auditors in remarks column.

Note: (1) Auditors are advised to refer to the Compliance Manual & Inspection Manual which is available on CDSL's website.

(2) Under point no. 21 of the checklist, provide the details of Internal Auditors and Concurrent Auditors both, if the internal auditors and concurrent auditors are two different firms.

Name & Address of the Depository Participant:

DP-ID :

Period for which the audit is conducted:

Name, Telephone number and Email ID of the Compliance Officer:

| | | | |
|--|---------------------------------|---------------------------------|-----------------|
| Number of accounts opened during the period under Audit | | | |
| Number of accounts closed during the period under audit. | | | |
| a) Initiated by BOs | | | |
| b) Initiated by DP | | | |
| Number of active accounts | | | |
| Total number of transmissions | | | |
| Sampling Plan | | | |
| Audit Area | Total Count during audit period | Sample Size (In actual numbers) | Sample Size (%) |
| Service centres visited | | | |
| Account opening | | | |
| BO Account data modifications including POA | | | |
| Dematerialisation/ Destatementization | | | |

| | | | |
|---|--|--|--|
| Rematerialisation/ Restatementisation | | | |
| DIS issuance | | | |
| DIS processing - Off market, on market, inter-depository, early pay in instructions | | | |
| <u>Physical</u> | | | |
| <u>E-DIS</u> | | | |
| Transaction Statements | | | |
| Account closure initiated by BO | | | |
| A – Online (100%) | | | |
| B- Others | | | |
| Account closure initiated by DP | | | |
| Pledge, unpledge, hypothecation & confiscation instructions | | | |
| Transmissions | | | |
| Freeze & Unfreeze | | | |
| a. Statutory | | | |
| b. Others | | | |
| BO Grievances/ Redressal | | | |
| Non Disposal Undertakings (NDUs) | | | |
| Accreditation of investors (IGP) | | | |

Place of keeping records: - Main DP & Live Connected Branch DPs both should be provided by the Main DP.

Type of documents will be either "ALL" or "specific type of documents" like account opening forms, Instruction slips etc.

| DP ID | Place at which documents are being stored | Type of documents stored | Documents kept for the Period (From-To) | Remarks |
|-------|---|--------------------------|---|---------|
| | | | | |

