

RFQ - Request for Application for Appointment of Regional Auditor for Mumbai & Goa Region

Reference No.: SHCIL/ /MUMBAI-GOA/2025/01



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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This document is not an offer by Stock Holding, but an invitation to receive response from eligible interested audit firms for appointment of Regional Internal Auditor for Mumbai Region as per scope of work and volume of business 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 audit assignment at any stage, without assigning any reason whatsoever.

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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. StockHolding acts as a Central Record keeping Agency (CRA) for collection of stamp duty in 24 States and Union Territories on PAN India basis. 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 also provide sub-broking services through its wholly owned subsidiary, StockHolding Services Ltd. 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 document management solutions through its subsidiary StockHolding Document Management Services Ltd. (SDMS).

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

OBJECTIVE

The objective of this document is to select the Regional Internal Auditor for Mumbai & Goa Region as per the scope of work specified in this document.

BRIEF ROLE OF REGIONAL INTERNAL AUDITOR

- To conduct monthly concurrent audit of NSDL & CDSL DP activities and submit the monthly concurrent audit report and Half yearly report within prescribed deadlines given by Depositories. .
- Quarterly internal audit of the regions and submit report as per the prescribed format.
- Physical verification of fixed assets at branches
- Branch visits

For detailed scope of work please refer the Regional scope of audit in this RFQ document attached as "*Annexure 1*". For approximate volume for DP (NSDL + CDSL) Concurrent audit, please refer the attached "*Annexure 2*".

General details of Scope of Internal Audit

1. The internal 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 audit as per the standards on internal audit issued by ICAI
5. To examine the controls with respect to protection of the company's assets and their use, to ensure that they are used only for the purpose of business, and also the controls with respect to procurement and disposal.
6. To undertake special investigation as and when desired by the management.
7. To ensure that the standard operating procedures which have been devised by the organization are strictly followed.
8. To assist management in achieving the most efficient administration of operation by establishing procedures by complying with company's operating policies.
9. To facilitate the early detection and prevention of frauds.

10. Existence of any lapse/deviation that may contradict regulatory norms and organizational policy guidelines.
11. 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.
12. The final quarterly internal audit report should be submitted at least one week in advance, ahead of Audit Committee of Board meeting.
13. The report should include verification of statutory compliance in respect of all applicable laws to the Company.
14. Wherever possible, the report should specify the extent of checking in a particular area in term of value and volume, for example – Bank payments – around 25% etc.
15. The lead partner should be involved with the finalization of the audit report and discussion of the audit observations with the management.
16. 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. No separate charges will be paid for any certification.
17. The firm should have BCP & WFH capability to provide services during pandemic or similar situations.

Brief Detail of Region for appointment of Regional Auditor

Sr. No.	Region	No of Branches in the region	Regional office located at
1.	Mumbai & Goa	20	Mumbai - Fort 12/14, UTI Building, Bank Street cross lane, Fort, Mumbai – 400 001

ELIGIBILITY CRITERIA

1. The applicant entity should be a registered partnership or a limited liability partnership.
2. The applicant entity should have been registered with ICAI
3. The eligible firm should have Head office/ registered office/ branch office with partner at Mumbai.
4. The firm should be empanelled with RBI/ CAG/SEBI/ Shareholder Institutions of Corporation.
5. The firm should have more than Ten (10) years of standing in practice.
6. The firm should have minimum Five (5) partners.
7. The audit firm should have minimum Five (5) corporate clients for Statutory/Internal audit in last 3 years.
8. The firm should not have any conflict of interest with the Stockholding group.
9. 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)
10. The Firm should have an average annual financial turnover of at least Rs.50 lakhs or more from practice, in the last three financial years.
11. The Lead Partner 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.
12. The firm should have conducted internal/Statutory audit of at least 3 Companies having a turnover of Rs. 20 crore or more, in the last 3 years.
13. The firm should have carried out Internal/Statutory Audit of at least one Depository Participant/ Banks/ Broking/Custodian entities in last 3 years.

OTHER TERMS AND CONDITIONS

1. **Tenure of appointment:** The appointment will initially for a period of 6 months starting from 01-April-2025 to 30-September-2025 for conducting Regional internal audit of Mumbai & Goa Region. The Company at its sole discretion may extend the contract for further 1 term of one year starting from 01-October-2025 to 30-September-2026, based on the performance and with the approval of Competent Authority. There will be no revision of fee in the entire term of this audit assignment.
2. **Base Audit fee for audit assignment:** This is in compliance with the Guideline No- 1-CA (7)/03/2016 dated 07/04/2016 issued by “The Institute of Chartered Accountants of India” ICAI. As required under the guidelines of ICAI, the minimum audit fee is fixed at Rs. 1,65,000

(Rs. One Lakh Sixty Five Thousand only) per annum plus applicable taxes. Any financial quotes received below the base amount will be rejected.

