



NATIONAL STOCK EXCHANGE OF INDIA LIMITED

DEPARTMENT : INSPECTION	
Download Ref. No.: NSE/INSP/37537	Date : April 16, 2018
Circular Ref. No.: 326/2018	

All Trading Members and Clearing Members

Sub: Internal Audit of Trading members / Clearing members

This is to inform that all Trading / Clearing members are required to carry-out complete Internal Audit for the **half year ended March 31, 2018** and submit the report electronically through the Inspection module in the Member portal. The Audit shall be conducted only by independent qualified Chartered Accountants or Company Secretaries or Cost & Management Accountants who are in practice and do not have any interest in or relation with the Member other than the internal Audit assignment.

It is to be noted that as per the provision of SEBI's Enhanced Supervision of Stock Brokers, the due date to submit the Internal Audit report is within two months from the end of half year i.e. for half year ended March 31, 2018, the due date is **May 31, 2018**.

Please note that actions for late/non-submission of the internal audit report shall be applicable as per the Exchange circular NSE/INSP/36248 dated November 06, 2017. Also, the existing penalty structure for non-compliances observed in the internal audit report is under review and same shall be informed shortly.

Please find enclosed herewith following Annexures applicable for the internal audit report for half year ended March 31, 2018:

- Internal Audit certificate - **Annexure I**.
- Format of Internal Audit Report - **Annexure II**. (Excel File-"IARNSEMAR18")
- Guidelines on Sample selection & other points to be noted - **Annexure III**.
- List of Indicative Processes & reference of Exchange/SEBI circulars - **Annexure IV**.
- Detailed Manual for submission of Internal Audit Report- **Annexure V**

For issues related to Digital Signature, Members are requested to refer the "Digital Signature Installation Guide" available on Member portal.

Auditors are requested to mandatorily adhere to the sample selection guidelines specified therein (Annexure III) and mention the sample size selected along with the details of the instances of Non-Compliance (if any) against each of the checklist points. All working papers & records with respect to the Audit should be retained by the Auditors for verification by the Exchange as and when required.

All members are advised to ensure compliance with the above and note that no documents are to be submitted in physical form to the exchange.

In case of any clarifications, Members may contact our below offices:

CENTRE	CONTACT NO.	E MAIL ID
Ahmedabad	079-49008632	inspectionahm@nse.co.in
Chennai	044-28479915 / 17	inspection_cro@nse.co.in
Delhi	011-23459138/146/127	delhi_inspection@nse.co.in
Kolkata	033-40400411 / 406	inspection_kolkata@nse.co.in
Mumbai	022-25045081/232/264	compliance_wro@nse.co.in
Help Desk	1800 2200 51	compliance_assistance@nse.co.in

**For and on behalf of
National Stock Exchange of India Limited**

**Manish Sharma
Manager – Inspection**

Encl: As Above