1) **Account Opening and KYC Documents:**

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 1. a | Proof of identity is obtained from all holders of a non-body corporate as per SEBI, PMLA and CDSL requirements. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 1. b | Proof of Address is collected from all holders as per SEBI, PMLA and CDSL requirements. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 1. c | Proof of identity and address of third party is obtained and due diligence is done as prescribed by SEBI, PMLA and CDSL, in case third party address is obtained as correspondence address. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 1. d | The DP obtains the proof of correspondence address and keeps on record, if the BO is registered with KRA and does not want to use the correspondence address mentioned in the KRA system. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 1. e | All KYC documents are self-attested by the BO(s) and signature(s) of client(s)/ authorised signatories provided on account opening form and KYC documents is/are matching. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 1. f | The DP has actually verified documents with originals and affixed the stamp accordingly on all KYC documents. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 1. g | Translation into English is on record of the DP, if any proof of identity or proof of address is in foreign language. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 1. h | The DP 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 " <u>Legal Entity</u> " finalised by CERSAI. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 1. i | The DP has uploaded the existing clients' KYC details with Central KYC Records Registry (CKYCR) System. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2. a | The requirement of obtaining PAN card details has been complied with. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2. b | PAN details 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 account holders. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2. c | The DP has correctly & adequately entered PAN details in CDSL system. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|---|-----------------|-----------------------------|
| 3.a | The DP does "In person verification" as prescribed by SEBI, PMLA and CDSL guidelines and maintains record of in-person verification. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.b | Photograph(s) of BO(s) is/are collected and is signed across by the account holder. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.c | The DP performs initial KYC/due diligence and uploads the information with proper authentication on KRA system and furnishes the scanned images of the KYC documents to the KRA and retain the physical documents. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.d | Corrective actions are taken by DP, for cases kept on hold / rejected by KRA. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.e | The DP downloads/ fetches the documents from KRA site and maintains electronic records of KYCs of BOs where initial KYC is registered through other intermediary. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.f | The DP has uploaded the modification / missing data in the MF-KYC verified cases on the KRA system. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4.a | Necessary documents / information as per guidelines prescribed by SEBI and CDSL have been collected from different types of BOs such as individual investors (Minor, HUF, and NRIs etc), CMs, Corporate, OCBs, Trusts, etc. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4.b | The procedures prescribed by CDSL for opening the demat account of illiterate / disabled person/ blind or person suffering from cerebral palsy/autism/mental retardation and multiple disabilities are being complied with. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4.c | Partnership / proprietorship firm accounts are opened as per operating instruction 2.4.5. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 4.d | There is a mechanism to ensure that the details of account opening forms are entered correctly in the CDAS and opened under appropriate category. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4.e | PMS Demat/PMS Pool account opened by the DP is as per the guidelines issued by CDSL /SEBI. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4.f | The procedure prescribed by CDSL for opening & operating the AMC CM accounts for settlement of Mutual Fund units is being complied with. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|---|-----------------|-----------------------------|
| 4.g | Nomination is made as per the procedure prescribed by CDSL and nomination form is duly filled, executed and updated in CDAS. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4.h | Proof of bank details is obtained as prescribed by CDSL and same has been entered in CDAS. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4. i | The information on Financials of BOs is obtained in the account opening form. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 5 | The DP has opened BSDA account as per guidelines issued by SEBI and CDSL. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 6.a | The DP has given Rights & Obligations document to the BOs and kept acknowledgement on record in case of new demat accounts opened. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 6.b | The DP has not done any alterations in the contents of the SEBI specified Rights and Obligations document. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 6.c | The DP-CM agreement has been executed for CMs of BSE, in case of CM account opened by the DP. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 6.d | The DP has not executed any Supplementary agreement/undertaking with the BO, which is contradictory to SEBI specified Rights and Obligations document. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 7.a | Signatures of authorised signatories are properly scanned in CDAS and Back Office System along with mode of operation as per Board resolution. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 7.b | BO signatures have been appropriately scanned in CDAS and Back office system. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 8.a | Client Master Report has been provided to the BOs. (Through email, physical, through DP's web site etc.). | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 8.b | Tariff Sheet has been signed by the BO at the time of account opening. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 9 | The DP has created master POA ID for all POA holders in CDSL system and mapped to the respective demat accounts where DIS is issued to POA holder. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|---|-----------------|-----------------------------|
| 10. | The DP ensures that separate mobile number and email address is being captured for each client by checking against existing demat accounts within the same DP. (Refer Communiqué 5139) | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 11 | DP opens demat account using SARAL account opening form which is as per SEBI/ CDSL guidelines. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 12 | DP has obtained FATCA/CRS declaration from the BOs. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 13 | The DP 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 | | |
| 14 | 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 CDSL guidelines (especially for non- individual clients) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 15 | Documentation verification and maintenance of the Accredited Investors (AI) data is as per the prescribed procedure. (Communique 435 dt. August 29, 2019) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 16 | DP has made the provision in the Demat Account Opening form to mention the UCC details of the sole / first holder of Demat Account. (Ref.Comm.141 Dt. March 16, 2020) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 17 | DP has obtained UCC details along with corresponding exchange ID at the time of demat account opening from their clients. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 18.1 | In case of online on-boarding of client using Aadhar based e-KYC facility, the DP is in compliance with e-KYC authentication guidelines for Resident Investor as per SEBI Circular no. SEBI/HO/MIRSD/DOP//CIR/P/2019/123 dated November 05, 2019, SEBI/HO/MIRSD/DOP/CIR/P/2020/73 dated April 24, 2020 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 18.2 | In case of online on-boarding of client where intimation letter is returned for wrong / incorrect address, addressee not available etc, DP has not allowed any transactions in such account. (Refer SEBI circular SEBI/HO/MIRSD/DOP/CIR/P/2020/73 dated April 24, 2020) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|---|-----------------|-----------------------------|
| 18.3 | DP is registered with UIDAI as sub-KUA to undertake Aadhaar authentication services through KUAs and has entered into an agreement with KUA as per SEBI Circular SEBI/HO/MIRSD/DOP/CIR/P/2020/80 date May 12, 2020. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 18.4 | The DP has obtained express consent of the investor before undertaking online KYC. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 18.5 | The DP has accepted only officially Valid Document (OVD) with e-sign | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 18.6 | The DP has mandatorily captured Live photograph of the client with time stamping and geo- location tagging and liveness check for the accounts opened with online KYC through the Aadhaar as OVD, any other OVD or through download of KYC from KRA. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 18.7 | The 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"/> N. A. | | |
| 18.8 | The 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 the BO with his wet signature under esign. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 18.9 | The 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"/> N. A. | | |
| 18.10 | 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; the DP has obtained signed cancelled cheque as a photo/scan of the original under eSign of the BO. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 18.11 | The DP has forwarded KYC completion intimation letter through registered post/ speed post or courier, to the address of the investor in cases where the investor has given address other than as given in the OVD. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 18.12 | The DP has frozen the BO account for further transactions in the depository and intimation sent to the client on mobile number and email id or on the permanent address of the client where the investor has given address other than as given in the OVD have been returned undelivered | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|---|-----------------|-----------------------------|
| 18.13 | The 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"/> N. A. | | |
| 18.14 | In case of VIPV is undertaken activity logs along with the credentials of the person performing the VIPV are maintained by the DP. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 18.15 | The VIPV has been undertaken in a live environment. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 18.16 | The 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"/> N. A. | | |
| 18.17 | The 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"/> N. A. | | |
| 18.18 | The 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"/> N. A. | | |
| 18.19 | The 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"/> N. A. | | |
| 18.20 | In cases where the proof of possession of Aadhaar number is submitted as OVD the Aadhaar number is redacted or blacked out and the DP has not stored/saved the Aadhaar number of the BO in their system. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 18.21 | The 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"/> N. A. | | |
| 18.22 | The 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"/> N. A. | | |
| 18.23 | The DP 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 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---------------------------------|----------|-----------------|-----------------------------|
| | along with supporting documents | | | |

2) Account Modifications and other requirements:

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 1.a | Modification to account details is done only after accepting account modification form/letters duly signed by BO(s) except for the demographic details. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 1.b | Modification to account details is updated in CDAS and Back office system and intimated to the BO. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2.a | In case of Change of address, self attested proof of address has been obtained from the BO & procedure prescribed by KRA is followed by the DP. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2.b | In case of change in address of the BO, confirmation letter is sent to BO at old as well as new address. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2.c | In case of change in name of the BO, DP has followed the procedure and obtained the documents as prescribed by SEBI/CDSL & procedure prescribed by KRA is followed. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2.d | Rectification in the name of the BO (individuals and non individuals) on account of typographical error at DP end is carried out as prescribed in the Communiqué 5141 and required documents are kept on records. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2.e | In case of change of signature of the BO (Individual or Corporate), procedure as prescribed by CDSL and SEBI is followed. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2.f | Mode of operation is specified correctly in the CDAS and Back office system while effecting change in signature. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3 | Change in bank account details with proof has been obtained and entered in CDAS as prescribed by SEBI and CDSL. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|--|-----------------|-----------------------------|
| 4 | Nomination is modified / updated / captured as per CDSL guidelines. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 5 | Power of Attorney modification is done as per CDSL guidelines. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 6 | PAN details have been modified / updated / captured correctly in CDAS and Back office system and procedure prescribed by KRA is followed. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 7 | The DP has reassessed the eligibility of the BOs at the end of every billing cycle and has converted all existing eligible demat accounts into BSDA unless such BOs specifically opt to continue to avail the facility of a regular demat account as per SEBI circular no. CIR/MRD/DP/20/2015 dated December 11, 2015. (Refer communique 5615) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 8 | DP has properly processed addition/deletion request of UCC details of sole/first account holder. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