3. **Place of Audit:** The audit work has to be primarily conducted at Regional office of Mumbai & Goa and branches of StockHolding in the Mumbai regions.
4. **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.
5. **Settlement of Bills:** The bills will be settled on quarterly basis after submission of all the reports and invoice.
6. **Termination of contract:** Either party reserves the right to terminate the contract at any time during the contract period by giving 90days notice in writing to the other party at their last known place of residence/business. In case StockHolding terminates the contract, the auditor 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 auditor and shall not be called in question.
7. **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.
8. **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.
StockHolding's decision in this regard will be final and binding on all bidders.
9. The selected audit firms 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.

12. **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 quotation as per “Annexure III, IV & V”.
13. **Timelines:** The signed and password protected quotation should be submitted by email to **Internal.auditor@stockholding.com** on or before the March 10, 2025 till 5.00 p.m.. The size of the mail should be less 10MB. The date of opening of password protected bids will be on March 11, 2025 at 11.00 a.m.
14. 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 – Deputy Manager Internal Audit Department	9867067240 Internal.auditor@stockholding.com
Ms. Pallavi Atkekar – Manager Internal Audit Department	9987110018 Internal.auditor@stockholding.com

STOCK HOLDING CORPORATION OF INDIA LTD.

SCOPE FOR REGIONAL AUDIT

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Sr. no.	Details of Audit	Frequency	Page No
A	Internal Audit		
1	e-Services (Operations & Finance) (only for GOA)	Quarterly	
2	Government of India (GOI) Bonds & Sovereign Gold Bond (SGB)	Quarterly	
3	Depository Participant (DP) Services (Operations & Finance)	Quarterly	
4	Third Party Products (TPP)	Quarterly	
5	Sub-Broking	Quarterly	
6	Gold Rush	Quarterly	
7	National Pension Scheme (NPS)	Quarterly	
8	Insurance	Quarterly	
9	National E-Repository Ltd. Activities (NERL)	Quarterly	
10	CDSL Commodity Repository Limited (CCRL)	Quarterly	
11	Custodial operations & Finance	Quarterly	
12	Security System	Quarterly	
13	Information Technology (IT)	Quarterly	
14	Branch Rating	Quarterly	
15	Branch & SRO Counter Visits	Quarterly	
16	Physical verification of Fixed Assets	Yearly	
B	Regulatory Audit		
1	Concurrent Audit of NSDL - DP operation - Retail segment	Monthly	As per format prescribed by Regulatory
2	Concurrent Audit of CDSL - DP operation - Retail segment	Monthly	
3	Compilation of monthly NSDL - DP operation - Retail concurrent audit report	Half yearly	
4	Compilation of monthly CDSL - DP operation - Retail concurrent audit report	Half yearly	

1- e-Services (Operations & Finance) (Applicable Only for GOA)

A) Operations:

Audit at Regions: e-Services

Audit of e-Services at regions are divided into following four heads.

- (I) Audit at SRO centres
- (II) Audit at Branches
- (III) Audit at Regional offices
- (IV) Audit at ACC centres

I. Audit at SRO centres: Audit of e-Services for StockHolding centres at SRO offices should include following.

Basic Details

- a) Checking identity credentials of ACC (Users and Supervisors) – POI.
- b) Proof of residence.
- c) Licence details (Name and validity period).
- d) Training attended declaration – format can be had from Region.

eStamp generation process

- a) Completeness of e-Stamping/e-Court-fee/e-Registration Fee Application Forms submitted by clients & its proper filing for future reference.
- b) Checking of customer signature on a copy of print preview and maintaining a record of the acknowledged copy of the print preview in case of high value transactions i.e. stamp duty amount of Rs.1 lakh or more. This would be on sample basis.
- c) Maintenance of Register for Sale and handover of each stamp i.e. count of the acknowledgement by clients for receipt of e-Stamps/ e-Court fee/ e-Registration Fee certificate/ receipts as per the register to tally with system generated report for a particular day
- d) Pay-in-slip generation on regular basis at branch level for e-Registration Fee, e-Stamping and e-Court Fee systems.
- e) To check whether cash collected matches with the amount as per pay in slip + cash on hand on a particular day.
- f) Check whether the bank acknowledgment slip has been received from CMS after cash deposition in bank.

