

Clarifications on Queries raised in Pre bid Meeting

Ref: The RFP No – SHCIL/CIAA/2021/01 dated June 25, 2021 for appointment of Central Internal Auditor

A pre-bid meeting was held in this respect on Friday, July 02, 2021 at 11:00 a.m through video conference. The meeting was attended by interested bidders, who expressed their willingness to join the same.

Please find below the responses for the queries raised in the pre bid meeting:

S.No.	Query	Response
1.	With respect to the point no. 9 of eligibility criteria, whether the Concurrent Audits of banks will be considered for the internal audit of Companies having a turnover of Rs 50 crore or more, in the last 3 years preferably from the BFSI?	Yes – Concurrent Audit of Banks will be considered for Point no 9 of eligibility criteria.
2.	With respect to the point no. 10 of eligibility criteria, whether DP audit carried out for few branches of a large zone as part of Concurrent Audits of bank will be considered?	Yes – It will be considered. The bidder will have to submit proof that they had conducted DP Audit as a part of larger bank assignment.
3.	With reference to the point no. 7 of eligibility criteria, whether Turnover for FY 2020-21 unaudited with declaration of no variation beyond 2% or certified by an Independent Auditor be considered for calculation of average annual turnover?	The average annual turnover for last three financial years has been asked for. In this respect, the unaudited figures supported by a CA certificate would also be considered, provided the average of the balance two financial years

S.No.	Query	Response							
		should not less than Rs. 2 crore.							
4.	ICAI had suo-motto initiated proceedings in respect of one of the partners at any branch of the firm, in respect of which the matter is under hearing and no conclusion has been drawn. Will the firm become ineligible for the tender?	Please refer to point no. 6 of eligibility criteria - 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) – Hence the firm will not be eligible for tender							
5.	What is the volume of DP accounts opening?	20000 to 25000 per annum.							
6.	What is approx. no. of transactions in different products?	<p>Transaction audit for retail products is carried out at regional level.</p> <p>For the scope of audit of Central Internal Auditor, kindly refer to the RFP document (page no. 21 onwards) for clarity.</p> <p>Mentioned below are the total volume of different products on a pan India basis:</p> <table border="1"> <thead> <tr> <th>Product</th> <th>Particulars</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Depository Participant services</td> <td>Total no. of accounts – 6,70,792</td> </tr> <tr> <td>Accounts added in FY 21 – 23,176</td> </tr> <tr> <td>e-stamping,</td> <td>FY 21</td> </tr> </tbody> </table>	Product	Particulars	Depository Participant services	Total no. of accounts – 6,70,792	Accounts added in FY 21 – 23,176	e-stamping,	FY 21
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		e-court fees and e-registration	mobilisation – Rs. 24,800 cr. Av. daily mobilization – Rs. 80 cr.
		Professional Clearing Member services	Total no. of accounts – 115 FY 21 volume – Rs. 1,53,91,297 cr. Av. Daily volume – Rs. 76,956 cr.
		NPS	Total no. of subscribers – 140,000 approx. Subscribers added in FY 21 – 31,900
		Institution (Custody)	Av. No. of Equity monthly transactions – 23000 Av. No. of Non-Equity monthly transactions – 800 Assets under custody (as on 31.05.2021) – Rs. 22,45,762 cr.
		TPP – FD, MF, IPO	Total no. of clients – 1,50,000 approx. FY 21 volume – Rs. 2,807 cr. Average no. of daily transactions – 60
		GOI Bonds	Total no. of clients – 35,785

S.No.	Query	Response	
			FY 21 volume – Rs. 1,516 cr. Average no. of daily transactions – 66
		Sovereign Gold Bonds	Total no. of clients – 16,117 FY 21 volume – Rs. 399 cr. Average no. of daily transactions – 50
		Insurance	Total customers as on 31.03.2021 – 12617 Policies mobilised in FY 21 – Life – 3659 Policies mobilised in FY 21 – Non-life - 2658
		Bullion	FY 21 volume – Rs. 9,10,92,911 Average no. of daily transactions – 2
		Gold Rush	Total no. of accounts – 39409 Average no. of daily transactions – 100
7.	For how many schemes, NAV is to be calculated on a daily basis? What is	There are approximately twenty schemes for which NAV	

