



## **STOCKHOLDING SERVICES LIMITED**

(A WHOLLY OWNED SUBSIDIARY OF STOCKHOLDING CORPORATION OF INDIA LIMITED)

### **RFP – Request for Proposal for Appointment of Auditors**

#### **StockHolding Services Limited**

Regd. Office: F-51, SHCIL House, Mahape, MIDC, Navi Mumbai - 400710

CIN no. U65990MH1995GOI08560

Website: [www.stockholdingservices.com](http://www.stockholdingservices.com)

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*Reference No.: StockHoldingservices/Mum/RFP/25-26/01*

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**“A”**

**Key Activities & Due Dates**

Notice no.	STOCKHOLDINGSERVICES/MUM/RFP/25-26/01	
Nature of proposal	Appointment of Auditors	
Date of issue of RFP Document	August 29, 2025 from 11.00 am	
Department	Compliance	
Contact Details	<a href="mailto:rfp_auditors@stockholdingservices.com">rfp_auditors@stockholdingservices.com</a>	
Website	<a href="http://www.stockholdingservices.com">www.stockholdingservices.com</a>	
Application cum processing charges (non-refundable)	<p>₹10,000/- (Rupees Ten Thousand Only) favoring StockHolding Services Limited through NEFT only to the mentioned bank account on or before 4:00 pm on September 18, 2025.</p> <p>Name of Company: StockHolding Services Limited</p> <p>Type of Account: Current A/c  Name of the Bank: HDFC BANK  Bank A/c No:- 00600340028869  MICR No.: 400240015  IFSC code: - HDFC0000060  Remarks: ..... (Name of Bidder)</p>	
Submission of Queries	Date	Till September 02, 2025, 11.00 a.m.
Date and Time of Pre bid meeting		<p>September 03, 2025 at 03:30 pm virtually through Video Conferencing.</p> <p>Video Conferencing (VC) Link: <a href="https://call.lifesizecloud.com/23839236">https://call.lifesizecloud.com/23839236</a></p>
Last Date & Time of submission of proposals and receipt of Application money	Date & Time	<p>September 18, 2025 at 4.00 pm. Soft copy of the application with application money details should also be sent to email : <a href="mailto:rfp_auditors@stockholdingservices.com">rfp_auditors@stockholdingservices.com</a>. Applicant should ensure that soft copy of documents are uploaded within stipulated time as mentioned on the website of <a href="https://eauction.auctiontiger.net">https://eauction.auctiontiger.net</a>.</p>

Schedule for Opening of Application	Date	September 19, 2025
	Time	11.00 am
Date and Time for presentation	September 22, 2025 at 11.00 am at registered office of the Company / Video conference. Any change will be notified to shortlisted applicants.	
Final Evaluation of applications received	Outcome will be displayed on Company's website and communicated to successful applicant.	
E-Bidding Facilitator	M/s e-Procurement Technologies Ltd. (ETL), Ahmedabad, on behalf of StockHolding Services Ltd.	
Contact Details of M/s e-Procurement Technologies Ltd. (ETL), Ahmedabad	Call/ write us for e-Tender Submission Cell Number: 9904406300 / 9510812960 / 9265562819 / 9265562821Write to us by e-mail at: <a href="mailto:support@auctiontiger.net">support@auctiontiger.net</a> (Support will be available between 10:00 am to 05:00 pm on Monday to Friday)	
This document is not transferable		

Application in any other format would not be considered and conditional applications would be summarily rejected. StockHolding Services Limited reserves the right to reject all or any of the application, wholly or partly, without assigning any reason whatsoever.

**“B”**

**Disclaimer**

This document is not an offer by SSL, but an invitation to receive response from eligible interested audit firms for appointment of Auditor 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 applicant may require. Each applicant 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. SSL 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. SSL may in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information in this document. SSL 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.

**Notice of Request for Proposal**

(Published in three leading newspapers)  
StockHolding Services Limited

**P-51, SHCIL House, Mahape, MIDC Navi Mumbai - 400 710  
CIN: U65990MH1995GOI085602**

**NOTICE**

**Request for Proposal  
For Appointment of Auditors**

StockHolding Services Limited invites proposals in the prescribed format from reputed and experienced service providers for appointment of Auditors as per the specified scope of work. The RFP document can be downloaded from our website <https://corporate.stockholdingservices.com/rfp/> and <https://stockholdingservices.auctiontiger.net/>

Date of Issue – August 29, 2025 at 11.00 a.m.

Last date of submission - September 18, 2025 till 4:00 p.m.

Corrigendum with regard to this RFP, if any, shall be uploaded on the website of StockHolding Services Limited <https://corporate.stockholdingservices.com/rfp/> and Auction Tiger. <https://stockholdingservices.auctiontiger.net/>.

StockHolding Services Limited reserves the right to accept or reject any or all proposals without assigning any reason whatsoever.