- g) Matching credit received in bank statement with the amount as per system generated pay in slip report.
- h) Verifying cash in hand with the system report at EOD
- i) Checking and reporting of pending submission cases > 7 days
- j) Checking of print quality of a sample e-Stamp
- k) Audit of rectifications of e-Stamp certificate tallying with application forms
- l) Certificate generated but not printed for SHCIL account type excluding "Online associates" & Account type "SWIFT"

Colour stationery management and reconciliation

- a) To verify closing stock details of colour papers with system report for e-Stamp Certificates and e-Court Fee receipts, including spoiled/mutilated one.
- b) Record of unused stationery in system to be tallied with physical stationery available.
- c) Any mutilated stationery still not handed back to Stockholding.
- d) Any lost stationery for which FIR is still not filed.
- e) Assessment of stationery stock is as per ACC consumption pattern (Max -2 months average consumption)
- f) Color stationery maintained in lock & key and receipt, disbursement and usages are recorded in register maintained.
- g) Availability of minimum 80 gsm paper where plain papers are used.

Safety & security

- a) Verifying whether concerned employee is using his/her own User ids
- b) Operational set up is in such a way that StockHolding systems, colour stationery, daily collections, safe guards & any other important official documents are not accessible to general public/clients.
- c) Availability of safe / guardwell and two different employees having possession of both set of keys.
- d) Availability of camera, it's working condition & its AMC status (As applicable/allowed by Government authority).
- e) Fake note detection machines are in working condition at SRO counter
- f) Seal and Stamp of StockHolding counter in proper custody.

Others

- a) Checking of hardware as per product requirement i.e. Windows10, Printer as per approved list of printers, 1 backup Cartridge

- b) Display of Banner, Working hours, Details of SRO, contact numbers, complaint numbers, holiday list.
- c) Register to record visits of branch official

II. **Audit at Branches (including regional office)**: Audit of e-Services at branch offices should include following.

eStamp generation process

Basic Details

- a) Checking identity credentials of Users and Supervisors – POI.

eStamp generation process

- a) Completeness of e-Stamping/ e-Court-fee/ e-Registration Fee Application Forms submitted by clients & its proper filing for future reference.
- b) Verification of customer signature on a copy of print preview and maintaining a record of the acknowledged copy of the print preview in case of high value transactions i.e. stamp duty amount of Rs.1 lakh or more. This would be on sample basis.
- c) Maintenance of Register for Sale and handover of each e-Stamp i.e. count of the acknowledgement by clients for receipt of e-Stamps/ e-Court fee/ e-Registration Fee certificate/ receipts as per the register to tally with system generated report for a particular day
- d) Pay-in-slip generation on regular basis at branch level for e-Registration Fee, e-Stamping and e-Court Fee systems.
- e) To check whether cash collected matches with the amount as per pay in slip + cash in hand on a particular day.
- f) Check whether the bank acknowledgment slip received from CMS after depositing cash.
- g) Matching credit received in bank statement with the amount as per pay in slip system report.
- h) Verifying cash in hand with the system report at EOD
- i) Checking and reporting of pending submission cases > 7 days
- j) Checking of print quality of a sample e-Stamp
- k) Audit of rectifications of e-Stamp certificate tallying with application forms
- l) Certificate generated but not printed for SHCIL account type excluding "Online associates" & Account type "SWIFT"

Colour stationery management

- a) To verify closing stock details of colour papers with system report for e-Stamp Certificates and e-Court Fee receipts, including spoiled/mutilated one.
- b) Colour stationery maintained in lock & key and receipt, disbursement and usages are recorded in register maintained.
- c) Availability of minimum 80 gsm paper where plain papers are used.
- d) In case of operational branch, receipt of colour stationery from colour stationery vendor and its distribution to satellite branches and ACCs. Total stock status to be checked which should be sufficient for the connecting branches/ACCs for ensuing two months equivalent to consumption, at least.

Safety & security

- a) Verifying whether concerned employee is using his/her own User ids
- b) Operational set up is in such a way that StockHolding systems, colour stationery, daily collections, safe / guardwell & any other important official documents are not accessible to general public/clients.
- c) Availability of safe / guardwell and two different officials having possession of both set of keys.
- d) Availability of camera, it's working condition & its AMC status (As applicable/allowed by Government authority).
- e) Fake note detection machines are in working condition at branch and regional office, wherever applicable.
- f) Seal and Stamp of StockHolding counter is in proper custody.

Others

- a) Checking of hardware as per product requirement i.e. Windows10, Printers as per approved list of printers, 1 backup Cartridge
- b) Display of Banner, Working hours, Details of branch and regional office, contact numbers, complaint numbers, holiday list.
- c) Register to record visits of branch official

III Audit at Regional offices: Audit of e-Services at Regional offices should include following.

Government payment

- a) Daily remittance of the funds to the State Government on or before the agreed schedule.