3) Dematerialization / Rematerialisation / Destatementization / Restatementization:

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|--|-----------------|-----------------------------|
| 1.a | The Demat requests are accepted and processed (including Transposition cum demat cases and Transmission cum demat cases) as per prescribed procedure. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 1.b | The DP checks the Distinctive Numbers of certificates of securities submitted by its clients for dematerialisation with the records of Distinctive Numbers made available by CDSL 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"/> N. A | | |
| 2 | The Remat / Repurchase / Restat are processed as per prescribed procedure. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.a | The DP has a system of inward of Demat request (DRF)/MF DRF / Remat/ Repurchase received which clearly gives information about date of receipt of DRF / RRF from BO. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 3.b | There is a system to affix a stamp "surrendered for dematerialization along with DP name, DP ID and BO ID" and the certificates are defaced and mutilated before sending it to Registrar & Transfer Agents / Issuers. . (Except Government Securities Certificates). | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 3.c | The DP before accepting demat request checks with the list of companies with the maximum pending demat requests provided by CDSL. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.d | Demat / Destat / Remat / Restat requests received from BOs are sent to the Issuer/ RTA/AMC within seven days from the date of receipt of request. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.e | The DP has an adequate system for keeping the physical securities under safe custody till dispatch to the Issuer / RTA/ AMC. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 3.f | There is a procedure for recording of demats / remats dispatch details such as dispatch ref. no., dispatch date, name of courier / signature of the BO etc.. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 4 | In case of securities lost in transit, follow-up and action is taken by the DP and procedure has been followed. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 5.a | In case of Demat / Destat / Remat / Restat requests rejected due to the errors attributable to the DP, corrective actions are taken. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 5.b | The certificates along with rejection letters are returned to the concerned BO within 7 days of receipt from the RTA and record of such dispatch is maintained. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 6 | DP has obtained additional documents prescribed in SEBI Circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2019/122 dated November 05, 2019, 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 (comm. 31 dated January 15, 2020) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

4) **Issuance of Delivery Instruction Slip (DIS):**

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---------------------|----------|-----------------|-----------------------------|
|---------|---------------------|----------|-----------------|-----------------------------|

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|---|-----------------|-----------------------------|
| 1.a | The DP issues standardised DIS as per SEBI Circular CIR/MRD/DP/ 01/2014 dated January 07, 2014 and CDSL communiqué 4488 dated June 9, 2014. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 1.b | The DP has entered / uploaded the issuance details of DIS booklet issued to BOs in CDAS. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2.a | There is a control over issue of instruction slips to the BOs e.g. proper records of instruction slip serial numbers vis-à-vis account number. (DIS issue register and Back office system). | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2.b | There is a proper inventory control mechanism for instruction slip booklets. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2.c | The physical inventory is tallied with the inventory records at prescribed intervals. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 3.a | The first instruction slip booklet is being issued as per the procedure prescribed for the same. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.b | In case of first instruction slip booklet is not issued to the BO, (only in case where BO has given power of attorney to CM or PMS Manager), consent of the BO has been obtained for the same. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4. | Instructions slips have been issued to the BO for the account under BSDA as per SEBI guidelines. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 5.a | There is a system to issue delivery instruction booklets to the BOs based ONLY on the requisition slip which forms part of the earlier issued instruction slip booklet and is signed by all account holders. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 5.b | Signature of BO in the CDAS system and Back office software, matches with the requisition slip and issuance register. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 6.a | If any instruction slip booklet is issued on the basis of letter instead of requisition slip, the procedure prescribed under operating instructions 6.5.1.12 is followed. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 6.b | DIS issued on the basis of requisition slip to person other than BO (to the bearer), signature of the bearer is attested by the BO on the requisition slip / authority letter and acknowledgement is obtained for the receipt of the DIS booklet. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 7.a | Requisition slip has pre-stamped BOID and pre-printed instruction slip serial number range / booklet no. of the DIS booklet of which it forms a part. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 7.b | The DIS issued to BOs have pre-stamped BO ID and pre-printed serial number. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 8.a | Issuance of loose delivery slips to BOs, if any, is as per the procedure prescribed by SEBI / CDSL. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 8.b | The DP has not issued more than 10 loose DIS to any account holder in a financial year (April to March). | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 9 | The DP has captured details of Undelivered DIS serial numbers in CDAS on receipt of the information. (Refer communiqué 5327) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

5) Processing of Delivery Instruction Slip (DIS):

