

## **Annexure 3**

### **Objectives of audit of depository operations**

- i. To assure the management that the operations of the Participant are in compliance with the requirements of The Depositories Act, 1996, SEBI (Depositories & Participants) Regulations, 1996, NSDL Bye Laws and Business Rules, its agreement with NSDL and Rights and Obligations of Beneficial Owner and Depository Participant and various circulars issued by NSDL from time to time.
- ii. To assure management that the DPM is managed and maintained in a manner that there is no threat to business continuity, integrity of data processing system is maintained at all times and methods are put in place to ensure that records are not lost, destroyed or tampered with or in the event of loss or destruction of data, sufficient backup of records is available at all times.
- iii. To assure management that the capacity of computer system, staff strength and internal procedures are commensurate with the level of business activity.
- iv. To assure management and NSDL that the business operations of the Participant are conducted in a manner that the foreseeable risks are addressed with appropriate internal control mechanism.
- v. To assure management that the operations are conducted in a manner that there is no loss of revenue and receivables are received promptly.
- vi. To assure management and NSDL that the business operations of the Participant are conducted as per the operations manual and in strict adherence with NSDL prescribed procedures.

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