- b) Check whether the Government acknowledgment has been obtained for the remittance made by SHCIL.
- c) Verification of challan and entry into the system
- d) Reconciliation on monthly basis of the payment made to the Government as per the system report.

Invoicing & Receivables

- a) Checking whether Invoices raised on Government are as per tariff and GST specified in current agreements with states and match with the system report for collection (applicable to Invoicing states only)
- b) Checking whether Invoices are raised on Bulk clients (facilitation fees and bulk service charges) on monthly basis
- c) Proof of delivery of Invoices to Government, Bulk Clients, Color stationery, Digital Clients (as applicable).
- d) Checking of correct receipt amount, TDS and GST amount against the invoice raised with documents
- e) Pending Government commission amount and follow up status for outstanding greater than 3 months.

Cash and Bank

- a) Check any delay in Cash confirmation in the system. Checking whether all cash confirmation are done in the system on T or T+2 basis.
- b) To check whether credit received in bank statement tallies with the system generated report of pay in slip.
- c) Capturing of instrument reference number as per bank statement while giving the clearance.
- d) Amount of clearance given for generation of multiple e-Stamp certificates does not exceed the amount of single payment
- e) To check whether all the authorized signatories for operating bank accounts are existing employees of the region
- f) Verifying whether the amount of service charges deposited in bank tallies with the system report of back end for the same (for applicable states)

LGAs/ACCs

- a) Checking of agreement and KYC documents for individual ACC/LGAs on-boarded during the year
- b) Checking timely Remittance from Notional Imprest based ACCs

- c) Imprest given to Notional Imprest ACCs are in line with the request received from the ACC
- d) Imprest given to Notional Imprest ACCs are in line with volumes generated by ACCs and to report if any excess imprest is given
- e) Verifying correctness of amount and ACC code with bank file/statement received from bank for manual credits given to imprest ACCs (when entries are not posted through e-coll)
- f) Verifying capturing of correct ACC code and amount for funds received from notional ACCs
- g) Whether original Invoices are received from ACCs for commission payments
- h) Verifying commission payable for a month with the system report for mobilisation and rate of commission

Colour stationery management

- a) Verifying record of Receipt of color stationery from colour stationery vendor and record of its distribution to branches and ACCs.
- b) Verification of closing stock of colour stationery with system report
- c) Safe custody of colour stationery.
- d) Physical custody of mutilated/spoiled e-Stamp/e-Court Fee color stationery & its records for entire region.

Refunds & unclaimed credit

- a) Refund of Unclaimed credits /erroneous credits for online and offline cases. (sample data for verification will be provided by HO)
 - i. Client request for refund and refund initiated by region
 - ii. Verification of documents and amount refunded is correct
 - iii. Amount is refunded to the Source bank account number from where credit is received - Cross check from Bank statement and details provided by the bank
 - iv. e-stamp is not generated / not already refunded
- b) Verify whether Instrument/reference number of amount refunded/utilised is blocked/marked in the FE system. 100% checking

Others

- a) Check validity period of Bank Guarantee and reporting of BGs expiring in 3 months (As applicable)
- b) Checking and reporting of pending submission cases > 7 days
- c) List of Self printing online transactions where payment is made but certificates are not generated for > 3 months

- d) Application forms for user id creation & relevant documents and modification in existing user ids (as applicable) as per system report.

IV Audit of ACC Centres:

Basic Details

- a) Checking identity credentials of ACC (Users and Supervisors) – POI.
- b) Proof of residence.
- c) Licence details (Name and validity period).
- d) Training attended declaration – format can be had from Region.

E stamp generation process

- a) e-Stamping Application form – Specified format. Completeness of e-Stamping/e-Court-fee/e-Registration Fee Application Forms submitted by clients & its proper filing for future reference.
- b) Maintenance of Register for Sale and handover of each stamp i.e. count of the acknowledgement by clients for receipt of e-Stamps/ e-Court fee/ e-Registration certificate/ receipts as per the register to tally with system generated report for a particular day.
- c) Checking of print quality of a sample e-Stamp certificate printed by ACC.
- d) Audit of rectification of e-Stamp certificate tallying with application forms.
- e) Checking of Error/mutilated certificates.
- f) Check if e-Stamp certificates are stamped and signed by the ACC.

Colour stationery management and reconciliation

- a) To verify closing stock details of colour papers with system report and register for e-Stamp Certificates and e-Court Fee receipts, including spoiled/mutilated one.
- b) Record of unused stationery in system to be tallied with physical stationery available. Any mutilated stationery still not handed back to StockHolding.
- c) Any lost stationery for which FIR is still not filed.
- d) Assessment of stationery stock is as per ACC consumption pattern (Max -2 months average consumption)
- e) Color stationery is maintained in lock & key and receipt, disbursement and usages are recorded in register maintained.
- f) Availability of minimum 80 gsm paper where plain papers are used.

