

## ANNEXURE V

### MANUAL FOR SUBMISSION OF INTERNAL AUDIT REPORT BY AUDITOR:

Upon registration of Auditor by member, the Internal Auditor shall receive the following indicative e-mail on his registered E mail ID.

Dear Sir/Madam,

Your Registration for submission of Internal Auditor Report for the period OCT-24 To MAR-25 has been successfully created.

Please find the details as under:

User Id: User ID

Password: Password

TM Name: Trading member name

TM Code: Trading Member Code

Kindly click on the following link <https://inspection.nseindia.com/MemberPortal/>

On clicking the above link for the first time, you will be prompted to change the password, kindly change the password immediately.

You are requested to initiate Internal Audit for the OCT-24 to MAR-25 for CM, FO, CD segment/s and submit Annexure I & II and III (if TM is QSB).

In case of any clarification, please contact the Member.

**Step 1:** Click the URL provided in the email and login with the given credential.

**Step 2:** Following roles would have been assigned to Auditor's login.

#### **1) INSPECTION – INTERNAL AUDIT.**

**INSPECTION – INTERNAL AUDIT:** Double click on “Inspection-Internal Audit” under Menu at the left-hand side, Internal Audit Report MIS page will open.

**Step 3:** Under Internal Audit MIS – by entering Auditor Membership Number and Audit Period, Auditor will find data as per below screen.

**Part A – Data sharing:** Exchange has provided ‘Holding Statement Report’ to Auditor for verification, submitted by member to Exchange..

Additionally, List of Authorised Persons of Trading Member has been pushed in respective Auditor's Login.

**Part B – Sampling: For various Internal Audit checklist points, sample dates/ clients are provided to Auditors for doing Audit.**

**INSPECTION-INTERNAL AUDIT**

☐ I/we hereby declare that I/we are not debarred or restrained from issuing any certificate by ICAI, ICSI, ICMAI, RBI, SEBI or by other regulator/law enforcement agency. Further no regulatory action has been taken against internal auditor/partner/director.

☐ We declare that the firm or at least one of the partners is having a minimum of 5 years experience in carrying out audits.

**Submit**

Conflict Of Interest: ☐ Yes ☐ No

**Submit to Member**

**Data Sharing**

	Description	File Name
1	HOLDING STATEMENT REPORT_07030023	AA8C18678D_HS_07030023_DS_SUCCESS.jpg
2	HOLDING STATEMENT REPORT_29100024	AA8C18678D_HS_29100024_DS_SUCCESS.jpg

[Member Bank Details Report](#)  
[Member DP Details Report](#)  
[Member DP Comm Bank Details Report](#)  
[List of Registered Authorized Persons \(AP\)](#)

**Note:**

- To Read the data in correct format, please unzip the file and open with Notepad

**Sampling Part-B**

- Sample data such as top dates with highest turnover/ margin obligation during audit period, top clients with highest margin obligation during audit period as on March 31, 2025, has been made available below. List of top 150/ 100 sample clients have been shared in the descending order by value; however, the auditor may select the top clients as per the Sampling Criteria 1, 2 and 3

**Step 4: After clicking on ‘Search’ button, auditor is required to tick the 2 checkboxes and submit declaration (as per below screenshot). Also, auditor has to submit conflict of interest to the member (subsequently to be submitted by Member to the Exchange from his login). ‘New Report’ button would be visible to the auditor only after Conflict of Interest is submitted by both Auditor and Member (First auditor then member).**

☒ I/we hereby declare that I/we are not debarred or restrained from issuing any certificate by ICAI, ICSI, ICMAI, RBI, SEBI or by other regulator/law enforcement agency. Further no regulatory action has been taken against internal auditor/partner/director.

☒ We declare that the firm or at least one of the partners is having a minimum of 5 years experience in carrying out audits.

Conflict Of Interest: ☐ Yes ☐ No

**Data Sharing**

**SPECTION-INTERNAL AUDIT**

You have entered incorrect Membership No or you have submitted the report for all of the segments assigned to you.