## **Introduction**

### **About StockHolding Services Limited**

StockHolding Services Limited (SSL) was incorporated on February 14, 1995 as Public Limited Company having CIN U65990MH1995GOI085602 and the registered office of Company is situated at SHCIL House, Plot No. P-51, T.T.C. Industrial Area, MIDC, Mahape, Navi Mumbai - 400710.

SSL is the wholly owned subsidiary and broking arm of Stock Holding Corporation of India Ltd. (SHCIL). SSL is a SEBI registered Corporate Stock Broker providing safe and reliable services to all institutional and retail clients across the length and breadth of the country's offers comprehensive services across multiple segments, including the Cash and F&O segments on BSE and NSE. The Company also provides services in Mutual Fund - BSE Star MF & MCX-SX Capital Market.

SSL commenced its broking operations in July 2006. SSL is also registered as SEBI Registered Research Analyst (RA), Portfolio Management Services (PMS), Depository Participant (DP) and Mutual Fund distributor registered with AMFI.

### **Objective**

The objective of this document is to appoint the Auditors for Stockholding Services Limited as per the scope of work specified in this document.

The RFP invites Proposal for 2 types of Audits:

1. Internal auditor;
2. Compliance & Concurrent Auditor:



### **Brief Role of Auditor**

To conduct monthly Internal and Compliance & Concurrent Audit of Broking /DP/ RA activities and submit the Monthly, Quarterly & Half yearly Internal and Compliance & Concurrent Audit report within prescribed deadlines given by Exchanges/ Depositories/ Regulators.

For detailed scope of work please refer the scope of audit in this RFP document attached as ***“Annexure I”***.

### **General details of Scope of Audit**

1. The Internal and Compliance & Concurrent audit report should be detailed and conclusive.
2. It should specify the scope, methodology, extent of verification and observations with implication & risk suggestion.
3. To comment on the effectiveness of the internal control system and the internal check system in force and to suggest ways and means to improve these controls and systems.
4. To perform the Internal and Compliance & Concurrent audit as per the standards on audit issued by ICAI
5. To undertake special audits as and when desired by the management.
6. To ensure that the standard operating procedures/Risk Control Matrix (RCM) which have been devised by the organization are strictly followed.
7. To assist management in achieving the most efficient administration of operation by establishing procedures by complying with company's operating policies.
8. To facilitate the early detection and prevention of errors & frauds.
9. Existence of any lapse/deviation that may contradict regulatory norms and organizational policy guidelines.
10. The report periodicity will be monthly/ Quarterly/Half yearly and final reports should be submitted before the specified deadlines as per the scope of audit defined in this document.
11. The final quarterly internal audit report should be submitted at least 10 days in advance, ahead of Audit Committee of SSL.
12. The report should include verification of statutory compliance in respect of all applicable laws to the Company.

13. Wherever possible, the report should specify the extent of checking in a particular area in term of value and volume.
14. The lead partner should be involved with the finalization of the audit report and discussion of the audit observations with the management.
15. All reports and certifications should be with UDIN. The UDIN certificates are issued to concerned regulators, Depositories and Exchanges as per the scope of the audit in the RFP document.

## Eligibility Criteria

Sr. No.	Eligibility Criteria	Yes / No	Supporting Document to be Submitted *
1.	The applicant entity should be registered partnership or a limited liability partnership and must be in existence for at least 10 years as on March 31, 2025 having professionals as Chartered Accountant(CA) from Institute of Chartered Accountant of India (ICAI) and Empaneled with Exchanges.		Copy of CA membership along with valid registration certificate issued by ICAI and Empanelment certificate.
2.	The applicant entity should have minimum three (3) partners as qualified CAs.		Self-Declaration from applicant entity.
3.	The applicant entity should have minimum 5 corporate clients from Stock Broking for Internal/ concurrent/ compliance audit in last 5 years and atleast 2 Clients should have a turnover of more than 100 Crores in last 3 years.		Copy of Engagement Letters/ Equivalent.  Self-Declaration from applicant entity.
5.	The applicant entity should have Head office/ registered office/ branch office in Mumbai/ Navi Mumbai/ Thane.		Self-Declaration from applicant entity
6.	The applicant entity should not be owned or controlled by any Directors or employees or relatives of Stockholding Services Limited or its parent or associates thereof or the firm should not have any conflict of interest with the StockHolding group.		Self-Declaration from applicant entity.
7.	No adverse remark/ disciplinary proceedings should have been initiated / pending against the firm/any of its partners on record of The Institute of Chartered Accountants of India (ICAI) or SEBI or Exchanges or any other regulatory body.		Self-Declaration from applicant entity.
8.	The applicant entity should have an average annual financial turnover of at least ₹50 Lakhs or more from practice in the last 5 financial years.		Copy of Audited financial Statements.
9.	The Lead Partner under whose supervision the audit of SSL will be carried out should have a minimum experience in Stock Broking Industry of at least 5 years in full time practice as qualified CA.		Self-Declaration from applicant entity.

