

NSE Clearing Limited

Circular

Department: Compliance	
Download Ref No: NCL/CMPL/73739	Date: April 13, 2026
Circular Ref. No:12/2026	

To All Clearing Members (Clearing for other Stock-Broker and/or Custodial Participants Code)

Sub: Submission of Half Yearly Internal Audit Report by Clearing Members for half year ended March 31, 2026

This is further to NCL circular no. NCL/CMPL/61288 dated March 22, 2024, NCL circular no. NCL/CMPL/61662 dated April 22, 2024, NCL circular no. NCL/CMPL/64520 dated October 11, 2024, NCL circular no. NCL/CMPL/67482 dated April 07, 2025, NCL/CMPL/68213 dated May 27, 2025 NCL/CMPL/70689 dated October 07, 2025 wherein all Clearing Members are required to carry out and complete Internal Audit for the half year ended March 31, 2026.

In view of the above, Clearing Members are advised to submit the Internal Audit Report on or before May 31, 2026 through the portal of NCL <https://ims.connect2nsccl.com/NCLMemberPortal/>, in the prescribed format and comply with the regulatory requirements to avoid any penalties/disciplinary actions for late/non-submission of the Internal Audit Report. Detailed manual for submission of Internal Audit Report - Annexure A and B.

Members shall comply with the provisions pertaining to appointment and rotation of Internal auditors as prescribed by SEBI vide Circular No. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016.

Further, Internal Auditors are advised to take note of below while carrying out the Audit:

1. In cases where samples have been prescribed, auditors are required to procure the data from the clearing members. Auditors are advised to refer Annexure III carefully before initiating the audit. The samples for parameters/ criteria shall be as per the "Guidelines on sample selection" prescribed in Annexure III and the data required for the same may be sourced from the member.
2. For each "Not complied" observation, wherever applicable, the auditor shall mandatorily provide the "no. of instances verified" and "Amount/value involved where noncompliance is observed" while submitting the Report. Further, for each "Not Applicable" Points, appropriate justifying remarks are mandatory to be provided.

3. Internal auditors are required to give the details of the sample verified (sample date, shortlisted sample etc) wherever applicable. The formats for the same are given in Annexure V.
4. The Internal Audit Certificate (Annexure I) should be digitally signed by the auditor.
5. The Annexure II shall be submitted in excel file and as a PDF document. The PDF version of Annexure II shall be digitally signed by both the auditor and the clearing member along with management comments of the clearing member.
6. Auditors are also required to provide the compliance status of observations of previous inspections/internal audit and provide the details of last observations in case of repeat violation at Point No. K of the internal audit checklist.

Please find enclosed the following Annexures applicable for the Internal Audit Report for half year ended March 31, 2026:

- Internal Audit Certificate - Annexure I
- Annexure II (Excel File-"IARNCLMAR26")
- Guidelines on sample selection & other points to be noted - Annexure III
- List of indicative SEBI/NCL/NSE circulars-Annexure IV
- List of samples verified - Annexure V

7. Please note that the internal audit report with complete annexures shall be treated as valid submission to NCL.

Further, as advised by SEBI and to enhance the ease of doing compliance and reduce operational difficulties faced by Members/Audit Firms, it has been decided that the auditors empanelled with any of the Exchange(s), shall be eligible to conduct internal audit of the Clearing Members of any of the Clearing Corporations.

Clearing members undertaking clearing activities for atleast one trade during the period from October 01, 2025 to March 31, 2026 for other stock-brokers and/or for custodian participants code (their direct trading clients or otherwise) are required to carry out Internal Audit and submit the report through the portal of NCL.

It is to be noted that the due date to submit the Internal Audit Report is within two months from the end of the half year ended March 31, 2026 that is May 31, 2026.

The penalties/disciplinary actions for late/non-submission of the Internal Audit Report shall be as per NCL/CMPL/ 58437 dated September 18, 2023. The penalties/disciplinary action for non compliances reported in the Internal Audit Report shall be as prescribed by NCL circular no. NCL/CMPL/49286 dated August 13, 2021 or NCL/CMPL/ 59930 dated December 26, 2023 or any other relevant circular that may be issued by NCL from time to time.



For and on behalf of

NSE Clearing Limited

Shivani Dalvi
Associate Vice President

In case of any clarifications, Members/Internal Auditors may contact on below:

Telephone No	Email id
1800 266 0050	internalaudit@nsccl.co.in