**Search** **Reset**

Member Name	Member Code	Segment	Audit Report Period	Status	Created Date	Updated Date	Innecure1(Audit onnecure2(Audit onn)	Edit +	Delete

**Attention!**

Please select whether Conflict Of Interest as Yes or No

**OK**

Page 1 of 0 10

No records to view



Internal Audit ▾

(\* Indicates Mandatory)

## Internal Audit Report MIS

Auditor's Membership No.\*

Audit Period\*

Select ▾

## Confirmation



Conflict Of Interest is submitted successfully by Auditor.

OK

☐ 1. We declare that the firm or

experience in carrying out audits

☐ 2. I/we hereby declare that I/we are not debarred or restrained from issuing any certificate by ICAI, ICSI, ICMAI, RBI, SEBI or by other regulator/law enforcement agency. Further no regulatory action has been taken against internal auditor/partner/director.

Submit

## Note:

- To Read the data in correct format, please unzip the file and open with Notepad

## Sampling Part-B

- Sample data such as top dates with highest turnover/ margin obligation during audit period, top clients with highest margin obligation during audit period as on March 31, 2025, has been made available below. List of top 150/ 100 sample clients have been shared in the descending order by value; however, the auditor may select the top clients as per the Sampling Criteria 1, 2 and 3 defined in Annexure III.

**Step 5: On clicking, “New Report” button (As per above screenshot). The screen will move to the next page and auditor is required to fill certain details.**

**Click ‘OK’ after reading all the point to proceed and fill all the details.**



Existing Membership ▾

Products ▾

Investor ▾

Services &amp; Circulars ▾

Dashboards ▾

User ▾

Sign-Out

auditor

Certificate of Practice No. (CUP):\*

12345

Auditor report Certified by:\*

CA

Auditor's Membership No:\*

222222

Auditor's Email ID:\*

Auditor's Mobile No.:\*

9999999

UDIN No:

Audit Period:

OCT-24 To MAR-25

No. of active non institutional clients:\*

2

No. of active institutional clients:\*

1

Type of Trading:\*

☐ Only Proprietary ☐ Only Clientele ☒ Proprietary & Clientele

Facility Providing:\*

Applicable ▾

☒ Internet Trading facility☐ Margin Trading facility☐ DMA facility☐ Algo Trading facility☐ CTCL facility☐ Co-location facility

No. of Branches in the beginning of the Audit Period:\*

1

No. of Branches opened during the Audit Period:\*

2

No. of Branches closed during the Audit Period:\*

1

**Step 6: On the same page, auditor can either download the checklist (excel template) provided in the system or use the checklist provided in the circular for carrying out the internal Audit. For QSB members, internal auditors are required to submit QSB Checklist (Template hyperlink provided in the auditor login as per the below screenshot)**

The screenshot shows the NSE Internal Audit form. The header includes the NSE logo and navigation tabs: Existing Membership, Products, Investor, Services & Circulars, Dashboards, User, Sign-Out, and a user profile icon labeled 'auditor'. The main section is titled 'INSPECTION-INTERNAL AUDIT'. It contains a table for selecting audit segments (CM, FO, SLBM, CD, WDM, OBPP, IRF, MFSS, DEBT, CO) and activity types (Trading, Self-Clearing). Below the table are links for downloading templates and guidelines. At the bottom, there are fields for attaching documents (Compliance/NonCompliance, Sample Details, QSB checklist) and a declaration section.

