

Annexure A

Existing NSDL Business Rule 18.1.1(VII) Serial no's 60,61 and 62 Penalties / Disciplinary Actions for Non-submission of VAPT report, is as below : .

VII	²⁰³ Penalties / Disciplinary Actions for Non-submission of VAPT report and/or compliance report on or before due date:	
60.	²⁰³ Non-submission of annual VAPT report on or before stipulated timeline	1. ₹ 1,500/- per day from the due date till first 7 calendar days or submission of report, whichever is earlier. In case of a repeated delay found in second consecutive year, ₹ 2,250/- per day. 2. ₹ 2,500/- per day from 8th calendar day after the due date to 21st calendar day or submission of report, whichever is earlier. In case of a repeated delay found in second consecutive year, ₹ 3,750/- per day. 3. In case of non-submission of report by 21st calendar days, new demat accounts opening of Participant shall be restrained till submission of report and action taken shall be shared with all MIs for information. 4. If delay in submission is observed for three consecutive years, matter would be referred to Member Committee.
61.	²⁰³ Non submission of compliance report on or before stipulated timeline.	1. ₹ 1,500/- per day from the due date till first 7 calendar days or submission of report, whichever is earlier. In case of a repeated delay found in second consecutive year, ₹ 2,250/- per day. 2. ₹ 2,500/- per day from 8th calendar day after the due date to 21st calendar day or submission of report, whichever is earlier. In case of a repeated delay found in second consecutive year, ₹ 3,750/- per day. 3. In case of non-submission of report by 21st calendar days, new demat accounts opening of Participant shall be restrained till submission of report and action taken shall be shared with all MIs for information. 4. If delay in submission is observed for three consecutive years, matter would be referred to Member Committee.

62.	²⁰³ Non-closure of open vulnerability observed in the annual VAPT report within stipulated timelines in the compliance report.	Risk categorization of observations	Penalty (per open vulnerability which has not been closed)	Apart from the monetary penalty mentioned above, if High/Medium vulnerability is not closed by Participant within 21 days from the due date of submission of compliance report, new demat account opening of Participant shall be restrained till closure of the open vulnerabilities and action taken shall be shared with all MIIs for information.
		High Risk	₹ 50,000/-	
		Medium Risk	₹ 25,000/-	
		Low Risk	₹ 10,000/-	

Pursuant to the amendment, the aforementioned NSDL Business Rule 18.1.1 (VII) serial no's 60,61 and 62 stands replaced and shall be read as below:-

18.1.1- The Depository may impose a penalty on the Participant to the extent indicated for non-compliance as described below:

VII Penalties/ Disciplinary Actions for non-submission of VAPT report and /or compliance on or before due date				
NSDL Business Rule Sr.no.	Failure /Delay	Timeline for submission of Report	Amount of Penalty (₹)	
			Penalty Structure for first time Violation	Penalty/disciplinary action in case of Repeat violation/contravention
18.1.1-VII (60)	Submission of VAPT report	Within 07 calendar Days of the Due Date	1500 per day until the submission of report	2250 per day until the submission of report
		Between the 08 th Calendar Day and 21 st Calendar Day of the Due Date	10500 + 2500 per day beyond 07 days until the submission of the report	15750 + 3750 per day beyond 07 days until the submission of the report
		After 21 Calendar Days of the due date	45500 + No New Client Registration	68250 + No New Client Registration until the submission of the report +

			until the submission of the report + Sharing of Information with all other MII's	Sharing of Information with all other MII's If delay in submission is observed for three consecutive years, matter would be referred to Member Committee
18.1.1-VII (61)	Submission of compliance report	Within 07 calendar Days of the Due Date	1500 per day until the submission of report	2250 per day until the submission of report
		Between the 08 th Calendar Day and 21 st Calendar Day of the Due Date	10500 + 2500 per day beyond 07 days until the submission of the report	15750 + 3750 per day beyond 07 days until the submission of the report
		After 21 Calendar Days of the due date	45500 + No New Client Registration until the submission of the report + Sharing of Information with all other MII's	68250 + No New Client Registration until the submission of the report + Sharing of Information with all other MII's If delay in submission is observed for three consecutive years, matter would be referred to Member Committee
18.1.1-VII (62)	Non-closure of open vulnerability observed in the VAPT report within stipulated timelines in the compliance report.	Risk categorization of observations	Penalty (per open vulnerability which has not been closed)	
			High/Critical Risk	₹ 50,000/-
			Medium Risk	₹ 25,000/-
			Low Risk	₹ 10,000/-
		Apart from the monetary penalty mentioned above, if High/Medium vulnerability is not closed by Participant within 21 days from the due date of submission of compliance report, new demat account opening of Participant shall be restrained till closure of the open		

		vulnerabilities and action taken shall be shared with all MIIIs for information
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