

Annexure A

The revised penalty/disciplinary action(s) with respect to any delay or non-submission of Preliminary Audit Report, Action Taken Report (ATR) and/or Follow-on audit report are stipulated in Table- A below:

Table-A: Penalty/Disciplinary action for Delayed / Non-submission of Preliminary audit / ATR / Follow-on audit Report

Details of Violation	Period of violation	Penalty/disciplinary actions	Penalty/disciplinary action in case of repeated violation
Delay / Non-submission of Preliminary audit/ATR / Follow-on audit report as recommended by the auditor in case of System audit report / cyber security and cyber resilience audit report.	From 1 st day to 7 th day:	Charges Rs. 1,500/- per day for Non QSB & Rs. 3,000/- per day for QSB from the due date till first 7 calendar days or submission of report, whichever is earlier.	In case of a repeat instance by the Member, levy of applicable monetary penalty along with an escalation of 50%.
	From 8 th day to 21 st day:	Charges of Rs. 2,500/- per day for Non QSB & Rs. 5,000/- per day for QSB from 8th calendar day after the due date to 21st calendar day or submission of report, whichever is earlier.	Levy of applicable monetary penalty along with an escalation of 50%.
	From 22 nd day onwards:	In case of non-submission of report till 21st calendar days, new client registration shall be prohibited and notice of 7 calendar days for disablement of trading facility till submission of report, shall be issued. The disablement notice issued to the member will be shared with all the Exchanges for information.	
	After 28 th day:	In case of non-submission of report by 28th calendar day, Member shall be disabled in all segments till submission of report.	

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Further, members are required to submit closure status of all the non-compliances reported in System Audit and Cyber Security and Cyber Resilience Audit by submitting Action Taken Report (ATR) within the prescribed timelines. To ensure strict adherence for closure of non-compliances within the prescribed timelines, following penalty as provided in Table-B shall be applicable for non-closure of observations reported in ATR submissions.

Table-B: Penalty/Disciplinary action for Non- closure of observations reported in System Audit Report & Cyber Security and Cyber Resilience Audit Report

Risk rating reported by auditor	Applicable penalties for each High/Medium/Low risk non-closure of non-Compliances, which has not been closed in ATR (i.e., within prescribed timelines of submission of due date of preliminary audit report)			
	<u>Non QSB Members</u>		<u>QSB Members</u>	
	System Audit Report	Cyber Audit Report	System Audit Report	Cyber Audit Report
High Risk	₹ 15,000	₹ 50,000	₹ 30,000	₹ 100,000
Medium Risk	₹ 7,500	₹ 25,000	₹ 15,000	₹ 50,000
Low Risk	₹ 2,500	₹ 5,000	₹ 5,000	₹ 10,000
<ul style="list-style-type: none"> ○ In case observations are not closed by members within three weeks from the due date for submission of Action Taken Report (ATR), new client registration to be prohibited and notice of 7 days for disablement of trading facility till closure of observation(s). ○ The disablement notice issued to the member shall be shared with all the Exchanges for information. In case of non-closure of observation(s) within four weeks from the due date of submission of ATR, Member shall be disabled in all segments until closure of observations(s). 				