**Step 7: By clicking on '[Download template for excel upload](#)' & '[Download template for QSB excel upload](#)' hyperlink, Auditor will be able to download the template in which he needs to indicate the compliance/Non- compliance/Not Applicable status for each checklist point and enter their remarks wherever required. After completing the entire checklist, Auditor shall proceed to upload the same sheet by *clicking the "browse" button*. Similarly, auditor has to fill and submit the QSB Checklist (for QSB members) by clicking the browse button.**

**Step: 8 After completing the entire checklist, Auditor shall submit the sample details for both compliance and non-compliance instances. By clicking on '[Sample details file](#)' hyperlink, Auditor will be able to download the template in which he needs to fill UCC, PAN and Name as per UCC, Sample Date for all the instances for which verification has been done. If any clause which is not applicable to member, auditor may fill "NA" in the mandatory field(s). The auditor has to download and fill the required details in 'IARNSEMAR25\_AP\_SAMPLE\_DETAILS' and zip both the sample details files (IARNSEMAR25\_SAMPLE\_DETAILS & IARNSEMAR25\_AP\_SAMPLE\_DETAILS).**

**Note: Both the sample details file should be zipped together directly into one zip folder (Step 1- Select both the sample files & right click, Step 2- Select 7Zip and select add to .zip) Name of Zip folder should be 'IARNSEMAR25\_SAMPLE\_DETAILS.zip'**

**Structure of sample file is as under: -**

## 1. IARNSEMAR25\_SAMPLE\_DETAILS

Clause (Column 1), Particulars (Column 2), UCC (Column 3), PAN as per UCC (Column 4), Name as per UCC (Column 5), Sample date (Column 6), Amount (Please report date wise amount only where non-compliance is observed) (Column 7)

## 2. IARNSEMAR25\_AP\_SAMPLE\_DETAILS

Clause (Column 1), Particulars (Column 2), Name of AP (Column 3), Report Compliance – C/NC (Column 4), Remarks (in case of NC) (Column 5)

**Note:** Please ensure to use the same text in the “Particulars column” for each clause as provided in the template “Sample details file” while adding row for providing instances of sample details verified.

**Step 9:** Once it is uploaded and consent for declaration is provided, Click on ‘Submit’ button.

**Step 10:** After submitting the same, “Non-Compliance” (NC) observations shall be reflected in the nextscreen and Auditor mandatorily needsto provide the details like no. of instances verified, no. of instances where non-compliance is observed, % of Non-compliance observed and value involved in non-compliances to be provided wherever applicable.

NON COMPLIANCE/NOT APPLICABLE CLAUSES							
S.No	Area Of Verification	Observation Of Internal Auditor		Sample size verified	Details of sample where non compliance observed	percentage of instances where non-compliance is observed	amount/value involved where non-compliance is observed
		Compliance Status	Remarks in case of observation				
4.s	Trading member has done actual settlement of clients funds for the month/quarter as per the annual calendar for settlement (quarterly/monthly) prescribed by the Exchange.	NC	<input type="text"/>	2	<input type="text"/>	100.00	10000
4.ai	Member has correctly reported to the Exchange the Securities holding balances for each of the DP account maintained by it. (Details of the difference between the actual data and the reported data should clearly be brought out)	NC	<input type="text"/>	2	<input type="text"/>	50.00	10000
4.aj	Member has not funded its clients in contravention to the Exchange / SEBI requirements i.e. member has not granted further exposure to the clients when debit balances arise out of clients failure to pay the required amount and such debit balance has not continued beyond the fifth trading day, as reckoned from date of pay-in (Except in accordance with Margin Trading Guidelines)	NC	<input type="text"/>	2	<input type="text"/>		10000
4.bh	Funds of clients having credit balance has used for margin obligation of respective client only and not for obligation of any other clients / Proprietary trading	NC	<input type="text"/>	2	<input type="text"/>	50.00	10000
<b>Hide/Show</b>							
Sr No	Area of Verification					observation of Internal Auditor	Sample size verified
1	Client registration documentation / Anti Money Laundering compliance						
a	All relevant Client Registration documents executed with clients in compliance with SEBI circulars and supporting collected from the clients are available and are easily retrievable and no material discrepancies were observed (viz. Photograph, signature, Pan Card details, Proof of Address/Identity Not provided)					C	4
b	Correct and updated KYC details/ Information of the clients are uploaded in the UCC database of the exchange as per KYC details and the same is matching with KRA/ C-KYC database.					C	4
c	No clauses are included in any of the documents executed with the clients- a) which dilutes responsibility of member or b) which is in conflict with any of the clauses in mandatory documents, Rules, Bye-laws, Regulations, Notices, Guidelines & Circulars issued by SEBI & Exchanges or c) which is not in the interest of the investor. d) No blanket confirmation / authorisation obtained from clients					C	4
d	All the mandatory clauses/documents and Annexures such as KYC, details relating to trading account, rights and Obligations, Do's and Don'ts, RDO and Tariff sheet and contact details of senior officials and investor Grievance Cell of the member as stipulated by SEBI/Exchanges have been included in the mandatory section of the Account opening document executed with the clients and no material details were omitted.					C	4
e	In-person verification is done by Employee or Authorised Person only and the date of verification, name, designation and signature of the official who has done in-person verification and the Rubber Stamp is incorporated in the client registration form					C	4
f	Any changes (including address, bank account or demat account) in the information in the account opening form as provided at the time of account opening has been notified by the client to the member in writing and member has carried out necessary due diligence to verify correctness of any such changes and updated those changes in relevant records in their back office, UCC Database of the Exchange, KRA and C-KYC.					C	4
g	Trading member has taken documentary evidence in support of financial information provided by the client for derivatives segment at the time of registration					C	4
h	Client details including financial details are reviewed and updated periodically / at least once in a financial year in compliance with Exchange's circulars.					C	4
i	Trading code and the unique client code allotted to a client and the e-mail furnished by the client for the purpose of receiving ECH and other details, are communicated by the trading member through the client account opening form or otherwise in writing to the client.					C	4