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|---|-----------------|-----------------------------|
| 1 | Instructions are executed only on the basis of duly signed instruction slips or through digitally signed electronic instructions, as prescribed under guidelines of SEBI and CDSL and is available for verification. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2 | Digitally signed electronic instructions are processed & executed as per operating instructions 17.9 (as prescribed under guidelines of CDSL / SEBI). | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.a | The DP has not accepted pre signed DIS with blank columns from the BO(s) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 3.b | The date and time of receipt stamp is affixed on DP's and BO's copy of DIS. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 3.c | The delivery instructions received beyond the prescribed deadlines are suitably stamped. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.d | DIS executed is complete in all manners and no mismatch is observed. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 3.e | All off-market instructions are executed in system as per the execution date written by the BO and are correctly entered by the DP. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 3.f | Blank columns in the delivery instruction slips are struck off. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 4.a | Signatures on instruction slips are verified/ matched before execution of instruction. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 4.b | Corrections / cancellation on the instruction slips, if any, are authenticated by all the joint holders/ authorised signatories / POA holder (as the case may be). | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 5 | The delivery instructions accompanied by annexures are accepted and processed as per the procedure prescribed by CDSL. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 5.a | <u>DIS accompanied by Annexure provided with requisite information is obtained from client intending to avail block mechanism facility with early pay-in facility in accordance with the prescribed guidelines.</u> | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 6 | The DIS contains information on "consideration" and Reason/purpose" in cases of off-market transactions and payment details if consideration amount is mentioned. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 7 | The DP does DIS slip number validation against the issue details before execution of instruction through back office software. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 8 | Signature of the account holder has been appropriately scanned in CDAS and DP Back office system (signatures checked for DIS verification). | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 9 | The DP follows the procedure as per CDSL guidelines for executing instructions received from illiterate /disabled/ blind/ / mentally disabled persons. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 10.a | The DP follows maker – checker system to process the instructions for the correctness and signatures. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 10.b | There is a system to additionally check and verify (verifier level) high value instructions executed. (DIS with value of Rs. 5 lakhs and above). | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 10.c | There is a system to additionally check and verify (verifier level) transactions originating from dormant accounts. (Not operative for 180 days or more). | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 10.d | The DP verifies transactions originating from dormant accounts with the account holders before execution and records the details of the process on instruction slip. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 11.a | There is a provision in back office for blocking of DIS serial numbers which are already used. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|--|-----------------|-----------------------------|
| 11.b | There is a provision in back office for blocking of DIS serial numbers which are reported lost/misplaced/stolen. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 11.c | The DP has blocked already used DIS and/or reported lost / misplaced / stolen DIS in back office. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 11.d | DIS serial numbers of lost/ misplaced/ stolen DIS are updated in CDAS so as to prevent execution of such DIS. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 12.a | The fax indemnity in prescribed format is obtained from BOs before accepting instructions through fax. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 12.b | The original instruction slips are received within three days in case of fax instructions are accepted. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 13 | All debit transactions pertaining to the government securities have been executed only after receipt of authorization from the BO. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 14 | The DP has used Codes as 'STOR999999999999' or 'RVET999999999999' for entering DIS Sr. numbers for instructions based on court / statutory orders or towards reversal of erroneous transfer respectively where no delivery instruction slip is available. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 15 | In case active accounts having five or more ISINs and all such ISIN balances are transferred at a time, DP has verified with the client before execution of DIS and recorded the details of verification process, date, time, etc. on DIS under the signature of the official as per SEBI guidelines (Refer Communique 846). | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 16 | In case of Inter Depository debit transactions for G-sec DP has obtained OTSD (One Time Self Declaration) stating that transactions executed in his/her demat account are bonafide transactions. (Refer communique CDSL/OPS/DP/SYSTM/2020/66 dated January 31, 2020) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 17 | DP is following the guidelines issued through CDSL communique from time to time pertaining to using uniform/standardized reason codes while executing off-market transactions. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| | Point 18 to 34 applicable to DPs providing e-DIS facility: | | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|--|-----------------|-----------------------------|
| 18 | 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"/> N. A | | |
| 19 | An 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 <input type="checkbox"/> N. A | | |
| 20 | 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"/> N. A | | |
| 21 | The mandate provided by BO pertain to a single settlement number /settlement date | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 22 | 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"/> N. A | | |
| 23 | DP has provided the facility to its client to revoke / cancel the mandate provided by them. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 24 | 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"/> N. A | | |
| 25 | The mandate adheres to the requirement of DP to return the securities to client that may have been transferred erroneously. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 26 | The 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"/> NA | | |
| 27 | The 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"/> N. A | | |
| 28 | The 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"/> N. A | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|--|-----------------|-----------------------------|
| 29 | DP ensures two factor authentication of Login - Login to DP's portal with customer's own customer id and password and on successful login client to be asked for security questions for authentication | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 30 | The IP address / logs of device through which transaction is originated, Message logs of SMS / Emails forwarded to BOs is stored by the DP. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 31 | The DP has a provision of a report to check DIS given online by client | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 32 | DP Back Office has check to identify the transactions executed through the online portal. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 33 | System audit report is submitted to CDSL along with Internal Audit Report of the half year ending March for each Financial Year | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 34 | DP has placed last system audit report before the Board for consideration and noting. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

6) Scanning of Delivery Instructions Slips (DIS) :

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 1 | The DP does scanning and uploading of all DISs entered/executed in the system along with Annexure, if any within stipulated time period. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2 | The DIS received through fax for execution is scanned and uploaded and thereafter the original DIS received is also scanned and uploaded in CDAS within ten working days. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3 | Scanned images of DIS are legible and tagged to the correct DIS serial number. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 4 | Scanned images of DIS are checked with original DIS. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 5 | The DP checks from DPU4 report for pendency of DIS to be scanned and uploaded and does the scanning and uploading of pending DIS images. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

7) Power of Attorney:

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|---|-----------------|-----------------------------|
| 1.a | Power of Attorney (POA) documents are duly executed as per SEBI guidelines and the same have been appropriately entered. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 1.b | Set-up/modification/cancellation of Power of Attorney is recorded in CDAS / Back office within the prescribed time limit from the date of receipt. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 2.a | The POA executed by a BO in favour of a stock broker does not have any clauses contradictory to SEBI guidelines. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2.b | When POA is given to CM/Stock broker and DP for the purpose of pay-in related transactions and margin requirements, POA contains list of demat accounts where funds and securities can be moved. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 3.a | The DP has mandatorily registered the BO for SMART (SMS Alert) facility, at the time of setting up POA. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 3.b | Change in case of SMS flag, caution has been exercised to check that the POA facility is de-registered and same is intimated to the BO. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 4 | The DP has created master POA ID for all POA holders in CDAS and has been linked 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"/> N. A. | | |

