

Request for Quotation for Appointment of Consultant for Review of Internal Finance Control (IFC)

Reference No.: SHCIL/IFCA/2023/01



Stock Holding Corporation of India Limited
Regd. Office: 301, Centre Point
Dr. Babasaheb Ambedkar Marg
Parel, Mumbai-400012
CIN no. U67190MH1986GOI040506
Website: www.stockholding.com

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DISCLAIMER

This document is not an offer by Stock Holding, but an invitation to receive response from eligible interested firms for appointment of Consultant for review of Internal Financial Control for Stock Holding Corporation of India as per scope of work specified in this document. This document should be read in its entirety.

The purpose of this document is to provide the interested firms with information to assist the formulation of their proposals. This document does not claim to contain all the information each bidder may require. Each bidder should conduct its own investigations, analysis and should check the accuracy, reliability and completeness of the information in this document and wherever necessary, may obtain independent advice. Stockholding makes no representation or warranty and shall incur no liability under any law, statute, rules or regulations as to the accuracy, reliability or completeness of this document. Stock Holding may in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information in this document. Stock Holding also reserves the right to reject any or all responses received in response to this document without assigning any reason whatsoever and cancel the appointment process for this assignment at any stage, without assigning any reason whatsoever.

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September 04, 2023

1. Introduction

About StockHolding

Stock Holding Corporation of India Ltd. (StockHolding) was promoted by the public financial institutions and incorporated as a limited company on July 28, 1986. The Corporation provides post trading and custodial services to institutional investors, mutual funds, banks and insurance companies. StockHolding has more than 200 offices across the country. It is one of the largest Depository Participants, besides being the country's largest custodian. StockHolding also provides Professional Clearing Member services to trading members in the Futures & Options segment. The Corporation also offers various products, like distribution of IPO, Bonds, Fixed Deposits, GOI Bonds, Sovereign Gold Bonds etc. under its third party financial products tag to clients. StockHolding acts as Point of Presence (POP) for National Pension System. StockHolding acts as a Central Record Keeping Agency for collections and payments of stamp duty in various states and Union Territories of India. . StockHolding also provide sub-broking services through its wholly owned subsidiary, StockHolding Services Ltd. Stockholding also provide document management solutions through its subsidiary StockHolding Document Management Services Ltd. (SDMS).

To know more about the Company please visit www.Stockholding.com

RFQ- Appointment of IFC Consultant

2. Objective

The objective of this document is to select the consultant for review of IFC as per scope of work specified in this document.

3. Scope of Review of IFC

Phases	Activities
Phase – I Diagnostic review of the existing framework	<ol style="list-style-type: none"> 1. Perform a diagnostic review of existing internal financial control framework 2. Review and evaluation of SOP and manual of each product/process/department. Suggest changes to bridge the gaps, if any 3. Process walkthrough of each product/process/department 4. System walkthrough of each product/process/department 5. Review and updation of existing Risk Control Matrices (RCMs) including proposed additions, deletions or modifications with respect to risk, controls, risk rating and other parameters 6. Review of the Entity level Controls (ELC) 7. Control metrics includes (but not limited to) -Delegation of Authority and SOP, IT controls, anti-fraud controls, risk controls, transaction controls, operational controls, etc. depending upon the size and complexity of each departments 8. Sign off/approval of RCMs from respective team 9. Identify Gaps with respect to control design alongwith suggestions
Phase – II Testing	<ol style="list-style-type: none"> 1. Testing of operating effectiveness of all controls as mentioned in IFC framework 2. Identify Gaps with respect to control effectiveness alongwith suggestions 3. Suggestion of remedial measures and scope for improvements 4. Risk Diagnostics & Risk benefit analysis
Phase III Reporting	<ol style="list-style-type: none"> 1. Draft Report on gap on control design and recommendations, if any to be shared by January 31, 2024 2. Final Report with gaps on control design and control effectiveness, if any, alongwith suggestions to be shared by March 31, 2024

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Phases	Activities
	<ol style="list-style-type: none">3. The Final Report should also highlight the recommendations for improvement, if any.4. Final report to include the status on the implementation of previous years suggestions5. Consolidated Final Report of the StockHolding group.6. Review conclusion on Effectiveness of controls at standalone level and consolidated level7. Presentation to the Audit Committee of the Board highlighting the Gaps and suggestions.

4. Eligibility Criteria

1. The applicant entity should be a registered partnership/limited liability partnership/ a Chartered Accountant firm.
2. The firm should be empanelled with RBI/ CAG/ SEBI/ Promoter Institutions of Corporation.
3. The firm should have Head office/ registered office/ branch office (with minimum 4 partners) at Mumbai/ Navi Mumbai/Mumbai Metropolitan Region (MMR).
4. The firm should have more than ten (10) years of standing in practice.
5. The firm should have minimum ten (10) partners. Out of total partners, a minimum of 50% of the partners of the firm should be Fellow Chartered Accountant (CA).
6. The firm should have at least ten (10) full-time C.A. employees on its payroll.
7. The firm should have at least one (1) CISA/DISA qualified partner/employee.
8. The firm should have an average annual financial turnover of at least Rs. 2 cr or more from practice in the last three financial years with profit in each year.
9. The Lead Partner should be C.A., under whose supervision the audit of StockHolding will be carried out should have a minimum post qualification experience of at least 10 years in full time practice.
10. The number of corporate clients for Statutory audit/Internal audit/IFC review in last 3 years of the firm should be at least 10.
11. The firm should have conducted statutory audit/internal audit of at least one Depository Participant/ Broker/ bank/ custodian entities in last 3 years.

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12. The firm should have conducted “Review of IFC” of at least 3 companies in last three years.
13. The firm should not have any conflict of interest with the Stockholding group.
14. The firm should not be debarred or restrained from issuing any certificate by ICAI, RBI, SEBI, PFRDA, IRDA, or by other regulator/law enforcement agency.
15. No adverse remark/disciplinary proceedings should be pending against the firm/any of its partners on record of The Institute of Chartered Accountants of India (ICAI)/ any other relevant authority/regulator.

5. Technical evaluation criteria

The Company shall constitute an Evaluation Committee (EC), which shall carry out the entire evaluation process. The Technical proposal evaluation process would focus on the ability of the firm to satisfy technical requirements of the assignment. Technical proposals will be evaluated based on the following criteria. The bidder will have to provide necessary documentary evidence for below criteria along with Bid document failing which bidder will be awarded Nil mark for criteria where no documentary evidence provided with bid document.

Sr. No.	Evaluation criteria	Points	Marking System
1.	Presentation by lead partner	30	Based on the background of the firm, areas of expertise, past and present clientele, IFC review methodology, timelines for completion etc.
2.	Firm in Existence (in years)	10	10 years – 5 Points 11 - 15 years – 7 Points More than 15 years – 10 Points
3.	No. of C.A. partners	10	50% of total partners of firm – 7 points Above 50% of total partners of firm – 10 points
4.	Experience of lead partner as full time partner As on 31.03.2023	15	10 years –6 points 11-15 years –10points More than 15 years – 15 points

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5.	No. of corporate clients – Statutory Audit/ Internal Audit/ Review of IFC conducted in last three years	15	10 clients –6 points 11-15 clients – 10 points More than 15 clients – 15 points
6.	No. of “Review of IFC” conducted by the firm in the last three years	20	3 companies –10 points 5 companies – 15 points More than 5 companies – 20 points

Total scoring methodology for Technical and Financial Bids

1. Technical Bids shall be evaluated first on criteria 2 to 6 as mentioned above. The firms with a score of 40 or more will qualify for presentation.
2. After presentation, firms with a score of 60 or above would qualify for commercial evaluation.
3. The firm who is the lowest bidder will be awarded the assignment.

6. OTHER TERMS AND CONDITIONS

1. **Tenure of appointment:** The appointment will initially be for one year for conducting “Review of IFC for the financial year 2023-2024. The Company at its sole discretion may extend the contract for further 3 terms of one year each, based on the performance and with the approval of Competent Authority. There will be no revision of fee in the entire term of this assignment.
2. **Place of Review:** The review work has to be primarily conducted at the Operations Office situated in Mahape, Navi Mumbai. The consultant may also need to visit the registered office of the Corporation situated at Centre Point, Parel, Mumbai. The consultant may also need to visit branches of the Corporation.
3. **Out of Pocket Expenses:** No out-of-pocket expenses will be payable for the assignment except for visits outside Mumbai, if any. The same will be payable at actual on production of original payment receipts.
4. **Settlement of Bill:** The bill will be settled after submission of the original invoice, post final report and presentation to the Audit Committee of the Board (ACB).
5. **Termination of contract:** Stockholding reserves the right to terminate the contract at any time during the contract period by giving 30 days’ notice in writing to the consultant at their last known place of business and the consultant shall not be entitled to any compensation by reason of such termination. StockHolding’s decision under this clause shall be final, conclusive and binding on the consultant and shall not be called in question.

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6. **Dispute resolution:** In the event of any dispute arising out of or in connection with this assignment, the parties shall use their best endeavor to resolve the same amicably and if the dispute could not be settled amicably, the matter shall be settled in the court under Mumbai jurisdiction only. The final payment will be released only after the bidder complies with above-mentioned clause.
7. **Right to alter RFQ:**
 - a. StockHolding reserves the right to alter the RFQ terms and conditions at any time before submission of the bids.
 - b. StockHolding reserves the right to cancel the RFQ/contract.
 - c. StockHolding reserves the right to modify, amend, alter and/or cancel the entire RFQ at any stage without assigning any reason whatsoever.
 - d. StockHolding's decision in this regard will be final and binding on all bidders.
8. The firm engaged with the StockHolding for Review of IFC during the period FY2020 to FY2023 as IFC Consultant and existing Internal Auditors shall **not** be eligible for applying under the present RFP.
9. The selected firm shall be liable to maintain secrecy and confidentiality of all the information/ data / operations, etc. of StockHolding and in relation to the work undertaken by it.
10. All prospective bidders will be notified of the amendment, if any, by StockHolding by hosting the same on StockHolding's website which will be final and binding on all the bidders.
11. It will be the responsibility of the bidders to regularly visit StockHolding's website for ascertaining amendments, if any, from time to time and respond accordingly. No other intimation will be given by StockHolding.

7. Submission of quotation

1. The firm fulfilling the above minimum eligibility criteria should submit the application mentioning all the details along with the financial quotation as per “Annexure I, II & III”.
2. **Timelines:** The signed and password protected quotation should be submitted by email to **Internal.auditor@stockholding.com**. The size of the mail should be less than 10MB. The date of opening of password protected bids will be intimated later.

Last Date of submission of quotations (Technical & Financial)	October 27, 2023 upto 5.00 P.M.
Date of Opening of technical bid	October 30, 2023

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Date of Presentation	Will be intimated separately to eligible bidders
Date of opening financial bid	November, 2023

3. The decision of StockHolding shall be final and binding on all the applicants.

For further information, clarification of this document, please contact following officers of the corporation:

Name of the contact person	Contact details & E-mail ID
Ms. Mita Chaudhary, Manager Internal Audit & Risk Department	9987776344 Internal.auditor@stockholding.com
Mr. Sanjeev Kumar, Senior Manager Internal Audit & Risk Department	9987776250 Internal.auditor@stockholding.com

(On the Letterhead of the Company)

Annexure I

To
 The Head of Department
 Internal Audit & Risk
 Stock Holding Corporation of India Limited
 Regd. Office: 301, Centre Point
 Dr. Babasaheb Ambedkar Marg
 Parel, Mumbai-400012

Dear Sir/Madam,

Re: Application for appointment as Internal Financial Controls Consultant and Declaration w.r.t. Eligibility Criteria.

Particulars/ Details of the Firm:

Sr. No.	Particulars	Details								
1.	Name of the Firm/Company	To be filled								
2.	Constitution and Date of Establishment of the firm	Incorporation Certificate/ A copy of the Registration Certificate of the Partnership Firm / Under LLP Act/ Attach ICAI Firm Card (in case the firm is registered with ICAI)/								
3.	Empanelment Details with RBI/ CAG/ SEBI/Promoter institution of the Corporation	Attach empanelment document								
4.	Firm's PAN and GST No.	Attach Document								
5.	Address of Head office/Registered office with Pin-code	Attach self-attested document								
6.	Address of Branch office with Pin-code	Attach self-attested document								
7.	No. of partners of the firm	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>Total No. of partners</td> <td></td> </tr> <tr> <td>a)No. of Fellow CA</td> <td></td> </tr> <tr> <td>b) No. of CISA/ DISA</td> <td></td> </tr> </tbody> </table>	Particulars	Number	Total No. of partners		a)No. of Fellow CA		b) No. of CISA/ DISA	
		Particulars	Number							
		Total No. of partners								
		a)No. of Fellow CA								
b) No. of CISA/ DISA										
Attach self-attested document										
8.	No. of partners at Branch	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>Total No. of partners</td> <td></td> </tr> <tr> <td>a)No. of Fellow CA</td> <td></td> </tr> <tr> <td>b)No. of CISA/ DISA</td> <td></td> </tr> </tbody> </table>	Particulars	Number	Total No. of partners		a)No. of Fellow CA		b)No. of CISA/ DISA	
		Particulars	Number							
		Total No. of partners								
		a)No. of Fellow CA								
b)No. of CISA/ DISA										
Attach self-attested document										
9.	No. of full time CA employees of the firm	<table border="1"> <thead> <tr> <th>At HO</th> <th>At Branch</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> </tr> </tbody> </table>	At HO	At Branch						
		At HO	At Branch							

Sr. No.	Particulars	Details						
10.	Financial turnover of firm in last 3 Financial year with profit	(Rs. in crores)						
		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th data-bbox="898 327 1024 359">FY2021</th> <th data-bbox="1024 327 1146 359">FY2022</th> <th data-bbox="1146 327 1268 359">FY2023</th> <th data-bbox="1268 327 1409 359">Average</th> </tr> </thead> <tbody> <tr> <td data-bbox="898 359 1024 401"> </td> <td data-bbox="1024 359 1146 401"> </td> <td data-bbox="1146 359 1268 401"> </td> <td data-bbox="1268 359 1409 401"> </td> </tr> </tbody> </table>	FY2021	FY2022	FY2023	Average		
FY2021	FY2022	FY2023	Average					
11.	<u>Lead Partner assigned to StockHolding</u> Name of the Partner: Mobile No.(s): e-mail: Post qualification experience in full time practice:	Attach self-attested document with documentary proof						
12.	Number of corporate clients for Statutory/Internal audit/IFC review in last 3 years	Number: _____ Attach self-attested document stating name of client, type of audit, year of audit, turnover of client with documentary proof						
13.	No. of statutory audit/internal audit conducted in last 3 years (of at least one Depository Participant/ Broker/ bank/ custodian entities)	Attach self-attested document stating name of client, type of audit, year of audit with documentary proof						
14.	Details of Review of Internal Financial Control (IFC) conducted in the last 3 years	Attach self-attested document stating name of client, year of audit, turnover of client with documentary proof						
15.	Self-Declaration	Attach Annexure III						

I/We _____ do hereby confirm that all the information provided by me/us here above is correct to the best of my/our knowledge & belief.

I/We have read the terms and conditions stipulated for appointment as Internal Financial Control Consultant for StockHolding and I/We also understand that StockHolding has reserved its right to accept or reject the application without assigning any reasons. If selected for appointment as Consultant for this assignment and the offer is accepted, I/We will execute Non-Disclosure agreement and Integrity pact in the format given by the company.

Date:
Place:

Signature of Authorised Signatory
Name:
Designation:
Stamp

**Format for Financial Quotes
(On the Letterhead of the Company)**

To
Head of Internal Audit,
Stock Holding Corporation of India Limited,
Regd. Office: 301, Centre Point,
Dr. Babasaheb Ambedkar Marg, Parel,
Mumbai – 400012

Dear Sir/Madam,

Re : Quotation for carrying out the Review of IFC (renewable every year for one year term as per terms and conditions given in the RFQ document)

I/We _____ are pleased to submit our commercials for the assignment/scope of work as mentioned in the document.

Our annual is as under:

Particulars	Amount in Rs.
Annual Professional fee (exclusive of applicable taxes) No revision in annual professional fee for entire term of 4 years	
GST @ ____ %	
Total Fee	
Amount in Words: Rs.	

I/We understand that:

1. Only annual professional fees (exclusive of taxes) are to be quoted.
2. Bid will be evaluated on annual professional fee excluding taxes.
3. Fees will be paid on submission of final report and after presentation to the Audit Committee of the Board (ACB) on submission of tax invoice.
4. Out of pocket expenses will be paid only on account of travel outside Mumbai on submission of expenditure and original bills.
5. No revision of fee in four year appointment term.

Date:
Place:

Signature of Authorised Signatory
Name:
Designation:
Stamp

Annexure III**(Declaration to be furnished on the letter head of the company)**

To

The Head of Internal Audit
Stock Holding Corporation of India Limited
Regd. Office: 301, Centre Point
Dr. Babasaheb Ambedkar Marg
Parel, Mumbai-400012

Dear Sir/Madam,

SUBJECT: APPLICATION FOR APPOINTMENT AS INTERNAL FINANCIAL CONTROL CONSULTANT OF STOCKHOLDING

Please find enclosed the bid for consideration of our firm to be appointed as the Internal Financial Controls Consultant of StockHolding.

We agree to undertake the assignments, if given by you, as per the scope of work laid down under the RFQ dated _____. We hereby declare that our firm does not have any pecuniary liability or any claim/disciplinary proceeding /legal proceeding pending against us/ our partners/ our employees/ our agents or any other cause which could hamper our ability to render the services to StockHolding as envisaged. We further declared that:

- i. The firm does not have any conflict of interest with the Stockholding Group.
- ii. The firm is not debarred or restrained from issuing any certificate by ICAI, RBI, SEBI, PFRDA, IRDA, or by other regulator/law enforcement agency.
- iii. There has not been any adverse remark/ disciplinary proceedings/ action initiated or contemplated or pending /suspension of practice against our firm /any of its partners on record of The Institute of Chartered Accountants of India (ICAI) or any other relevant authority/regulator.
- iv. None of the partners/employees have been convicted of any offence involving moral turpitude or has been found guilty of any economic offence.
- v. We have not been black listed by any Government organization/ Regulator/ Statutory authority in the past.

- vi. If the aforesaid representation /declaration or any information contained in the Annexures is found to be incorrect, false or misleading, we agree that the StockHolding shall be entitled to terminate the Contract, if executed with our firm, or initiate suitable action as deemed fit and appropriate by the StockHolding, in accordance with law, without reference to us.

- vii. We confirm that we meet all the eligibility criteria mentioned on the RFQ We also confirm that we will provide additional documentary evidence relating to any of the eligibility criterion, if required by the company at the time of appointment.

Date:
Place:

Signature of Partner
Name:
Designation:
Stamp