10.	The existing auditor and any other firm having common partners with the existing auditor, either currently or at any time during the last five financial years, shall not be eligible to participate.		Self-Declaration from applicant entity.
11.	The Audit Firm is not debarred or restrained from issuing any certificate by ICAI, ICSI, ICMAI, RBI, SEBI or by other regulator/law enforcement agency.		Self-Declaration from applicant entity.
12.	Any partner/employee of the Audit Firm shall have a valid NISM Series III-A: Securities Intermediaries Compliance Certification or certification of "Financial Market & Securities Laws" as provided by ICAI or equivalent certification offered by any other institution. Further, any partner/employee of the Audit Firm having valid certification of NISM-Series-XIV: Internal Auditors for Stockbrokers is also eligible till the expiry of the Certification.		NISM Certificate copy

### **Terms and Conditions**

1. The RFP invites proposal for 2 types of Auditor to conduct:

- a. Internal Audit and
- b. Compliance & Concurrent Audit

In case, the applicant entity applies for both the categories of Audit; they will be assigned audit in only one category i.e. either a or b fulfilling the criterion of the Eligibility and Terms & Conditions of RFP. If the same applicant qualifies for both the categories having L1 quotation, then the said applicant entity shall be given choice to select either category. In such case, L2 of other category which is not chosen by the said applicant entity will be treated as L1.

2. **Tenure of appointment:** The appointment will initially be for a period of 3 years starting from 01-October-2025 to 30-September-2028 for conducting internal and concurrent & compliance audit of SSL. There will be no revision of fee in the entire term of this audit assignment. The Company at its sole discretion may extend the contract for further term of 2 years based on the performance and mutually agreed terms & conditions.

3. **Regulatory Filings Date:** The Auditor needs to ensure that all the filings as per regulatory requirements are filed/shared to SSL on or before at least 3 days of the prescribed/ deadline date.

4. **Resources:**

- At least one resources should be available at office premises located at Mahape, Navi Mumbai.
- One supervisory staff, qualified CA having NISM certification should visit SSL twice a month.
- Lead partner who shall be signing the audit reports shall visit SSL at the time of finalization of the report.

5. **Samples during Audit:** The Auditor is required to preserve the samples taken during the audit and it is expected that no observation will come from those samples during inspection by Exchanges /SEBI/other regulatory authorities at least for 5 years.

6. **Certifications:** The annual professional fees shall include the mandatory certifications as per Annexure –VII.

7. **Place of Audit:** The audit work has to be primarily conducted at Registered office of SSL.

8. **Out of Pocket Expenses:** No out of pocket expenses will be paid for the audit assignment except for outstation travel. Hotel, Food and Travel bills will be paid at actual on production of original bills for inter-city travel.

9. **Settlement of Bills:** The bills will be settled on quarterly basis after submission of all the reports and invoice.



10. **Non-Disclosure Agreement (NDA):** The successful bidder will sign a Non-Disclosure Agreement (NDA) with StockHolding Services Limited after Declaration of Award.

11. **Termination of contract:** Either party reserves the right to terminate the contract at any time during the contract period by giving 90 days' notice in writing to the other party at their last known place of residence/ business. In such case, the auditor is bound to complete the quarter/ half/ year end audits (whichever falls during resignation period) & submit the audit reports thereon. SSL decision under this clause shall be final, conclusive and binding on the auditor and shall not be called in question.

12. **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 Navi Mumbai jurisdiction only. The final payment will be released only after the applicant entity complies with above- mentioned clause.

13. **Right to alter RFP:**

- a. SSL reserves the right to alter the RFP terms and conditions at any time before submission of the application.
- b. SSL reserves the right to cancel the RFP/ Contract.
- c. SSL reserves the right to modify, amend, alter and/or cancel the entire RFP at any stage without assigning any reason whatsoever.

**SSL's decision in this regard will be final and binding on all applicants.**

14. The selected audit firms shall be liable to maintain secrecy and confidentiality of all the information / data / operations, etc. of SSL and in relation to the work undertaken by it.

15. All prospective applicants will be notified of the amendment, if any, by SSL by hosting the same on SSL's website <https://corporate.stockholdingservices.com/rfp/> and <https://eauction.auctiontiger.net> which will be final and binding on all the applicant.

16. It will be the responsibility of the applicants to regularly visit SSL's website <https://corporate.stockholdingservices.com/rfp/> and <https://eauction.auctiontiger.net> for ascertaining amendments, if any, from time to time and respond accordingly. No other intimation will be given by SSL.

17. **Format for submission of quotations:** The firm fulfilling the above minimum eligibility criteria should submit the application mentioning all the details along with the financial proposal as per "Annexure III, IV & V".

18. The applicant entity should make commercial quotations commensurate with the scope of the work as per RFP and exorbitant low quotations are liable to be rejected.