8) Account Transfer / Account Transmission / Account Closure:

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 1 | BO has submitted Account Closure Form (ACF) / letter duly signed as per CDSL guidelines. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2 | 30 days notice is given to the BO before closing his account, in case account closure is initiated by DP. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.a | The DP has complied with the procedure for initiation of closure / transfer of balances / rematerialisation within 7 days of receipt of account closure request, in case of account closure (<u>online & physical</u>) initiated by BO. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 3.b | Procedure prescribed for closing an account with pending demat position is followed in case, such a request is received from the BO. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4.a | In case of Shifting of Account, procedure prescribed by CDSL is followed. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4.b | In case of account closure, where demat request is pending for disposal by Issuer/ RTA, the procedure prescribed in Operating Instructions (10.5.3.19) is followed. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 5 | In case of demat account closure / account transfer / shifting of the demat account, the DP has refunded AMC for the remaining quarter/s, in case the same is collected upfront. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 6. | The transmission requests are processed in accordance with the procedure prescribed by CDSL / SEBI/ PMLA like obtaining duly filled TRF and notarized /attested (by a Gazetted officer) copy of death certificate ,and processing the same within 7 days of receipt of the same etc.. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 7. | <u>Applicable to DP who has offered online closure facility to their clients:</u> <u>DP has followed Online Closure guidelines as per Communique no. 311 dated July 16, 2021.</u> | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 8. | <u>In case of online closure requests, DP has maintained, and stored system logs of the closure instructions and e-signed electronic requests received in electronic form in a secured manner. (100% audit)</u> | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

9) **Transaction Statement:**

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|---|-----------------|-----------------------------|
| 1.a | The details of statement of transactions generated from back office match with the statements generated from CDAS system. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|--|-----------------|-----------------------------|
| 1.b | Records for transaction statements provided to BO, giving details such as account number, date of dispatch; period for which the statement was dispatched etc. is maintained. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2 | Main DP sends the statement of account (transaction/holding statement) to all BOs as per SEBI and CDSL guidelines. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.a | The DP has obtained written consent of the BO, if the statements are being sent in electronic form and in accordance with guidelines prescribed by CDSL. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.b | The statements of account are sent under digital signature of DP official, if sent in electronic form. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4 | If the job of dispatch of transaction and holding statements is assigned to CDSL for specific BOs, Main DP dispatches the same to the remaining BOs. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 5 | In case the third party address has been accepted as a correspondence address, the DP has ensured that the statement of transactions and holding are sent to the BO's permanent address at least once in a year. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

10) Other Transactions (Pledge/Unpledge/Confiscation And Freeze/ Unfreeze):

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|--|-----------------|-----------------------------|
| 1 | Pledge, unpledge, confiscation instructions are processed as per procedure prescribed by CDSL/ SEBI / PMLA. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2 | Freeze, unfreeze, instructions are processed as per procedure prescribed by CDSL/ SEBI / PMLA. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3 | PAN card is obtained before unfreezing an account which was frozen for debit due to non-availability of PAN. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4 | Set-up /Modification / Termination of Non Disposal Undertakings (NDUs) is done appropriately. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 5 | Margin Pledge/Unpledge/Repledge/Invocation instructions are processed as per prescribed procedure | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 6 | Complete, correct and valid Margin Pledge/Repledge Request are set up by the DP under specific pledge type 'Margin Pledge'/Margin Repledge" | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 7 | The TM/CM has opened a separate account under the specific type and sub-type specified by CDSL to accept margin pledge by client. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

11) Compliance on Service Centre :

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|--|-----------------|-----------------------------|
| 1 | DP has updated its new service centre details, if any as prescribed in the communiqué 6272 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2 | All the service centres of the DP display the name of the DP prominently. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.a | Modification in contact details of the service centre, if any, are carried out as prescribed in the communiqué 6272. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3.b | The DP has followed procedure for closure of service centre as per prescribed in the communiqué 3579 and 6272. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4 | Details of service centre with DP matches with the details of service centre displayed on CDSL's website. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 5 | Identification documents (including photo-identification) of all the persons engaged in DP operations are maintained at both Main DP and service centre. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 6 | The staffs at the service centre having Checker / Verifier rights are NISM Series VI DOCE certified staff. (Refer Communiqué 4650 dated 21.08.2014). | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 7.a | Service centre (including service centre of live connected branches) managed by franchisee is duly registered with regulatory authority such as a Stock Exchange, SEBI, RBI or IRDA. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 7.b | The DP has signed an agreement with the franchisee covering services that can be offered by the franchisee. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 7.c | The franchisee is not carrying out functions which are in contravention to CDSL guidelines. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 8 | The scope of activity of the service centres is documented and adhered to. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 9 | The Main DP has given only maker rights to the (franchisee) in respect of verification of delivery instruction slips and restricted the checker entry rights/execution of DIS to itself. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 10.a | Reconciliation between the branches / service centres and Main DP takes place for the purpose of maintenance of account opening form, Demat request, instruction slips and blank instruction booklets issued by and / or received from the branch, BO grievances received and resolved. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 10.b | There is a control, co-ordination and the supervisory set up for reporting events that have occurred at live connected branches / service centres that require management intervention. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 11 | The service centres of the DP have adequate provisions for safety and security of the documents pertaining to the BOs. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 12 | Service centres display the types of services provided by each of them. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 13 | Service centres are made aware of relevant and critical information relating to DP Operations by the Main DP. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 14 | Proper records of investor grievances received and redressed is maintained and prominently displayed basic information about the grievance redressal mechanism by the Service Centre. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 15 | The discrepancies and /or non-compliances observed during previous CDSL Service Centre inspection has complied with and submitted compliance report to CDSL. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