Safety & security

- a) Verifying whether concerned staff/ACC is using his/her own User ids.
- b) Operational set up is in such a way that StockHolding systems, colour stationeries, daily collections, safe guards & any other important official documents are not accessible to general public/clients.
- c) Availability of safe / guardwell for storage of colour stationery.
- d) Seal and Stamp of ACC is kept in proper custody.

Others

- a) Checking of hardware as per product requirement i.e. Windows10, Printer as per approved list of printers, 1 backup Cartridge
- b) Display of e-Stamping services board with ACC Number, address & contact details.

Audit at Regions: DigiDoc

- a) Handover of e-Stamp certificates to Corporates by Regions.
- b) Credit of Stamp Duty amount in respective State's account.
- c) Generation of invoices for G.S.T registered entities.

B) Finance:

I. Proper maintenance of Cash and Bank book):

- a) Verify quarter end cash balance as per certificate with cash book/TB
- b) Verify whether cash on hand Balance at the quarter end as per TB is deposited in the Bank subsequently on the next working day and report deficiencies, if any
- c) Reporting of any reconciliation item in cash certificate
- d) Checking cash deposit pay in slip amount with credit in the bank statement on random basis
- e) Verification of Bank Reconciliation Statement (BRS) and review of follow up of pending items in Bank Reconciliation, Report all items pending in the reconciliation greater than 90 days in BRS.
- f) Checking of subsequent clearance in bank/passing of entry in books for all reconciliation items reporting of all un-cleared items
- g) Verifying balance as per bank book with balance confirmation from bank

II. Government Payments:

- a) Verify Government payments are done as per system reports - 6 sample cases to be checked
- b) Check the quarter end Government Payable (GP) balance as per TB is deposited on the next working day
- c) Verify Confirmation/ acknowledgement from government at the financial year end for advance government payments (Chattisgarh& Rajasthan)

III. Inter Branch Confirmation

Checking of Head Office balance in Branch Trial Balances are matching with Balance confirmation as per the mail received from Head Office, Finance

IV. Scroll balance

Matching of Submission Done Certificate Not Generated (SDCNG) balance as per books with system reports and reporting of items greater than 90 days

V. Billing & Debtors

Follow up status for outstanding greater than 3 months

VI. Unclaimed Credits

Reporting of age wise unclaimed credits arising out of all receipts including digital receipts which are pending greater than 90 days

VII. Commission Payments:

- a) Verify original GST Invoice copies for Registered ACCs with the commission payable ledger on sample basis
- b) Reporting of outstanding commission payable > 1 year along with reason

VIII. ACCs

- a) Verify daily remittance from ACC (Notional Imprest) with the bank statement and proof of remittance to ensure that the remittance is made proper – non E coll accounts
- b) Reporting of debit balances in ACC account (Actual)
- c) Reporting of credit balances in ACC account (Actual)
- d) Checking balance confirmations from ACCs tallies with balance as per TB on sample basis

IX. Fixed Deposits:

- a) Physical verification of Fixed Deposit (i.e. FD) Receipts
- b) Matching of balance of FD as per balance confirmation from the banks with FD in the books
- c) Checking of all heads in FD report from system e.g. Date of Investment, FD Amount, Maturity, Tenure, Interest, TDS etc. with physical FD receipt
- d) Verify maturity proceeds of Principal and Interest (excluding TDS on maturity) with bank statement and books
- e) Verify accrued interest and TDS on interest booked with Interest Certificate/calculations

X. Payment Gateway Service Provider (PGSP) – HO

Matching of amount as per PGSP settlement report with the Actual Credit in Bank statement

XI. Others

- a) Certification of Trial balances
- b) Follow up status by branch for TDS Receivables balances > 6 months as per TB
- c) Verify fund transfer of Income from regions to HO on monthly basis except for billing states
- d) Obtain the data regarding the Fake notes detected during last quarter

XII. Verification of PAN

PAN verification for all instances wherein cash has been collected above Rs.2,00,000/- needs to be done and all such instances of cash receipts needs to be reported in the following format:

Annexure

No.	Name of the client	PAN	Amount collected (Rs.)
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2 - Government of India (GOI) Bonds and Sovereign Gold Bond (SGB)

To check whether the necessary documents are completed and properly filed and maintained including:

1. Physical Application for Bond ledger account:

- a) Checking of Applications forms and supporting documents like KYC and cheque copy
- b) Correctness of data captured in back office software
- c) Verification of PAN with Income Tax and NSDL site.
- d) To verify that the application forms are stamped with the BROKER CODE stamp or a DIRECT stamp
- e) Checking whether Bond ledger accounts is generated for applications received
- f) Checking of modification and nomination details in the system with physical form

Scope of Regional Audit

- g) Checking of pre mature redemption requests application form and completion of lock in period as per RBI circular for respective scheme
- h) Deposition of cheques accepted with application on T or T+1 day.