Similarly, for “Not Applicable (N.A.)” points, auditors are required to mention appropriate remarks for non-applicability of the checklist point.

Similarly, for “Not Complied” point relating to point 9.m and 9.p regarding “Net worth”, auditors are required to provide additional information: -

S.No	Area Of Verification	Observation Of Internal Auditor		Sample size verified	Details of sample where non compliance observed	percentage of instances where non-compliance is observed	amount/value involved where non-compliance is observed	Net-worth as reported by Member to the Exchange(a)	Net worth computed by Internal auditor (b)	Amount of discrepancy observed (in Rs)(c-a-b)	Whether the Amount is leading to Short-fall (Yes/No)(d)	If (d) is yes, Provide amount leading to short-fall (e )
		Compliance Status	Remarks in case of observation									
9.m	Last submitted net worth certificate to the Exchange is correctly submitted. In case of incorrect reporting of Networth is leading to shortfall, please specify in remarks.	NC		1st April 2024 to 30th September 2024							Select	
9.p	Member has maintained Net worth as prescribed by the SEBI Gazette Notification No. SEBI/LAD-NBO/GN/2022/73 dated February 23, 2022.	NC		1st April 2024 to 30th September 2024							Select	

Hide/Show

Sr No	Area of Verification	observation of Internal Auditor	Sample size verified

From current half year, auditor is required to provide details for points 4.AJ, 4.BW and 4.BY (as per screenshots below). When auditor selects NC for any above-mentioned points, then auditor shall provide date-wise (C/NC) details in the format available on the Non-Compliance page. In case the Internal Auditor wants to add or delete dates (rows), please click ‘Add Row’ or ‘Delete Row’.

Minimum 2 dates for point 4.AJ and minimum 6 dates for points 4.BW & 4.BY. If Auditor has selected NC for points 4.AJ, 4.BW and 4.BY, then he shall provide NC status for at least one date.

### Sample Details for point 4.AJ

Existing Membership
NSCL
Products
Investor
Services & Circulars
Dashboards

User
Sign-Out

Last Login: 20/03/2024

SERVICES
INSPECTION-INTERNAL AUDIT

10.s
Verify the trading member's policy on appointment of third party / registered intermediary for the purpose of (a) identification and verification of the identity of a client and determination of whether the client is acting on behalf of a beneficial owner, identification of the beneficial owner and verification of the identity of the beneficial owner.
N.A.
1st October 2023 to 31st March 2024

13.a
If member is doing pro trading, then member has disclosed this information to his clients.
N.A.
60