12) Back Office Software:

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|---|-----------------|-----------------------------|
| 1.a | Back office software is being used extensively for all DP activities and all transactions are uploaded in CDAS. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 1.b | The DP's Back office software has minimum risk containment measures as prescribed in communiqué 1577 and O.I 6.5.4.2. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2.a | Back office is updated daily for the transactions done on the CDAS. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2.b | The back-up of data residing in back office (or any data maintained in electronic form) with respect to depository operations is taken. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 3 | Proper mechanism exists to ensure integrity of files from back-office before they are uploaded from DP terminal. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 4 | DP has complied with mapping of UCC details in back office software. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

13) BO Grievances / Redressal:

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|---|-----------------|-----------------------------|
| 1.a | All the grievances of BOs arising at the Main DP or at the branch are recorded and redressed within the stipulated time of 30 days.(except disputes/court matters). | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 1.b | There is no BO grievance pending for more than 30 days for reason other than 'pending demat'. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. | | |
| 1.c | BO grievances which are pending for more than 30 days are reported to CDSL through monthly grievance report and action taken thereon for redressal. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|--|-----------------|-----------------------------|
| 2 | The DP has informed CDSL about all grievances received from the BOs irrespective of such complaints are received by them directly from the BO or through CDSL or through Scores. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 3 | The DP informs the investors of the action taken to redress the grievances. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4.a | The DP has designated e-mail id for informing investor grievances and the DP having website has displayed the same on the website as per SEBI circular no. MRD/DOP/Dep/SE/cir-22/06 dated December 18, 2006. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 4.b | Grievance Redressal mechanism is printed on the inside back cover of DIS issued by DP as per SEBI and CDSL guidelines. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 4.c | The DP has prominently displayed basic information about the grievance redressal mechanism available to investors in the Main DP. (Refer communiqué 4675) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 5 | The DP has not received complaints for data entry errors / omission from BOs. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 6 | DP has provided a link to SCORES portal, within the demat account dashboard of clients to make it easier to lodge grievances. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 7 | DP has displayed information regarding 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 (comm.332 dated July 04, 2019) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

14) Audit of other Transactions / Services / Tariff Structure/Surveillance Obligation:

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|---|-----------------|-----------------------------|
| 1.a | Whether the DP has outsourced activities which are permissible as per SEBI circular no. CIR/MIRSD/24/2011 dated 15.12.2011. (Refer comm. 2775). | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 1.b | If reply to 14.1.a above is yes, mention the activities outsourced and whether CDSL approval has been obtained? (Refer CDSL Bye Law 5.3.30 and CDSL-DP agreement clause 52) and all the steps / procedures / requirement mentioned in the CDSL approval | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|---|-----------------|-----------------------------|
| | letter have been complied with. | | | |
| 1.c | The DP has on record comprehensive policy for all outsourced activities and written agreement with the third party describing all material aspects of the outsourcing arrangement. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 2.a | Notice of at least 30 days is given to the BOs before effecting increase in charges/fees and also updated on CDSL website. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 2.b | The DP does not levy charges to BOs for account opening / account closure etc., which are prohibited by SEBI (Refer communiqué 4991). | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2.c | The DP has uploaded the tariff details and subsequent modification (if any) to CDSL's website. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2.d | The DP has billed all the BOs (its clients) as per the tariff sheet | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 3.a | Registration of clients to easiest is done after obtaining registration forms. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 3.b | Registration of Trusted accounts at easiest is done after obtaining Letter in the given format from trusted account holders. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A. | | |
| 4 | The DP follows maker-checker concept in all of its activities to ensure the accuracy of the data and as a mechanism to check unauthorised transaction. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 5 | All forms used by the DP are in conformity with CDSL's prescribed format. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 6.a | The concurrent audit of risk prone areas on 100% basis is being conducted by the auditor conducting internal audit in accordance with the guidelines specified by CDSL.(If the concurrent auditor is different, please attach the consolidated concurrent audit report as Annexure B). | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 6.b | Concurrent audit reports are submitted by the concurrent auditor to the DP on monthly basis by 10th of the next month and are in format as per communiqué 2018-205 dated 20-04-2018. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 6.c | The major negative observations in the concurrent audit are informed to CDSL immediately. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 6.d | Non-compliances observed in concurrent audit report of risk prone areas during audit period have been rectified and checked by the auditors. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 7.a | The details of the compliance officer/director/investor relations officers/ authorised signatories/ office address and change if any is informed by DP to CDSL in the prescribed format. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 7.b | Compliance Officer of the DP has obtained NISM-Series-III A: Securities Intermediaries Compliance (Non-Fund) Certification Examination (SICCE) as per SEBI notification dated 11th March 2013. (Refer Communiqué 3549). | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 8 | The DP has informed CDSL 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"/> N. A | | |
| 9 | <u>The DP has framed 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.</u> | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

15) Records / Registers and documents to be maintained:

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|---|-----------------|-----------------------------|
| 1 | The DP has developed internal mechanism for maintenance and preservation of all records and information for a period of 8 years in the manner that allows easy and quick retrieval of data. Ref. SEBI (D&P) Regulations, 2018 dated 03.10.2018 | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2 | Nomination Register is maintained as per CDSL guidelines. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 3 | Register of documents / certificates received and sent for dematerialization / rematerialisation and demat/remat reject received and handed over to the BO is maintained. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 4 | Power of Attorney register is maintained as per CDSL Guidelines. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 5 | Investor Grievance Register is maintained. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 6 | DIS Issued Register is maintained. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 7 | The DP has maintained Suspicious Transaction Register as prescribed by CDSL regarding the alerts being provided and actions taken are recorded as per communiqué 5156 | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 8 | Records are kept separately for each depository. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

Note: Registers should be maintained either in physical or in back office. The same should not be maintained in excel sheets.