**19. Timelines:** The signed proposal should be submitted by at <https://eauction.auctiontiger.net> on or before September 18, 2025 till 4:00 p.m. The date of opening of applications will be on 11.00 a.m., September 19, 2025.



**20.** The decision of SSL shall be final and binding on all the applicants.

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

Na Name of the contact person	Co Contact details & E-mail ID
Ms. Poonam Chhikara	022-61778605 <a href="mailto:rfp_auditor@stockholdingservices.com">rfp_auditor@stockholdingservices.com</a>

### Evaluation Criteria

SSL 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 applicant entity will have to provide necessary documentary evidence for below criteria along with proposal document failing which applicant entity will be awarded NIL mark for criteria where no documentary evidence provided with proposal document.

Sr. No.	Evaluation criteria	Points	Marking System
1.	Presentation by lead partner	15	Based on the background of the firm, areas of expertise, past and present clientele, Internal Auditor and Compliance & concurrent audit review methodology, timelines for completion etc.
2.	Firm in Existence (in years)	10	10 years – 5 Points More than 10 – 10 Points
3.	No. of C.A. partners	10	3 CA partners- 5 Points More than 5 up to 7- 7 Points More than 7 – 10 points
4.	Experience of lead partner as full time partner in stock broking industry as on 31.03.2025	10	5 years – 5 points More than 5 to 7 years – 7 points More than 7- 10 points
5.	No. of Clients from Stock Broking– Internal Audit/ Compliance & concurrent audit conducted in last 10 years	10	05 clients – 3 points 6-10 clients – 5 points More than 10 clients – 10 points
6.	No. of “Qualified Brokers ” audit conducted by the firm in the last three years	10	1-3 companies – 5 points More than 3 – 10 points
7.	Presence of the firm on PAN India basis.	5	Up to 5 states- 2 points More than 5 up to 10 states- 3 points More than 10 states- 5 points

### Total scoring methodology for proposal Evaluation:

1. After presentation, firms with a score of 50 or above would qualify for techno-commercial evaluation.
2. The bidder will be selected based on techno-commercial criteria with technical score getting 65% weightage and commercial score getting 35% weightage. Details are provided below:



The Techno-Commercial Evaluation will take into consideration, the Score obtained in the Technical Evaluation as well as the Price bid quoted in the Commercial bid.

Weightage for Technical Evaluation will be 65% and weightage for Commercial bid will be 35%. A "Score" will be calculated for all "Qualified Bidders" using formula, given below:

$$\text{"Score"} = (\text{LC}/\text{C}) * 35 + (\text{T}/\text{HT}) * 65$$

Where: LC = Lowest "amount" among the qualified bidders.

C = Individual Amount quoted by each bidder.

T = Technical Evaluation Score of each Agency.

HT = Highest Technical Evaluation Score among the "Qualified Bidders" Example:

Example:

Bidders	1	2	3
Total Technical Score (T)	60	65	55
		HT	
Financial Bid in Rs. (C)	35	25	30
		LC	
Score	$(\text{LC}/\text{C}) * 35 + (\text{T}/\text{HT}) * 65$		
Final Score (HS)	84.890	100.00	84.159

Bidder with the Highest Score (HS) will be the final bidder; in the above example **Bidder 2** is the Final bidder.

### **Integrity Pact**

The bidder will have to enter into an Integrity Pact with StockHolding Services Limited. The declaration regarding the signing of Integrity Pact is provided as Annexure - VI. The bidder will have to submit a signed and stamped copy of the Integrity Pact of SSL upon grant of award.

## **Annexure I**

### **Scope of Work of Audit**

The scope of work for the Audit firms has been outlined below. However, SSL may widen or modify the scope of work at any point of time depending upon regulatory requirements.

Further, pre requisites for selection of an Auditor will be a deep and practical understanding of the functioning of capital markets, business of the SSL and applicable regulations to Brokers, DP, and RA as per SEBI/NSE/BSE/MCX/NSDL/CDSL circulars, guidelines, regulations, rules, advisory etc. issued from time to time:

#### **Highlights:**

##### **➤ Exchange Reporting:**

- Daily Margin Reporting & Holding reporting
- MTF Reporting
- Daily Segregation
- SEBI payout reporting
- RBS Reporting
- Allocation Reporting
- Various Half yearly and yearly reporting
- Certifications as per Exchange requirements
- Any new reporting introduced from time to time.

##### **➤ Exchange Compliances:**

- CTCL Trading terminal
- Client Trade modification
- Account master data for new accounts
- SEBI Payout
- Communication to clients (Margin statement, SOA, AGST etc.
- FATCA/CRS
- Exchange surveillance alerts and reporting

- Upstream & Downstream of funds
- Grievances Registers
- KYC, KRA and CKYC
- Contract Notes / DMR issue as per regulations
- MTF compliance
- Compliance of debit balance not continue with T+5
- Verification of the Maintaining records for client fund payout requests.
- Review of internal policies and SOPs.
- Clarifications/ Views on regulatory circulars.