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	the timeline T+0 or T+1?	is to be calculated on a daily basis. The TimeLine for the same is T + 0.
8.	Is the process of account opening digitalised? What percentage of processes is digitised?	Around 20% of the process is digitised.
9.	What is the employee headcount of SHCIL?	Around 1400 as of now
10.	How many AMC contracts are related to Admin?	There are approximately 50 AMC contracts related to Admin.
11.	Can Balance sheet be shared for better understanding of the Accounts related areas?	The Balance Sheet of Stockholding is available on the website “www. shcil.com” in the Corporate Corner- About us TAB.
12.	How many warehouses are to be covered in Bullion business?	Bullion business is on the digital platform and no storage is resorted to.
13.	How many applications are to be audited in “System Audit” mentioned in the Scope of Audit?	As per Scope of Audit, the “System Audit” is being referred to the pledge module of the DP only. The said audit is not a transaction audit but audit on account of processes and security controls in place.
14.	Does the role of Central Internal Auditor is also to verify the quality of	With respect to the regional internal audit, the Central

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	<p>audit conducted by the Regional Auditors of the Corporation, apart from collating the regional reports and reporting the same to ACB as Executive Summary?</p>	<p>Internal Auditor reviews the final reports of the Regional Internal Auditors.</p> <p>After review, the Central Internal Auditor collates the various reports along with their own observations. Thereafter, executive summary is prepared on material observations for presentation of the same to the Audit Committee of the Board.</p> <p>However, any suggestions by the Central Internal Auditor with respect to quality or scope of regional audit will be considered positively to the extent possible.</p>
<p>15.</p>	<p>Approximately how many certificates are to be issued per annum, as Central Internal Auditor of the Corporation?</p>	<p>The Central Internal auditor may have to issue around 100 certificates as regulatory and internal requirements.</p>
<p>16.</p>	<p>Except the Mahape and Centre Point, does the Central Internal Auditor need to visit any other office in Mumbai and Navi Mumbai?</p>	<p>In the normal circumstances, the Central Internal Auditor would be operating from the Operations office of the Corporation, i.e.Mahape. The Central Internal Auditor would be visiting Centre point office for some audits and management meetings.</p>

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		<p>However, in extra ordinary circumstances like Covid-19 etc., the auditors may be required to operate from any of our Mumbai offices. The auditors would be informed in advance for this. The list of our Mumbai offices is available on our website.</p>
17.	<p>Kindly clarify on the minimum fee</p>	<p>SHCIL has floated a RFP for internal audit. The evaluation in the RFP would be based not only on financial basis but on technical grounds as well. Thus, the RFP is a techno-financial RFP. Hence, no minimum fee is mentioned.</p>
18.	<p>If a firm is the auditor of a pension fund, will it be considered as conflict of interest to accept the SHCIL's assignment?</p>	<p>Kindly refer to the agreement between your firm and the pension fund and PFRDA regulations and circulars if any on this aspect.</p>
19.	<p>Kindly clarify on the difference between two Criteria in Technical evaluation criteria Sr. no 4 & 5 on page 17, Annexure III.</p>	<p>The technical evaluation criterion no. 4 & 5 relate to post qualification experience and experience as full time partner respectively. Both the criteria are with respect to the lead partner.</p> <p>For e.g. Mr. A qualified in the</p>

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		<p>year 2000. He was working in a company till the year 2005. In the year 2006, he joined a CA firm as a full time partner. So, in 2021, his experience under both the criteria would be as follows:</p> <p>Criteria 4 - 20 years</p> <p>Criteria 5 - 14 years</p>