2. Compliance: (for GOI)

- a) Checking compliance with RBI manual and circulars issued from time to time
- b) Checking compliance with circulars issued by Management from time to time
- c) Checking whether details like PAN, section (should be 193), amount appearing on 15G, 15H, 197 certificates are correctly captured in the system

3. Sovereign Gold Bond:

- a) SGB Applications forms and supporting documents like KYC, cheque copy etc.
- b) Correctness of data captured in back office software
- c) To verify that the application forms are stamped with the BROKER CODE stamp or a DIRECT stamp
- d) Deposit of Instrument in the bank on T or T+1day

4. Others: (For GOI & SGB)

- a) Transfer and Transmission cases. In transfer cases, to verify that the COH"s are defaced with stamp "Cancelled"

3 - Depository Participants (DP) Services (Operations & Finance)

A) Operations:

- a) Age-wise analysis of doubtful receivables
- b) Verification of waivers handled at branches with proper supporting and approvals

B) Finance:

- a) Verification of daily collection report generated from ISA system with daily pay-in-slips for cheques.
- b) Verification of DCR whether the same is duly signed by maker and verifier to establish the authenticity of the report.
- c) Verification of the manual receipts book for cash and cheque collection to ensure the same are entered in the ISA system.
- d) Verification that cheques collected are deposited into the bank on next working day.

4 - Third Party Products (TPP)

1. Documentation:

- a) All application forms (except IPO) - Accuracy and completeness of system entry.

b) Whether the cheque is handed over to the issuer on same day or T+1.

2. Business Associate Service System:

- a) Online Registration & Authentication
- b) Checking of KYC Documents (100%)

3. On Line / Off line Mutual Fund Registration:

- a) Whether system generated letter with terms & conditions are signed by all the holders.
- b) Checking of KYC Documents (100%)
 - i. Self-attested KYC documents i.e. PAN Card (mandatory) and Proof of residence for all the holders.
 - ii. Self-attested Client Master Report (CMR) given by Mutual Fund Utility (MFU)
 - iii. Receipt stamp and signature of branch person verifying the document along with date, employee code and employee name.

5 - Sub-broking

- a) To check NISM-SORM certification of the dealer.
- b) Display of Authorised Person (AP) certificate & Display of SHCIL Services membership certificate (Reg. with BSE, NSE, NSE - F&O and MCX) in the branch
- c) Display of Do's and Don'ts in the branch.
- d) Verification of working of voice loggers at the.
- e) Verification whether orders placed by the dealer matches with recording by voice Logger.
- f) Verifying from voice loggers whether security questions and UCC number are asked by the dealer to establish the identity
- g) Check whether a register of the client's orders/instructions is being maintained for clients who remain in person and are not placing orders through telephone, e-mail etc.
- h) Signature of the client in register against the record of all orders or on the system generated report of orders from ODIN terminal
- i) Check whether the Visitors Book is maintained in all branches for clients coming in Branches for trading purpose and is duly signed by the client.
- j) Check whether all cheques entered in the SHCIL Services Back Office System have been deposited in bank i.e. to match with pay in slip.
- k) Checking list of cheque dishonour by the clients and reporting if dishonour for the same client is >1
- l) Instances of trade modifications and supporting approval
- m) Checking of Grievance Register

6 - Gold Rush

- a) Checking of all Withdrawal cum closure requests above Rs.50,000/- and random checking for below Rs.50,000/- with system records

7 – National Pension Scheme (NPS)

- a) Verifying that the CSRF form (version 2.2) is completely filled and duly signed, As per PFRDA Master circular dated 14JAN2025, below points should be clearly mentioned on the SRF.
1. Receipt number/POP-SP registration number
 2. Mandatory personal details (bank account details with copy of cancelled cheque, mobile number & email id)
 3. Address (verified with original stamp)
 4. PAN (verified with original stamp and in-person verification stamp)
 5. Nomination mandatory field
 6. Non-authorization of form by Nodal Office/POP-SPs
 7. Choosing Pension Fund Manager, Investment choice and Asset allocation
 8. CKYC number (mandatory) / CKYC form duly filled in with supporting documents
- b) Thorough verification of new account opening form and supporting documents / KYC (photo+ PAN+OVD+ cancelled cheque leaf mandatory) and checking of PRAN generated.
- c) Checking whether cheque given for Contribution , modification , withdrawal, pop charges etc. by clients:
- i. Are matched with their PRAN numbers and proper separate acknowledgment receipts are issued to subscribers.
 - ii. Check the amount credited to bank account matches with pay in slip generated
 - iii. All cheques are deposited in bank by T+1 i.e. Pay in slip with bank stamp should not be dated > T+1
 - iv. Cheques are deposited in CMS bank account and CMS slips should be stored with Contribution pay-in-slip
 - v. Cheques deposited in the banks should show a FUNDS clearance date in the system. Follow up with local AXIS bank for status of cheques deposited and pending funds clearance.
 - vi. Whether follow-up is done with subscribers to collect initial contribution where PRAN status is FREEZE for reason of No Initial Contribution collected.
- d) For all pending refund cases, Branch follow up for bank details (if not available in the system) of subscriber
- e) In case of dishonour of cheques and units are allotted to subscriber, check whether follow up is made with the subscriber for recovery of the dishonoured amount.