➤ **Operational:**

- Exchange Control account
- Exchanges statutory payments and reconciliation
- Bank reconciliation
- Sample basis Pay in /Payout of funds and Securities
- Other income
- Sample Basis brokerage tariff
- Sample Trade Verification
- IFC Audit
- Client dividend
- Error Account
- Banking and Demat account Operations
- CUSPA Pay-out
- Client Pledge data reconciliation
- Verify and certify that the digital on boarding process is in compliance with applicable regulatory requirements as amended from time to time.
- Verify that Welcome Email and SMS have been sent to clients, including copies of duly executed documents and mandatory disclosures.
- Exchange uploaded client details verification with back office

➤ **Branch & AP Inspection**

The AP/Branches inspection shall be carried out as per Exchanges Circulars/Notifications issued from time to time.

**Detailed Scope of Work**

**Internal Auditor:**

Key areas within the scope of internal audit:

**a) Internal Audit scope and sample size as prescribed by Exchanges/  
Depositories/SEBI /any other Regulatory Authorities :**

- Regulatory Compliances;
- Protection of Client Assets;
- Maintaining Market Integrity;
- Risk Management;
- Record-keeping;
- PMLA ;
- Other activities as prescribed by Exchanges/depositories/SEBI /any other regulatory authorities

**b) IFC Audit**

- Assess the existing IFC framework across all products, processes, and departments.
- Review and suggest improvements to SOPs and manuals.
- Conduct process and system walkthroughs to understand current practices.
- Update Risk Control Matrices (RCMs) with necessary changes in risks, controls, and ratings.
- Evaluate Entity Level Controls (ELCs).
- Review key control areas such as Delegation of Authority, IT, anti-fraud, operational and transactional controls.
- Obtain sign-off on updated RCMs from respective teams.
- Identify control design gaps and recommend corrective actions.
- Testing will assess the operating effectiveness of IFC controls and identify gaps with

suggestions for improvement.

- Reporting requirement:

The final report will include an overview of the Risk Control Matrices (RCMs) tested, with details such as control counts (ICFR/Non-ICFR), pass/fail results, and areas needing improvement. It will also present the control profile, including the count of RCMs, risks added or deleted (ICFR/Non-ICFR) during finalization, along with an executive summary of key observations, detailed findings, and the Action Taken Report.

- Any additional changes or disclosures required by management will be incorporated accordingly in IFC report.
- Review of internal policies and SOPs.

### **Compliance & Concurrent Auditor:**

#### **A. Operations**

Verification of the following areas including laid down systems, procedure and internal controls

- a) Settlement of Securities
- b) Brokerage reduction Approvals
- c) Error Accounts
- d) Pay in/ Payout of funds
- e) Compliance of all statutory payments related to exchange
- f) To verify whether Grievances are being handled in a time bound manner.
- g) Risk Management system and verification of exposure as per RMS policy of SSL
- h) Debtor's analysis (compliance of debit balance not continue with T+5 funding)
- i) Compliance of MTF
- j) Dividend, any other charges levied to client etc. need to be verify

#### **B. KYC, KRS & CKYC**

- a) Verification of Clients accounts in order to ensure that KRA and CKYC guidelines are followed.
- b) Verifying KYC forms to ensure that the forms are properly filled in and the documentary requirements are obtained along with the KYC forms in proper order.
- c) The KYC forms and CKYC guidelines would be verifying for all clients registered during the audit period.

- d) CKYC numbers have been communicated to the clients
- e) Updation of proof of income as per regulatory norms.
- f) To verify compliances w.r.t. making the accounts Dormant/reactivation
- g) Verification of six KYC attributes along with other data of clients traded during the period of audit updated to the exchange.

#### **C. Quarterly/Monthly Settlement of Fund**

- a) Ensure settlement procedures for funds and securities comply with SEBI and exchange circulars.
- b) Verify both pre- and post-settlement of funds, ensuring proper reporting.
- c) Check that clients have provided consent for monthly/quarterly settlements in the running account authorization. Verify that the actual settlement of client funds aligns with the Exchange's prescribed settlement calendar (quarterly/monthly).
- d) Ensure clients are notified via SMS and email regarding fund transfers at the time of settlement.
- e) Confirm that correct statement of accounts, detailing funds, securities, along and retention of funds, is sent to the client within five days of settlement.
- f) Verify that settled funds are transferred to clients' bank accounts and that no schemes are used to invest settlement dues without client consent.
- g) Ensure proper documentation and verification of the retention statement during the settlement.
- h) Confirm that logs of SMS, email communications, and retention statements are maintained.
- i) Pre Verification UCC wise reporting for quarterly settlement.
- j) To verify whether updates and changes in current processes, as per regulatory requirements, are appropriately implemented, and correctly followed.

