

National Stock Exchange Of India Limited**Department : INSPECTION**

Download Ref No: NSE/INSP/42366

Date : October 11, 2019

Circular Ref. No: 35/2019

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 September 30, 2019** 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 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 September 30, 2019, the due date is **November 30, 2019**. The 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.

Please find enclosed herewith following Annexures applicable for the internal audit report for half year ended September 30, 2019:

- Internal Audit certificate - **Annexure I.**
- Format of Internal Audit Report - **Annexure II.** (Excel File-"IARNSESEP19")
- 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 & Troubleshooters- **Annexure V**

Further, in order to ease the submission process of Internal Audit, a 'Test Page' to check Digital Signature has been provided for auditors/members right before submitting the Internal Audit report. The path for the same is captured in the detailed manual (Annexure V).

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.

As per Exchange circular NSE/COMP/42287 dated October 03, 2019 all Internal Audit Certificate shall mandatorily contain Unique Document Identification Number (UDIN). A provision to enter the UDIN by the Auditor has been provided in the system.

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. The system for submitting the Internal Audit report shall be made available from October 14, 2019 onwards.

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

CENTRE	CONTACT NO.	E MAIL ID
Ahmedabad (ARO)	079-49008632	inspectionahm@nse.co.in
Chennai (CRO)	044-66309915 / 17	inspection_cro@nse.co.in
Delhi (DRO)	011-23459138/146/127	delhi_inspection@nse.co.in
Kolkata (KRO)	033-40400411 / 406	inspection_kolkata@nse.co.in
Mumbai (WRO)	022-25045081/144	compliance_wro@nse.co.in
Central Help Desk		compliance_assistance@nse.co.in

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

Srijith Menon

Chief Manager – Inspection

Encl: As Above