- f) Copy of PRAN card and receipt date with branch officer sign and stamp along with dispatch date to HO (check with POD) is mentioned on EXIT/withdrawal form (Section G) by branch officials.
- g) Check the CSRF (Account opening form) form has been dispatched to H O after activation of PRAN within the PFRDA TAT i.e. T+3 (check POD).
- h) Maintenance of copies of all account opening/ modification documents to be available in scan/ physical form.
- i) Collection and Maintenance of NCIS contribution slip (with self-declaration by subscriber for legitimate source of contribution for TIER II contribution) for both initial and subsequent subscribers with clear indication of investment in Tier I or Tier II.
- j) Maintenance of Grievance Register.
 - k) Display of KYC requirements, Grievance Redressal officer, POP registration certificate issued to STOCKHOLDING by PFRDA, PFRDA guidelines dated June 30, 2023 prominently on the notice board of branch.

8 - Insurance

- a) Verification of KYC forms for off line proposals.
- b) Verification of proposal forms duly completed and signed
- c) Verifying submission of proposal form to the insurer with duly signed Agent's Confidential Report (ACR)
- d) Business procurement entries and Policy Reconciliation
- e) Certification of employees needs to be verified at Branch/ Regional level.
- f) Maintenance of complaint register

9 - National E-Repository Limited (NERL)

- a) Verification of Account Opening Forms (Individual and Non Individual), KYC documents and supporting documents
- b) KYC documents to be self-attested and to have stamp for verified with original and stamp for in person verification
- c) Verification of Modification requests
- d) Verification of all closure forms
- e) Physical instruction slips duly filled and signed for “Off-Market Transactions/ trades” (100%)

10 - CDSL Commodity Repository Limited (CCRL)

- a) Verification of Account Opening Forms (Individual and Non Individual), KYC documents and supporting documents
- b) KYC documents to be self-attested and to have stamp for verified with original and stamp for in person verification
- c) Verification of Modification requests
- d) Verification of all closure forms
- e) Physical instruction slips duly filled and signed for “Off-Market Transactions/ trades” (100%)

11 - Custodial operations

Presently the custodian operations are conducted at Delhi, Kolkata & Chennai regions.

1. Physical verification of Securities held in regional office/branch custody.
2. Audit of vault operations.
3. Other operational areas, if any.

Finance Audit:

1. Income booking.
2. Verification of Trial Balance on quarterly basis
3. Compliance with tax regulations

12 - Security system

- a) Verification of Key movement register as per SOP
- b) Maintenance of Keys at offsite location and its record keeping.
- c) Verification of custody of keys of Guard well – only one key with one employee
- d) Branch main door Keys should be with BM / designated employee and not with anyone else
- e) Whether all the doors has a Lock facility at branch.
- f) Verification of the following points:
 - i. Position of the CCTV camera to capture all important areas like entry, guard well, clients and clarity of vision

- ii. Password of CCTV camera and burglar alarm with BM or one designated employee (Mail to Area Manager)
- iii. Viewing of recording of CCTV cameras by BM or an employee designated by BM and entry in SIM module.
- iv. Make of the safe to be Godrej or equivalent make and ground mounted
- v. All windows including washroom with iron grills and latch facility for washroom door should be available.

13 – Information Technology

- a) Verifying whether concerned employee is using his/her own User ids in the system in us
- b) Verifying employees leave their desk after locking the workstation

14 - Branch Rating

SCOPE & METHODOLOGY:

The process for branch rating is as follows:

- a) The audit observations in the Quarterly Audit report to be considered as a base.
- b) The gradation of the audit observations into High, Medium and Low Risk was done on the basis of previous Audit Report.
- c) Based on the number of observations under each risk category negative scoring was given to the branch.