#### **D. Verification of Upstream and Downstream of Funds**

- a) Ensure that the process of upstreaming client funds comply with SEBI and exchange circulars.
- b) Ensured that all the clients' clear credit balances are upstreamed to the Clearing Corporation on an EOD basis before cut off time.
- c) Confirm payment to clients should be done only from DSCNBA account post receiving of funds from CC/CM same day and any balance left in the account post cut off time should be transferred to USC NBA for further upstreaming it to the CCs.

- d) Verify any clear credit balance that could not be upstreamed to Clearing Corporations due to receipt of funds from clients beyond cut-off time has remained in USC NBA and upstreamed to Clearing Corporation on the next day.
- e) FDRs created only from 'Up Streaming Client Nodal Bank Account (USC NBA)' and has been lien-marked to one of the Clearing Corporations at all times.
- f) Verify that client clear credit balance not place with CC required Justifiable reason. Ensure that such clients' balances reported as retained with the SBs/CMs were available in USC NBA/DSC NBA/Settlement account of the SBs/CMs and/or in transit to the CC.
- g) Verify that untraceable or unclaimed client funds have been upstreamed to the Clearing Corporation.
- h) To verify whether updates and changes in current processes, as per regulatory requirements, are appropriately evaluated, implemented, and correctly followed

#### **E. Daily Margin Collection and Reporting**

Verification of the policy and procedures adopted for collection of margin from the clients including the eligibility of various types of margins, adjustment made in those types viz. haircut, when margin are collected from the client, whether the margins are collected on the upfront basis for all the clients, what are the forms in which margins are collected and details regarding the mythology adopted (separately) for the calculation of value of Margin received from the client in the form of –

- a. Funds (adjustment for T-day Billing and settlement day billing)
- b. Securities (approved/ non approved)
- c. Mutual funds units
- d. Government Securities/T Bills
- e. FD
- f. Pledge Securities and Re-pledge
- g. Other Instrument/Types if any.

##### **1) Pre - Verification of Margin Reporting**

**2) Verification of any penalties levied by exchanges for any short reporting margin.**

**3) Verification to ensure that correct client margin is collected and reported.**

**4) Verification to ensure that all the clients traded during the day has been issued all mandatory statement as per their consent.**

**5) Ensure that short margin penalties, wherever applicable, are appropriately passed on to the**



respective clients and verify the supporting documentation for such penalty recoveries.

**a) Trade Verification**

Verification of anomalies pertaining to the modification of trade from one client code to other client code.

**b) Verification of Website**

1. Verification of Trading Member having a website have provided the links on website as per regulatory requirements.
2. Verification on Investor Grievance Escalation Matrix
3. Verification of separate page on website for investor charter
4. Verification of data on complaint received against Trading member.
5. Verification of Online Closure of Trading accounts.
6. Uploading of various policies on website as per regulations.

**c) Daily Pre Verification of Segregation Reporting**

Verification to ensure that correct details are uploaded to the Exchanges

**d) Daily Pre and Post Verification of Allocation**

Verification to ensure that correct details are uploaded to the exchange.

**e) Pre-Audit for FATCA CRS Compliances**

Pre-verification of data related to Foreign Account Tax Compliance Act (FATCA) or Common Reporting Standard (CRS).

**f) Verification of Surveillance Activities for Stockbrokers and Depository Participants**

- Verification that Alerts are duly reported to the Exchange within the prescribed timeline.

**g) Trading Operations and Systems**

- Verification of single order value & quantity limit set as per risk policy.
- Verification of CTCL Terminals.

#### **h) PMLA Compliances**

- Verification of Suspicious transactions reporting (STR) to FIU-IND.
- Verification of the effectiveness of the process for identifying and reporting suspicious transactions to FIU-IND.
- Internal and external audits of AML procedures.
- Verify that an approval matrix is followed for on boarding High-Risk Clients or PEPs.
- Verify screening of clients against SEBI debarred list during the on boarding process.

#### **i) Reporting:**

The formats of placing the audits reports to the management shall be in the same format as needs to be reported to the Exchanges/internal control.

<u>Frequency</u>	<u>Contain</u>
Monthly	Detailed with observation
Quarterly	Summarized overall report
Yearly	Detailed with observation

- Half Yearly Internal Audit as per BSE/NSE and MCX.
- Half Yearly NSDL/CDSL Audits as per Depository Regulations.

#### **j) NSDL/ CDSL Concurrent Audit:**

- Compliance & Concurrent Audit includes Concurrent audit of NSDL & CDSL.