S.No	Area Of Verification	Observation Of Internal Auditor		Sample size verified	Details of sample where non compliance observed	percentage of instances where non-compliance is observed	amount/value involved where non-compliance is observed	Net-worth as reported by Member to the Exchange(a)
		Compliance Status	Remarks in case of observation					
9.m	Last submitted net worth certificate to the Exchange is correctly submitted. In case of incorrect reporting of Networth is leading to shortfall, please specify in remarks.	NC		1st October 2023 to 31st March 2024				



## INSPECTION-INTERNAL AUDIT

Inspection Case Details					Action Letter Details		Inspection Report Violations		Observation of Internal Auditor	
Case Id	Case Type	Activity Type	Action Letter Status	Action Letter Sent Date			Compliance Status	Remarks in case of observation		
2025-30637	LPI	Trading	AL Approved & Dispatched	01-Apr-2024	The funds used for margin trading is not obtained from approved sources only		C	▼	The funds used for margin trading is not obtained from approved sources only	
2025-30637	LPI	Trading	AL Approved & Dispatched	01-Apr-2024	Inspection of branches/Registered Authorised persons (APs) not undertaken		C	▼	The funds used for margin trading is not obtained from approved sources only	
2025-30637	LPI	Trading	AL Approved & Dispatched	01-Apr-2024	Member has dealt with another Member for trading on the Exchange without prior approval of the Exchange		C	▼	The funds used for margin trading is not obtained from approved sources only	
2025-30637	LPI	Trading	AL Approved & Dispatched	01-Apr-2024	Well documented risk management policy.		NC	▼	The funds used for margin trading is not obtained from approved sources only	
2025-30691	OFFSITE	OFFSITE	AL Approved & Dispatched	14-Jun-2024	Violating Maintenance of the following books and records exchange wise.		NC	▼	The funds used for margin trading is not obtained from approved sources only	
2025-30633	OFFSITE	OFFSITE	AL Approved & Dispatched	24-Sep-2024	Inspection of branches/Registered Authorised persons (APs) not undertaken		C	▼	The funds used for margin trading is not obtained from approved sources only	
2025-30633	OFFSITE	OFFSITE	AL Approved & Dispatched	24-Sep-2024	The funds used for margin trading is not obtained from approved sources only.					

## INSPECTION-INTERNAL AUDIT

and/or in transit to the CC.

Add Row Delete Row

T-1 Report Details			T-1 Violation Details		Observation Of Internal Auditor	
Request Reference No.	Audit Period	Segment	S.No	Area Of Verification	Compliance Status	Remarks in case of observation
AUDIT_REPORT/58466	APR-24 To SEP-24	CD FO CM	1.d	All the mandatory clauses/documents and Annexures such as KYC, details relating to trading account , rights and Obligation, Dos and Don'ts , RDD and Tariff sheet and contact details of senior officials and investor Grievance Cell of the member as stipulated by SEBI/Exchanges have been included in the mandatory section of the Account opening document executed with the clients and no material details were omitted.	C	
AUDIT_REPORT/58466	APR-24 To SEP-24	CD FO CM	1.1	Risk profiling/categorization of the clients has been done as per the written down policy of the member as per the PMLA master circular.	NC	
AUDIT_REPORT/58466	APR-24 To SEP-24	CD FO CM	3.f	Daily Margin statement is issued to the respective clients with the details as specified and within the prescribed time limit, and Proof of delivery / dispatch/ log for dispatch is maintained.	NC	
AUDIT_REPORT/58466	APR-24 To SEP-24	CD FO CM	3.5	Member has maintained copies / duplicates of contract notes issued to clients in physical or electronic form.	NC	
AUDIT_REPORT/58466	APR-24 To SEP-24	CD FO CM	4.5	Trading member has done actual settlement of clients funds for the month/quarter as per the annual calendar for settlement (quarterly/monthly) prescribed by the Exchange.		



If auditor wants to provide additional information with regards to any other material observations with respect to non-compliances, auditor can enter details by adding or deleting rows as required.