16) Centralized Depository Accounting System (CDAS):

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|---|-----------------|-----------------------------|
| 1.a | Secrecy of passwords maintained at all levels. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 1.b | The variable access rights' as suggested by CDSL is implemented. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 1.c | The DP uses its 'easiest' login for processing of instruction(s) at least once in a month. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2.a | Main DP is maintaining record of identification documents (including photo-identification) of the persons engaged in DP operations at its office, at live connected branches and at service centers. (Refer O.I 17.7.2). | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2.b | At least one staff operating the CDAS has obtained 4 days training at CDSL. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2.c | The associated person(s) employed or engaged by the DP other than those engaged in basic elementary / clerical level activities & supervised by NISM DOCE certified personnel, are NISM-Series VI DOCE certified / attended CPE programme as applicable to grandfathered employees. (Refer comm. 4650 dated 21.08.2014) | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 3 | The Anti Virus Software installed is upgraded regularly on a weekly basis. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

17) Status of compliance for deviations / observations noted in last inspection/internal audit:

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---------------------|----------|-----------------|-----------------------------|
|---------|---------------------|----------|-----------------|-----------------------------|

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 1.a | The discrepancies and /or non-compliances observed during previous CDSL inspection, and last two internal audits and concurrent audits are rectified and /or complied with. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 1.b | The discrepancies and /or non-compliances observed during inspection conducted by SEBI or any other regulatory authorities are rectified and /or complied with. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 1.c | The DP has implemented the procedure as confirmed in the previous compliance report for the last inspection and/ or internal audit report. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2.a | Depository Participant has placed last CDSL inspection report and corrective action before the meeting of its Board of Directors held on_____. (same may be verified from the extract of the minutes of the Board Meeting) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2.b | Depository Participant has placed last SEBI inspection report and corrective action before the meeting of its Board of Directors held on_____. (same may be verified from the extract of the minutes of the Board Meeting) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2.c | Depository Participant has placed last Internal Audit report / Concurrent Audit report and corrective action before the meeting of its Board of Directors held on_____. (same may be verified from the extract of the minutes of the Board Meeting) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2.d | Board of the DP was satisfied with the corrective actions taken. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

18) Compliance under Prevention of Money Laundering Act, 2002 (PMLA):

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 1 | The DP has prepared a PMLA policy as per SEBI and PMLA guidelines (SEBI circular SEBI/ HO/ MIRSD/ DOP/ CIR/ P/ 2019/113 dated October 15, 2019) (Comm CDSL/OPS/DP/POLCY/2019/542 dated October 25, 2019) and a copy is sent to FIU-IND. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2.a | Principal Officer' is appointed as required under the PMLA Act. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2.b | The DP has intimated the appointment / change in Principal officer, if any to FIU - India. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|---|-----------------|-----------------------------|
| 3.a | Designated Director has been appointed by the DP as required under the PMLA Act. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 3.b | The DP has intimated the appointment / change of Designated Director to FIU - India. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 4.a | The DP has provided appropriate training on PMLA to its staff members to create awareness and made available the PMLA policy for compliance purpose. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 4.b | The DP has adequate screening procedure in place to ensure high standards when hiring employee. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 5.a | The DP has defined and adopted customer acceptance policy. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 5.b | The DP has undertaken Client Due diligence measures including requirements for proper identification before account opening and ensures that the identity of the clients does not match with any person having known criminal background or is not banned in any other manner, in terms of criminal or civil proceedings by any enforcement agency worldwide. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 5.c | The DP has categorized clients into low, medium and high risk based on its perception of risk depending upon client's background, type of business activity, transactions etc. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 5.d | PMLA Policy contains defined parameters on Categorisation of clients into "Clients of Special Category (CSC) like politically exposed persons, NRIs, High net worth Individuals and clients with dubious reputation. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 6.a | The DP has updated the income and occupation details either in CDAS or Back office system. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 6.b | The DP checks and monitors and scrutinizes the transactions / Value of securities in the demat accounts of the BO(s) based on income and occupation details as per PMLA guidelines and follows ongoing due diligence for ensuring effectiveness of the AML Procedures. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 6.c | PMLA policy has defined the periodicity of updating of KYC documents for the client due diligence (CDD) process (especially when there are suspicions in transactions) | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 7.a | The DP has a system in place for identifying suspicious transactions and directly reporting the same to FIU - India within 7 days of detecting of the same. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 7.b | The DP has informed CDSL the number of STRs, if any, filed by them directly with FIU-IND by the 7 th of the succeeding month. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 8.a | The periodicity of review of policy is defined in the PMLA policy. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 8.b | The DP has done the periodic review of the PMLA Policy by any DP official other than the official who originally drafted the policy. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

19) Compliance on Designated Depository Participants(DDPs):

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---|--|-----------------|-----------------------------|
| 1 | The DDP has opened the account of FPI only after granting registration to FPI. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 2 | The DDP has granted conditional registration of 180 days to FPI only after following SEBI guidelines as per SEBI circular dated 8.01.2014. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 3 | The DDP has obtained necessary declarations & undertakings from the FPI/FPI investor group for investment limit of 10% to be maintained. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 4 | The DDP has devised mechanism to ascertain that aggregate holdings of a FPI has not exceeded the stipulated limit. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |
| 5 | The DDP has mechanism to check about any material change in the information provided by FPI to DDP and SEBI earlier in respect of direct/indirect change in control, change in regulatory status, merger/demerger or restructuring, change in category, change in structure etc. and it reassesses the eligibility of FPI after examining the same. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

20) Certification from the Auditors:

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|---------------------|----------|-----------------|-----------------------------|
|---------|---------------------|----------|-----------------|-----------------------------|

| Sr. No. | Particulars Checked | Comments | No of instances | Remarks of internal auditor |
|---------|--|--|-----------------|-----------------------------|
| 1 | At least one person conducting internal and/ or concurrent audit is NISM certified (DOCE / CPE). | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2 | Neither the audit firm nor any of the partner/ employees of the firm conducting internal audit of the DP are directly or indirectly interested or associated with the DP and do not have conflict of interest whatsoever . | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 3 | Required internal controls, checks, risk management procedure are in place. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 4 | The DP operations are carried out as per the Depositories Act 1996, SEBI (Depositories and Participants) Regulations 2018, Prevention of Money Laundering Act, 2002 Operating instructions, communiqués, CDSL Byelaws and SEBI Guidelines. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 5 | Adequate staff, hardware, and software are available at the DPs office. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 6 | The place of keeping records is adequate in terms of safety and security. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 7 | Information provided by the DP for the previous half year Risk Assessment Template has been verified and found to be factual. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 8 | The capacity of computer system, staff strength and internal procedures are commensurate with the level of business activity of the DP. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 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 | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 10 | The DP and its directors satisfy the Fit and Proper Criteria as defined in the SEBI (Intermediaries) Regulations, 2018 and CDSL Bye-laws. | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 11 | The DP has submitted AI/ML and Cyber Attacks and Threats Reports as per prescribed guidelines (Communique 174 dated April 03, 2019 and Communique 375 dated July 26, 2019) | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 12 | Statutory auditor of the DP has not resigned during the audit period. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N. A | | |

21) Details of the Audit Firms to be provided (Mandatory requirement) :

(A) Details of Internal Auditors:

| | | |
|---|---|-------------|
| Name of the Audit Firm conducting Internal Audit | : | |
| Address of the Audit Firm | : | |
| Name of the Auditor | : | |
| Designation of the Auditor | : | |
| Registration No. of the Auditor | : | |
| PAN of the Auditor | : | |
| Office Phone No. | : | |
| Mobile No. | : | |
| Email id of the Firm | : | |
| Registration no. of the firm | : | |
| NISM – DOCE / CPE Certificate no. [of any one person conducting the internal and/or concurrent audit] name of the person to be mentioned. | : | |
| Date till which certificate is valid | : | DD-MMM-YYYY |
| <u>Unique Document Identification Number (UDIN)</u> | | |

(B) Details of Concurrent Auditors:

| | | |
|--|---|--|
| Name of the Audit Firm conducting concurrent Audit | : | |
| Address of the Audit Firm | : | |
| Name of the Auditor | : | |
| Designation of the Auditor | : | |
| PAN of the Auditor | : | |
| Office Phone No. | : | |
| Mobile No. | : | |
| Email id of the Firm | : | |
| Registration No. of the Auditor | : | |
| Registration No. of the firm | : | |

Stamp/Seal & Signature of the Internal Auditor : _____ **Date:** _____

Management Comments : _____

Stamp and Signature of the Depository Participant : _____ **Date:** _____

**FORMAT OF THE CONSOLIDATED CONCURRENT AUDIT REPORT
TO BE ATTACHED AS ANNEXURE TO THE INTERNAL AUDIT REPORT,
IF THE CONCURRENT AUDITOR IS DIFFERENT FROM THE INTERNAL AUDITOR**

| | | |
|--|---|--|
| DP-ID: | : | |
| DP Name | : | |
| Period for which the consolidated Concurrent audit report is submitted | : | |
| Name of the Audit firm Conducting concurrent audit | : | |
| Address of the Audit Firm: | : | |
| Name of the Auditor | : | |
| Designation of the Auditor | : | |
| PAN of the Auditor | : | |
| Office Phone No.: | : | |
| Mobile No.: | : | |
| Email id of the Firm : | : | |
| Registration No. of the Auditor | : | |
| Registration No. of the Audit Firm | : | |
| <u>Unique Document Identification Number (UDIN)</u> | : | |

I/We certify that the Concurrent Audit of risk prone areas has been done on 100% basis in accordance with the guidelines specified by CDSL for the below mentioned risk prone areas :-

1. Account Opening:
2. Account Modifications:
3. Issuance of Instruction Slips:
4. Execution of Instruction Slips:
5. Account Closure initiated by DP:
6. Investor Grievances Received By the DP:
7. Others:
 - (i) Whether main DP sends Transactions Statements as prescribed by CDSL
 - (ii) If the transaction statements are sent through electronic mode
 - (iii) Transmission
 - (iv) Transactions processed through Back Office Software and updated regularly
 - (v) Mandatory use of the DP login for execution of the transactions through “easiest”

(vi) Non Disposable Undertakings (NDUs)

Note: Please refer to Communiqué 253 dated June 07, 2021 before commenting on any non-compliance, if any in the respective area of DP Operations mentioned above.

Concurrent auditors are required to give comments on the following:

- (i) Whether any lapse was observed? – Yes No
- (ii) If any lapse was observed, the nature of deviation and the rationale of arriving at the conclusion should be mentioned. The number of instances and list of such instances to be attached as annexure.
- (iii) Suggestions for improvement. (If the auditor does not have any suggestion, the same should be specifically mentioned by the auditor)
- (iv) Compliance status and Management Comments (in case of negative observations).

I / we are not related party to the DP:

I / We hereby declare that at least one person conducting the concurrent audit of risk prone areas is NISM certified (DOCE / CPE)

Conflict of Interest certificate:

We hereby confirm that neither the firm nor any of the partner/ employees of the firm are directly or indirectly interested or associated with (*Name of the DP*) whose concurrent audit is carried out.

Stamp/Seal & Signature of the Auditor

Date:

Management Comments:

Stamp and Signature of the Depository Participant:

Date: