

Request for Application for Appointment of Auditor for Audit of Account Opening forms and KYC Documents

Reference No.: SHCIL/AATM/2022/03



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 StockHolding, but an invitation to receive response from eligible interested audit firms for audit of account opening forms and KYC documents of depository participants services (DP) of StockHolding 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. StockHolding may in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information in this document. StockHolding 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 audit assignment at any stage, without assigning any reason whatsoever.

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August 17, 2022

Introduction

About Stock Holding

Stock Holding Corporation of India Ltd. (Stock Holding) 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. Stock Holding has more than 200 offices across the country. It is one of the largest Depository Participants, besides being the country's largest custodian. Stock Holding 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. Stock Holding acts as Point of Presence (POP) for National Pension System. Stock Holding also provide sub-broking services through its wholly owned subsidiary, SHCIL Services Ltd. Stock Holding acts as a Central Record Keeping Agency for collections and payments of stamp duty in various states and Union Territories of India. Stock Holding also provide document management solutions through its subsidiary Stock Holding Document Management Services Ltd. (SDMS).

Stock Holding is among the leading Professional Clearing Member service provider in India. The corporation facilitate this through our DEMAT Clearing Member Pool account and Collateral Margin account services. We are also a proficient Custodian with NSCCL, Commodity Exchanges and MCX.

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

OBJECTIVE

The objective of this document is to select the Auditor for audit of account opening form and KYC document of various categories of new clients to be acquired in Depository (DP) business of Stock Holding as per scope of work specified in this document.

ROLE OF AUDITOR

StockHolding intends to appoint reputed firm of Chartered Accountants as Auditor. The Role of the auditor will be conducting audit of account opening form and KYC documents of various categories of new DP clients acquired as per scope of work specified in this document as per “*Annexure II*” and as per depository checklists, SEBI circulars and guidelines. The auditor has to provide the report also mentioning the deficiency/inadequacy in the account opening and KYC document

The audit of account opening form and KYC document is to be conducted at corporations’ operations office situated at Mahape, Navi Mumbai – 400710.

ELIGIBILITY CRITERIA

1. The Audit firm should have long standing in practice, *i.e.* more than 10 years.
2. The audit firm should have a minimum of 5 partners.
3. The number of corporate clients of the audit firm should be at least 5.
4. The audit firm should have empanelment with RBI / CAG / SEBI /or any other relevant authority
5. The audit firm should have relevant experience and exposure in Broking firms / Depositories/ Banks
6. The Auditor/ Audit firm should not debarred or restrained from conducting audit by ICAI, RBI, SEBI , PFRDA ,IRDA, or by other regulator/law enforcement agency.
7. No adverse remarks / disciplinary proceedings pending / initiated against the firms /any of its partners / Proprietor on record of Institute of Chartered Accountants of India or any relevant institute/authority.

OTHER TERMS AND CONDITIONS

- i **Tenure of appointment:** The nature of the audit assignment is one time. The audit is to be completed within 15 working days after issuance of appointment letter.
- ii **Place of Audit:** The audit of account opening form and KYC document is to be conducted at corporations' main operations office situated at SHCIL House , P-51, TTC Industrial Area, MIDC Mahape, Navi Mumbai – 400710.
- iii **Quotation for audit assignment:** Quotes should be given per Account opening including KYC documents of client exclusive of applicable taxes.
- iv **Out of Pocket Expenses:** No out of pocket expenses will be payable for this audit assignment.
- v **Settlement of Bills:** The Bills will be settled after completion of audit assignment and after submission of audit report.
- vi **Total count of account opening form :** 2500 (Two Thousand Five Hundred) .
- vii **Format for submission of quotations:** The firm fulfilling the above minimum eligibility criteria should submit the password protected application mentioning all the details along with the financial quotation as per “**Annexure I**”.
- viii **Timelines:** The signed password protected quotation should be submitted by email to **Internal.auditor@stockholding.com** on or before the **5:00 PM on 25th August 2022**. The password should be shared on **26th August 2022 at 11:00 A.M.** through e-mail to **Internal.auditor@stockholding.com**.
- ix 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
Mr. Milind Chiplunkar, Assistant Manager Internal Audit Department	9867067240 Internal.auditor@stockholding.com
Mr. Sanjeev Kumar, Senior Manager Internal Audit, Risk & ESG Department	9987776250 Internal.auditor@stockholding.com

(On the Letterhead of the Company)

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 form, Declaration w.r.t. Eligibility Criteria and Financial Quotation

Particulars/ Details of the Firm :

Sr. No.	Particulars	Details
1.	Name of the Firm/Company	
2.	Constitution	
3.	HO/Branch Address with Pin-code	
4.	Contact Details of the partner assigned to StockHolding: Name of the Partner Mobile No.(s) E-mail ID	
5.	Date of Establishment of the firm	
6.	Years of experience in Audit	
7.	No. of Chartered Accountants	
8.	Branches of C.A. firm, if any	
9.	No. of corporate clients of the firm. Name of top five Corporate Client	1. 2.

Sr. No.	Particulars	Details
		3. 4. 5.
10.	Details of clients with relevant experience/exposure in Broking firm/Depository/ Bank audited with year of audit	1. 2. 3. 4. 5.
11.	Firm's PAN/GST No.	
12.	Empanelment Details with RBI/ CAG/ SEBI	
13.	Firm's Registration No. with ICAI	

Financial Quotation

Professional fee per account opening KYC form is as under:

Particulars	Amount in Rs.
Professional fee (exclusive of applicable taxes) per account opening KYC form	
Amount in Words (only professional fees per account opening KYC form to be mentioned): Rs.	

I/We _____ do hereby confirm that

1. Our firm is having Head/Branch office in Mumbai/ Navi Mumbai/MMR. (Please tick at relevant place)
2. Our firm is empanelled with RBI/CAG/SEBI.
3. Our firm has years standing in practice.
4. Our firm has Partners. (*Please attach firm card/certificate issued by ICAI*).

5. The Audit firm is not debarred or restrained from issuing any certificate by ICAI, RBI, SEBI , PFRDA ,IRDA, or by other regulator/law enforcement agency.
6. No adverse remarks / disciplinary proceedings pending / initiated against the firms /any of its partners / Proprietor on record of Institute of Chartered Accountants of India or any relevant institute/authority.
7. We will provide documentary evidence relating to any of the above point, if required by the company at the time of appointment.

Declarations:

- We confirm that all the information provided by me/us here above is correct to the best of my/our knowledge & belief.
- We confirm that we meet all the eligibility criteria mentioned in the document & we have not been de-panelled / Black listed by any organization in the past
- I/We have read the terms and conditions stipulated for appointment as Auditors for audit of account opening and KYC forms of DP clients of 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 Auditor for this audit assignment and the offer is accepted, I/We will execute Service Level Agreement and Integrity pact in the format given by the company.

Signature of Authorised Signatory

Date:
Place:

Name:
Designation:
Stamp

Enclosures:

1. firm card/certificate issued by ICAI
2. Firm Profile

Annexure II**General details of Scope of Audit and Inspection**

- Scrutiny of A/c opening forms & KYC documents attached for various categories of clients i.e. individual, corporate, trust, escrow, Bank etc.
- Verification of KYC data/ documents uploaded on KRA/ CKYC, whether matching with A/c opening forms.
- Verification of audit data/documents on NSDL DPM, whether matching with A/c opening forms.
- To provide detailed audit report for the deficiency/inadequacy in the account opening and KYC document mentioning additional/mismatch/rectification required in account opening and KYC documents.

Please refer the compliance manual of NSDL/CDSL and master circular No. SEBI/HO/MRD/DP/CIR/P/2016/134 Dated December 15, 2016 of SEBI for depositories. The Checklist designed by Depositories is also to be referred, which is available for various categories of accounts.