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**NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED**

Circular to all members of the Exchange

Circular No : NCDEX/COMPLIANCE-067/2025

Date : December 03, 2025

Subject : Ease of Doing Compliance - Submission of Action Taken Report for non-compliance(s) reported in the Internal Audit Report.

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All members are required to submit the internal audit reports to the Exchange on a half-yearly basis i.e. for the half year ended 31<sup>st</sup> March and 30<sup>th</sup> September by 31<sup>st</sup> May and 30<sup>th</sup> November respectively in accordance with SEBI Circular Ref. No. MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016

In accordance with the penal provisions prescribed by the Exchange from time to time, monetary penalty/disciplinary actions are initiated against the trading members for the non-compliance(s) reported in the internal audit reports, and the members are also advised to close the non-compliance(s) reported in the internal audit reports in accordance with Clause 13.2.4 and Clause 13.2.5 of SEBI Master Circular dated June 17, 2025.

In order to provide ease of doing compliance and to ensure timely closure of the non-compliances reported in the Internal Audit Reports, the Exchanges in joint consultation with SEBI have introduced a framework for addressing such non-compliances through the submission of Action Taken Report.

Under this prescribed framework,

- Members shall be required to close all non-compliances reported in the internal audit report within 2 months from the end of due date of submission of Internal Audit Report i.e. due date for submission of Action Taken Report for Internal Audit Period ended March 31 and September 30 shall be July 31 and January 31 respectively.
- Action Taken Report shall be certified by the empanelled Internal Auditor of the Trading Member, confirming the status of compliance and shall cover at least a period of one month for sample verification.
- Action Taken Reports shall be submitted through email to [iar\\_submission@ncdex.com](mailto:iar_submission@ncdex.com).
- In case the observations are not closed in the Action Taken Report or Action Taken Report has not been submitted within the due date, prescribed monetary penalty/disciplinary actions shall be initiated in accordance with Exchange Circular No. NCDEX/COMPLIANCE-056/2025 dated October 10, 2025 or such other penalty circulars issued by the Exchange from time to time.

The aforesaid framework shall be applicable for all the internal audit reports received from the half year ended September 30, 2025 and onwards.

All Members are advised to take note of the above and bring the provisions of this Circular to the notice of their respective internal auditors and ensure compliance of the above requirement.

For and on behalf of  
**National Commodity & Derivatives Exchange Limited**

Pranesh Shetty  
Senior Vice President – Inspection & Enforcement

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For further information/clarifications, please contact

1. Customer Service Group on toll free number: 1800 26 62339
2. Customer Service Group by e-mail to : [askus@ncdex.com](mailto:askus@ncdex.com)

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Registered Office: 1st Floor, Ackruti Corporate Park, Near G.E. Garden, LBS Road,  
Kanjurmarg West, Mumbai 400 078, India. CIN No. U51909MH2003PLC140116  
Phone: +91-22-6640 6789, Fax +91-22-6640 6899, Website: [www.ncdex.com](http://www.ncdex.com)