The matrix of negative scoring is given below:

No. of observations	Risk	Negative Points
<=2	Low	1
>2-4	Low	2
>4-6	Low	3
>6-10	Low	4
>10	Low	5
less than 2	Medium	3
>2<=4	Medium	4

>4	Medium	5
less than 2	High	5
>2<=4	High	8
>4	High	10

15 - Branch & SRO Counter Visits

Auditors to normally visit 25% of branches/SRO counters in a quarter and to cover all branches and SRO counters once in a year.

16 - Physical Verification of Fixed Assets as per Fixed Assets Register

Auditors to carry out physical verification of fixed assets as per fixed assets register on a yearly basis and certify that “we have physically verified fixed assets at all branches and they are in agreement with fixed assets register (FAR)”. Also a hard copy of FAR should be obtained from branch managers and be certified by the auditors and should be enclosed with the report.

DISCLAIMER

The scope of the audit is subject to a periodic review with reference to the changes in type and nature of the product & services, business conditions and regulatory framework.

Sr. no.	Areas	Sample size for Audit	Approx. Yearly Volume for NSDL	Approx. Yearly Volume for CDSL
1.	Account Opening	100%	1012	358
2.	Client data modifications	100%	7954	250
3.	Demat requests	Sample basis	4903	174
4.	Remat requests	Sample basis	66	-
5.	DIS book issuance (Including loose slip issuance)	100%	2670	146
6.	Total DIS execution	at least 25%	60411	1158
7.	Pledge / hypothecation instructions	100%	2945	317
8.	Account Freeze	Sample basis	3828	361
9.	Account Unfreeze	Sample basis	575	31
10.	Power of Attorney modifications	100%	12	-
11.	Account Closure requests: Initiated by Participant & Client	100%	2245	137

Note – Auditor should cover at least 25% from Sample size of Demat, Remat, Account Freeze & Account Unfreeze request.

Annexure III**(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 for appointment as Regional Internal Auditor for Mumbai & Goa Region 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 StockHolding: 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

Sr. No.	Particulars	Details
9.	No. of Fellow CA partners	Attach self attested document
10.	No. of partners at Branch	Attach self attested document
11.	No. of corporate clients of the firm for which Statutory/Internal audit conducted in last 3 years	Mention names of clients, year of audit, nature of audit and attach documentary evidence
12.	Details of internal/statutory audit conducted by audit firm for bank/ Depository Participant/ Broking/custodian entities in last 3 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 3 Financial year	Attach self attested Turnover certificate document
17.	Turnover details of companies for which internal / Statutory audit conducted in last 3 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 group.	Attach Self Declaration
19.	No adverse remark/disciplinary proceedings are pending against the firm/any of its partners on record of The Institute of Chartered Accountants of India (ICAI).	Attach Self Declaration
20.	Internal Audit of StockHolding will be carried out by the lead partner who is a qualified Chartered Accountant with an experience of at least 10 years in full time practice	Attach self Declaration
21.	Self Declaration	Attach Annexure III

I/We _____ do hereby confirm that:

1. Our firm is having Head/Registered / Branch office in _____.
2. Our firm is empanelled with RBI/CAG/SEBI.

3. Our firm has _____ years standing in practice.
4. Our firm has _____ Partners.
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 Regional Internal Auditor for Mumbai Region 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.

Date:
Place:

Signature of Authorized 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 Regional internal audit of Mumbai & Goa Region (renewable 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 audit fee exclusive of applicable taxes is as under:

Particulars	Amount in Rs.
Annual Professional fee (exclusive of applicable taxes) No revision in annual professional fee for entire term	
Amount in Words: Rs.	

I/We understand that:

1. Only annual professional fees (exclusive of taxes) are to be quoted.
2. Fees will be paid on quarterly basis @25% of the annual fees quoted 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. The out of pocket expenses will be paid only for outstation visits. The out of pocket expenses will be reimbursed on submission of statement of expenditure and original bills.
5. No revision in audit fee for the entire term of appointment.
6. The Audit fees will be paid proportionately on the basis of the period for which actual audit is conducted.

Date:
Place:

Signature of Authorised Signatory

Name:
Designation:
Stamp

(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, Mumbi-400012

Dear Sir/Madam,

SUBJECT: APPLICATION FOR APPOINTMENT AS REGIONAL INTERNAL AUDITOR OF MUMBAI & GOA REGION OF STOCKHOLDING

Please find enclosed the bid for consideration of our Chartered Accountant firm to be appointed as the Regional Internal Auditor of StockHolding.

We agree to undertake the assignments, if given by you, as per the scope of work laid down under the RFQ dated February 25, 2025. 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:

- a. There has not been any disciplinary action initiated or contemplated 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 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.

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

Signature of Authorised Signatory

Date:
Place:

Name:
Designation:
Stamp