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| Department: Inspection | Segment: All |
| Circular No: MSE/INSP/18387/2025 | Date: December 30, 2025 |

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

To Trading Members,

This is with reference to Exchange Circular Number MSE/INSP/18230/2025 dated December 02, 2025, on “Ease of Doing Compliance Submission of Action Taken Report for non-compliance(s) reported in the Internal Audit Report”.

In accordance with the aforesaid Circular, Trading Members are required to close all the 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., for the half year ended September 30, 2025, the due date for submission of Action Taken Report is January 31, 2026.

In this regard, Action Taken Reports shall be submitted through email to- compliancemsx@msei.in as per **Annexure I & II**.

Members are further advised to note that prescribed monetary penalty/disciplinary actions shall be initiated in accordance with Exchange Circular Number MSE/INSP/17961/2025 dated October 10, 2025, in case the observations are not closed in the Action Taken Report or Action Taken Report is not submitted within the due date.

Further in cases where critical non-compliances viz; shortfall of client funds/securities/commodities/ networth/incorrect reporting of networth to the Exchange resulting in shortfall and offering fixed/assured/periodic returns to clients / mobilizing deposits from investors are reported in the internal audit report, immediate action shall be taken in accordance with Exchange Circular Number MSE/INSP/17961/2025 dated October 10, 2025 without waiting for submission of Action Taken Report.

Members are requested to note that submission of Action Taken Report shall be considered complete only after Member submits the action taken report to the Exchange on compliancemsx@msei.in. Action Taken Report submitted only by Auditor shall not be considered as final submission to Exchange.

Please find enclosed the following Annexures applicable for the submission of Action Taken Report for the half year ended September 30, 2025:

Annexure I - Certificate on Action Taken Report for Non-Compliances Reported in Internal Audit (PDF format with Digital signature & UDIN)

Annexure II - Action Taken Report (PDF format with Digital signature & UDIN)



METROPOLITAN STOCK EXCHANGE

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 with the above requirement.

In case of any query kindly contact Inspection Department on (022) 6112 9000, Extn. 9039, 9040, 9041, 9042 & 9078 or mail on 'compliancemsx@msei.in' or 'inspectionmsx@msei.in'.

For and on behalf of
Metropolitan Stock Exchange of India Limited

Sunil Shendge
Manager – Inspection Department



Annexure I

CERTIFICATE ON ACTION TAKEN REPORT FOR NON-COMPLIANCES REPORTED IN INTERNAL AUDIT

We have examined the relevant books of accounts, records and documents maintained by M/s. _____, (name of the member) having SEBI registration number _____ a member of the Metropolitan Stock Exchange of India Limited (MSE) with TMID _____ to verify and certify the compliance on action taken by the Member for the non-compliances reported in the internal audit report for the half year ended _____. Details of compliance as per Annexure II.

| Segment (Capital Market Equity Segment / Equity Derivatives Segment / Debt Segment / Currency Derivatives/Securities Lending & Borrowing segment) | Activity – Trading / Trading and Clearing | SEBI registration number |
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The purpose of this Audit is to examine that the processes, procedures followed and the operations carried out by the Trading Member/Clearing Member are as per the applicable Acts, Rules, Regulations, Bye-laws and Circulars prescribed by SEBI and the Exchange.

We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of this Audit. In our opinion proper books of accounts, records and documents, as per the regulatory requirement have been maintained by the member, so far as it appears from examination of the books.

We have conducted the audit within the framework provided by SEBI/ Exchange/ for the purpose of this Internal Audit.

Based on the scrutiny of relevant books of accounts, records and documents, and to the best of our knowledge and belief and according to the information and explanations given to us, we certify that the Member has complied with the relevant provisions of SEBI Act, 1992, Securities Contracts (Regulation) Act 1956, Securities Contracts (Regulation) Rules 1957, SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and various circulars of SEBI and with the Rules, Bye laws, Regulations and various circulars issued by the Exchange except otherwise mentioned in the **Annexure II** of this report.

We declare that the audit firm is meeting the prescribed eligibility criteria as per Exchange Circular Number MSE/INSP/14244/2023 dated October 04, 2023.

We declare that our firm / company/ any of its directors/partners/proprietor do not have any direct / indirect interest in or relationship with the member or its shareholders / directors / partners / proprietors / management, other than the proposed audit assignment and also confirm that we do not perceive any conflict of interest in such relationship / interest while verifying non-compliances reported in internal audit of the said member. We also confirm that no regulatory action was taken against our firm / company/ any of its directors/partners/proprietor.



In our opinion and to the best of our information and according to the explanations given to us by the proprietor/partner (s)/director (s)/ compliance officer, the Action Taken Report provided by us as per the Annexure II and subject to our observations, which covers the entire scope of the Audit, is true and correct.

Signature of Auditor

For (*Name of Firm*)

Firm Registration Number:

Firm PAN:

(Name of the Proprietor / Partner / Person Signing)

(Auditor Designation)

Membership no. / CP. No:

PAN of Auditor:

Place:

Date:

UDIN: