
NATIONAL COMMODITY CLEARING LIMITED

Circular to all Professional Clearing Members (PCMs) of the Clearing Corporation

Circular No. : NCCL/INSPECTION- 005/2025

Date : April 28, 2025

Subject : System Audit of Professional Clearing Members (PCMs)

In accordance with the provisions of the Rules, Bye-Laws and Regulations of the National Commodity Clearing Limited (NCCL) and SEBI circular No. SEBI/HO/MRD/TPD/P/CIR/2024/84 dated June 20, 2024 regarding "System Audit of Professional Clearing Members (PCMs)", the Professional Clearing Members (PCMs) are required to conduct their System Audit for F.Y. 2024-25 as per the SEBI laid down framework and submit the Systems Audit Report to NCCL within the prescribed timeline.

PCMs who have conducted clearing activities during the audit period are liable for submission of the System Audit report.

The timelines for conducting and submitting the System Audit Report for FY 2024-25 is as under:

Sr. No.	Provisions of SEBI Circular	Timelines
1	Completion of Audit - within 2 months from the end of the audit period	May 31, 2025
2	Submission of System Audit Report to NCCL - within one month of completion of the Audit after approval of the Governing Board (or equivalent governance structure as applicable to the entity).	June 30, 2025
3	Submission of Report wherein follow-on audit is not required.	After verification of the ATR by the Auditor, the PCM shall submit a report to Clearing Corporation within one month from the date of completion of verification by the Auditor
4	Completion of Follow-on Audit – In case, the follow-on audit is required.	To be completed within one month of the corrective actions taken by the PCM.
5	Submission of Follow-on Audit Report to NCCL	To be submitted within one month from the date of completion of the follow-on audit.

The overall timeline from the last date of the audit period till completion of final compliance by PCM, including follow-on audit, if any, should not exceed 6 months. In exceptional cases, if PCM is of the view that compliance with certain observations may extend beyond said period, then the concerned PCM shall seek specific approval from the Governing Board (or equivalent governance structure as applicable to the entity).

In case of non-compliances, the uniform penalty structure is enclosed as Annexure A.

All the Professional Clearing Members are hereby informed that in terms of aforesaid circulars, the submission of System Audit Report for the financial year ended on March 31, 2025, shall be made to the email ID inspection@nccl.co.in with the subject line as “*System Audit Report- Name of the Member (Member Code) – FY 2024- 2025*” to National Commodity Clearing Limited (NCCL) on or before June 30, 2025.

Professional Clearing Members (PCMs) are required to submit Follow-on audits (if applicable) related to the system audit report within the timelines as per the above-mentioned SEBI circular.

Professional Clearing Members (PCMs) are requested to take note of the above and ensure compliance.

For and on behalf of
National Commodity Clearing Limited

Ketan Jadhav
Assistant Vice President

For further information /clarifications, please contact

1. Customer Service Group on toll free number: 1800 266 6007
2. Customer Service Group by e-mail to : contactus@nccl.co.in

Annexure A

Penalty Structure:

Penalties /disciplinary action(s)													
Sr. No.	Details of Violation/contravention	Penalty/disciplinary actions	Penalty/disciplinary action in case of repeat violation/contravention										
1	Non-submission of system audit report within the due date	<ul style="list-style-type: none">For 1st week (Calendar days) after due date, Charges of Rs. 2,500/- per day.Charges of Rs. 5,000/- per day from second week after due date.In case of non-submission within three weeks from the due date of submission, New Trading member/ CP Code registration to be prohibited till the date of submission of report.	In case of a repeat instance by the Member, levy of applicable monetary penalty along with an escalation of 50%. In case of non-submission for within three weeks from the due date of submission, New Trading member/CP Code registration to be prohibited till date of submission of report.										
2	Penalties/ disciplinary action(s)/ charges for non-compliances/non-closure reported in System Audit Report	<table><tr><th colspan="2">Applicable Penalty for each High/Medium/Low risk Non-Compliance reported</th></tr><tr><th>Risk rating reported by auditor</th><th>System Audit Report – Penalty</th></tr><tr><td>High Risk</td><td>₹ 15,000/-</td></tr><tr><td>Medium Risk</td><td>₹ 7,500/-</td></tr><tr><td>Low Risk</td><td>₹ 2,500/-</td></tr></table>		Applicable Penalty for each High/Medium/Low risk Non-Compliance reported		Risk rating reported by auditor	System Audit Report – Penalty	High Risk	₹ 15,000/-	Medium Risk	₹ 7,500/-	Low Risk	₹ 2,500/-
Applicable Penalty for each High/Medium/Low risk Non-Compliance reported													
Risk rating reported by auditor	System Audit Report – Penalty												
High Risk	₹ 15,000/-												
Medium Risk	₹ 7,500/-												
Low Risk	₹ 2,500/-												
3	Applicable Penalty for each High/Medium/Low risk non-compliance, which has not been closed in ATR (i.e. within six months of submission of due date of preliminary audit report)	<table><tr><th>Risk rating reported by auditor</th><th>System Audit Report – Penalty</th></tr><tr><td>High Risk</td><td>₹ 30,000/-</td></tr><tr><td>Medium Risk</td><td>₹ 15,000/-</td></tr><tr><td>Low Risk</td><td>₹ 5,000/-</td></tr></table>		Risk rating reported by auditor	System Audit Report – Penalty	High Risk	₹ 30,000/-	Medium Risk	₹ 15,000/-	Low Risk	₹ 5,000/-		
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