The screenshot displays the NSE portal's 'INSPECTION-INTERNAL AUDIT' section. At the top, there's a navigation bar with links like 'Existing Membership', 'NSCCL', 'Products', 'Investor', 'Services & Circulars', and 'Dashboards'. The main content area features a table with columns for 'Select', 'Observation', and 'Remark'. A red circle highlights the 'Add Row' and 'Delete Row' buttons. Another red circle highlights the 'Any Material Observation' section. A blue callout box points to the 'Observation' column with the text 'Auditor can put the details of material non-compliances'. Below the table is a form for contact details including 'Contact Person', 'Telephone No.', 'Address', 'Pin Code', 'Email Id', 'Cell', 'City', and 'State', followed by a 'Submit' button.

**Step: 11-** Once, the auditor enters all the details & submits, he will get navigated to the next screen i.e. 'Internal Auditor Report' having the Annexure 1 (Auditor Certificate), Annexure 2 (Audit Report) & Annexure 3 (QSB Checklist – for QSB members) as PDF which needs to be downloaded by the Auditor.

**Step: 12-** To digitally sign Annexure 1 & Annexure 2 and Annexure 3 (for QSB members) Click on the "Sign PDF" button and computer folder will open automatically. Select the same pdf which was downloaded and enter the password of DSC. Signed PDF file will be saved in the same path where original file is saved. Once Annexure 1 & Annexure 2 and Annexure 3 (for QSB members) files are signed, then the browse button will appear

**NSE** Existing Membership ▾ Products ▾ Investor ▾ Services & Circulars ▾ Dashboards ▾ User ▾ Sign-Out auditormarch25 Last Login: 21/03/2025

**SERVICES**  
**INSPECTION-INTERNAL AUDIT**

\* Indicates Mandatory)

**Internal Audit Report**

Download Certificate for Internal Audit & Internal Audit Report

Download [Internal Audit Certificate \(Annexure 1\)](#)  
[Audit Report \(Annexure 2\)](#)

Upload Certificate for Internal Audit & Internal Audit Report

Certificate for Internal Audit **Sign PDF**

Internal Audit Report **Sign PDF**

QSB Audit Report (Annexure 3 in PDF) **Sign PDF**

\* Kindly upload QSB Audit Report with file name : 07814\_IarMAR\_25\_A3\_58558.pdf

☐ I/We have conducted the Internal Audit for the half year ended on 31st March, 2025 on the captioned subject and guidelines thereof. Please find enclosed the Audit Report for your consideration and necessary action.

**Submit**

**Note:**

1. Kindly upload PDF format documents only.
2. File size should be less than 10 MB.
3. Kindly save the file in Local Drive and upload.

**While uploading the Audit certificate (Annexure 1) & Audit report (Annexure 2) and QSB Checklist (Annexure 3- for QSB members) Auditor has to ensure the following:**

- ✓ Upload the same files (Annexure 1,2 & 3) in PDF format that was downloaded.
- ✓ File size should be less than 10 MB.
- ✓ File name should not be changed and should remain same as downloaded.
- ✓ Save the file on the system/desktop and upload.

**Upload signed file of Annexure 1 & Annexure 2 and Annexure 3 (for QSB members) and click submit. Once the files are submitted, the following screen shall be displayed.**

**NSE** Existing Membership ▾ Products ▾ Investor ▾ Services & Circulars ▾ Dashboards ▾ User ▾ Sign-Out auditor Last Login: 28/03/2025

**SERVICES**  
**INSPECTION-INTERNAL AUDIT**

INTERNAL AUDIT REPORT IS SUCCESSFULLY SUBMITTED TO THE MEMBER

THE REFERENCE NO. FOR THE SAME IS 07778/AUDIT\_REPORT/58568

**Confirmation**

✓ Internal Audit Report successfully submitted to the Exchange.

**OK**

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The format for the reference no is Member code/Audit\_Report/ reference no.

Auditors can download the previously submitted half yearly Internal Audit report for a given member from auditor login.

Description	File Name

**-END-**