## Annexure II

### DP Business for Concurrent Audit

Sr. no.	Areas	Sample size for Audit
1.	Account Opening – Demat and Trading	100%
2.	Client data modifications	100%
3.	Demat requests	Sample basis
4.	Remat requests	Sample basis
5.	DIS book issuance (Including loose slip issuance)	100%
6.	Total DIS execution	at least 25%
7.	Pledge / hypothecation instructions	100%
8.	Account Freeze	Sample basis
9.	Account Unfreeze	Sample basis
10.	DDPI modifications	100%
11.	Account Closure requests: initiated by Client	100%

### Annexure III

#### Format of application form

(On the Letterhead of the Company)

To

The Head of Department  
 Secretarial, Legal & Compliance  
 StockHolding Services Limited Regd.  
 Office: F-51, SHCIL House,  
 Mahape, MIDC, Navi Mumbai - 400710

Dear Sir/Madam,

**Re: Application for appointment as .....Auditor 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	Attach self-attested registration certificate
3.	Address of Head office/Registered office with Pin-code	Attach self-attested document
4.	Address of Branch office with Pin-code	Attach self-attested document
5.	Post qualification experience in full time practice and contact Details of the lead partner assigned to SSL: Name of the Partner Mobile No.(s) E-mail	Attach self-attested document
6.	Date of Establishment of the firm	Attach ICAI Firm Card
7.	No. of Years of the firm in practice	Attach self-attested document
8.	No. of CA partners of audit firm	Attach self-attested document
9.	No. of Fellow CA partners	Attach self-attested document
10.	No. of Partners at Branch	Attach self-attested document

Sr. No.	Particulars	Details
11.	No. of corporate clients of the firm for which Concurrent/Internal/Compliance audit conducted in last 10 years	Mention names of clients, year of audit, nature of audit and attach documentary evidence
12.	Details of Concurrent/Internal/Compliance audit conducted by audit firm for broking/ Depository Participant/ PMS/RA in last 5 years	Mention names of clients, nature of business, year of audit, nature of audit and attach documentary evidence
13.	Firm's PAN/GST No.	Attach Document
14.	Empanelment Details with RBI/ CAG/ SEBI/Promoter institution of corporation	Attach empanelment document
15.	Firm's Registration No. with ICAI	Attach Document
16.	Average Financial turnover of audit firm in last 5 Financial year	Attach self-attested Turnover certificate document
17.	Turnover details of companies for which Concurrent/Internal/Compliance audit conducted in last 5 years	Mention names of clients, Turnover of client, year of audit, nature of Audit and Attach documentary evidence
18.	The Lead Partner and the firm does not have any conflict of interest with StockHolding Services Limited or its group.	Attach Self Declaration
19.	No adverse remark/disciplinary proceedings are initiated /pending against the firm/any of its partners on record of The Institute of Chartered Accountants of India (ICAI), SEBI or any other regulator .	Attach Self Declaration
20.	Final Concurrent/Internal/Compliance Audit of SSL will be carried out by the lead partner who is a qualified Chartered Accountant with an experience of at least 05 years in full time practice	Attach Self-Declaration
21.	Self-Declaration	Attach Annexure III
22.	The Audit Firm is not debarred or restrained from issuing any certificate by ICAI, ICSI, ICMAI, RBI, SEBI or by other regulator/law enforcement agency	Attach Self-Declaration
23.	Any partner/employee of the Audit Firm shall have a valid NISM Series III-A: Securities Intermediaries Compliance Certification or certification of "Financial Market & Securities Laws" as provided by ICAI or equivalent certification offered by any other institution. Further, any partner/employee of	Attach Certificate copy.

	the Audit Firm having valid certification of NISM-Series-XIV: Internal Auditors for Stockbrokers is also eligible till the expiry of the Certification.	
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**Annexure IV-A**  
**Format for Financial Quotes**  
**(On the Letterhead of the Company)**

To  
The Head of Department  
Secretarial, Legal & Compliance  
StockHolding Services Limited  
Regd. Office: F-51, SHCIL House,  
Mahape, MIDC, Navi Mumbai - 400710

Subject: Application for Appointment as Internal Auditor of Stockholding Services Limited.

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

Our annual audit fee exclusive of applicable taxes is as under:

Particulars		Amount in ₹
Annual Professional fee (exclusive of applicable taxes) for Internal Audit.		
Fees for conducting Inspection of each Authorized Persons (AP)/ Branch		
Amount in Words: ₹		

I/We understand that:

1. Only annual professional fees (exclusive of taxes) are to be quoted.
2. Fees will be paid on quarterly basis plus applicable taxes after submission of tax invoice and relevant audit reports and certification pertaining to that quarter.
3. No out of pocket expenses will be paid on account of local conveyance, dearness allowance and daily allowance etc.
4. No revision in audit fee for the entire term of appointment.

Date:

Place:

Signature of Authorized Signatory

Name:

Designation:

**Annexure IV-B**  
**Format for Financial Quotes**  
**(On the Letterhead of the Company)**

To  
The Head of Department  
Secretarial, Legal & Compliance  
StockHolding Services Limited  
Regd. Office: F-51, SHCIL House,  
Mahape, MIDC, Navi Mumbai - 400710

**Subject: Application for Appointment as Compliance & Concurrent Auditor of Stockholding Services Limited.**

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

Our annual audit fee exclusive of applicable taxes is as under:

Particulars	Type of Audit	Amount in ₹
Annual Professional fee (exclusive of applicable taxes) for Concurrent and Compliance Audit.		
Fees for conducting Inspection of each Authorized Persons (AP)/ Branch		
Amount in Words: ₹		

I/We understand that:

Only annual professional fees (exclusive of taxes) are to be quoted.

Fees will be paid on quarterly basis plus applicable taxes after submission of tax invoice and relevant audit reports and certification pertaining to that quarter.

No out of pocket expenses will be paid on account of local conveyance, dearness allowance and daily allowance etc.

No revision in audit fee for the entire term of appointment.

Date  
Place:

Signature of Authorised Signatory  
Name:  
Designation:



**Annexure V- A – Format of General Self Declaration**

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

**(Submission of Information and Documents)**

We, \_\_\_\_\_ (Firms name), having its registered/ principle office at \_\_\_\_\_ (complete address), do hereby solemnly affirm and declare that the statement made, information and/ or documents provided with respect to (state the relevant topic/ point of RFP document) is/ are true to the best of our knowledge and belief and nothing has been concealed therein. We are well aware of the fact that if the statement made, information and/ or documents given by us is/ are proved false/ not true at any point of time, we will be liable for penal actions determined by SSL including but not limited rejection of our bid application or revocation of awarded contract or other benefits accrued to us based on aforesaid.

Date:

Signature of Authorised Signatory

Place:

Name:

Designation:

Stamp:

**Annexure V-B- Format of Self Declaration for Disciplinary Action**

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

To  
The Head of Department  
Secretarial, Legal & Compliance  
StockHolding Services Limited  
Regd. Office: F-51, SHCIL House,  
Mahape, MIDC, Navi Mumbai – 400710

Dear Sir/Madam,

**Subject: Application for Appointment as Internal Auditor / Compliance & Concurrent Auditor of Stockholding Services Limited.**

Please find enclosed the application for consideration of our Chartered Accountant firm to be appointed as the .....Auditor of StockHolding Services Limited.

We agree to undertake the assignments, if given by you, as per the scope of work laid down under the RFP 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 SSL as envisaged. We further declared that:

- a. There has not been any disciplinary action initiated or pending /suspension of practice against our firm or debarment from conducting any activity by ICAI/RBI/C&AG or other financial sector regulator /statutory authority during the last five years.
- b. None of the partners/employees have been convicted of any offence involving moral turpitude or has been found guilty of any economic offence.
- c. No appeal/unresolved dispute/suit/case/application has been pending at any court of law/ Tribunal in India regarding the existence of the business/ right to carry on practice of our firm or any of its partners/directors.
- d. If the aforesaid representation /declaration or any information contained in the Annexures is found to be incorrect, false or misleading, we agree that the SSL shall be entitled to terminate the Contract, if executed with our firm, or initiate suitable action as deemed fit and appropriate by the SSL, in accordance with law, without reference to us.

- e. We confirm that we meet all the eligibility criteria mentioned in the RFP & we have not been Black listed by any Government organization/ Regulator/ Statutory authority in the past.



Date

Place:

Signature of Authorised Signatory

Name:

Designation:

Stamp

**Annexure VI**

**Covering Letter on applicant's letterhead (Annexure of Integrity Pact)**

Date:

To,

Sub: **RFP No: \_\_\_\_\_** dated \_\_\_\_\_ for Request for Proposal for Appointment of Auditors

Dear Sir,

**DECLARATION**

StockHolding Services Limited (*SSL*) hereby declares that *SSL* has adopted Integrity Pact (IP) Program as advised by Central Vigilance Commission vide its Letter No. ----- dated ----- and stands committed to following the principles of transparency, equity and competitiveness in public procurement. The subject RFP is an invitation to offer made on the condition that the applicant entity will sign the Integrity Agreement, which is an integral part of RFP documents, failing which the application will stand disqualified from the RFP process and the bid of the applicant would be summarily rejected. This Declaration shall form part and parcel of the Integrity Agreement and signing of the same shall be deemed as acceptance and signing of the Integrity Agreement on behalf of the *SSL*

Yours faithfully,

For and on behalf of Applicant  
(Authorized Signatory)

### Annexure VII

#### Mandatory Certifications covered in professional fees

Sr. No.	Certifications as per regulatory compliances w.r.t. Stock Broking/ Depositories/ SEBI
1.	Concurrent Audit Report for Depositories
2.	Quarterly Audit Report for MCX to be submitted to PCM
3.	Internal audit report for the half year ended 31 March & 30 September
4.	Supplementary Audit Report / Certifications related to non-compliant points (if any)
5.	Networth certificates as per Compliance requirement
6.	MTF certificate
7.	Risk Assessment Template (RAT) to NSDL
8.	Annual Return Certifications - e.g. Shareholding / Directorship etc.
9.	Other Certifications - e.g. Change in Directors / Shareholding / Other associated certificates etc.
10.	Inspection compliances (Onsite / Offsite)