

## **RFQ for Appointment of Concurrent Auditor**

1. **Assignment:** SBI DFHI Ltd. proposes to appoint, a Chartered Accountant Firm, as Concurrent Auditor for the Company for the financial year 2025-26 subject to review & renewal thereafter.

### **2 Minimum Eligibility Criteria:**

- 2.1 The Firm should have a minimum of 5 Chartered Accountants as Partners out of which at least one should be a qualified Information System Auditor (CISA / DISA / ISA).
- 2.2 The Firm should have at least five years' experience of concurrent audit of treasury operations of a Commercial Bank<sup>1</sup> with treasury size of minimum Rs.20,000 crore (As on 31<sup>st</sup> March of previous year when such audit was conducted) or of a Standalone Primary Dealer. Size of Treasury operations means total of Investment book of the Institution (Please do not add loan asset). Please note that Statutory audit of a Commercial Bank (other than treasury functions) will not be counted as an assignment of concurrent audit of treasury.
- 2.3 The Firm should have an office in Mumbai / Navi Mumbai / Suburban Mumbai / Thane.
- 2.4 Statutory Auditors of State Bank of India or any of the SBI group Companies, during the year of audit and for two years (to be counted from the date of conclusion of the relevant AGM of the Company) after the Firm ceases to be auditor should NOT apply for the assignment.

### **3 Other Terms and Conditions:**

- 3.1 The Concurrent audit has to be done on daily basis. Trained representatives of the Firm are to be available on all working days, at the office premises of SBI DFHI Ltd., Mumbai. Trained representative includes qualified CA / qualified and trained audit assistant / article clerk / retired treasury official of a Commercial Bank<sup>1</sup> (having minimum treasury size of Rs.20,000 crore).
- 3.2 We follow holidays under Negotiable Instrument Act as applicable in the State of Maharashtra. We work for five days in a week; however, first Saturday of every month is a working day.
- 3.3 The Chartered Accountant Firm cannot assign / subcontract the job, in any sense of the term and in any form whatsoever it may be, to any other person or firm or entity. Any assignment / subcontract of the job in favor of others either through operation of law or otherwise will deem the original contract as terminated.

<sup>1</sup>Commercial Bank having direct SGL A/C with RBI & direct NDS OM membership at that point of time

- 3.4 One of the Principal Partners or senior partner shall visit the office of the SBI DFHI Ltd., Mumbai at least 3 days every month and the number of visits may be increased depending upon the need. Further one of the Principal Partners or senior partners has to be present in meetings of ACB / Board / during RBI audit / CAG audit when notified.
- 3.5 Application once submitted will be treated as final and no further correspondence will be entertained. As no subsequent modification of application / documents are permissible, the Firms are advised to exercise utmost care in preparation and submission of application / documents.
- 3.6 The Concurrent Auditor will be fully responsible for the quality of the audit, timely completion of audit and submission of the audit reports to the Management.
- 3.7 The broad areas to be covered in the Concurrent Audit are furnished in Annexure – IV and shall be revised from time to time based on the regulatory / statutory changes and requirements of the Company and will cover any other method / process to be adopted by the Company.
- 3.8 Any change in the name, address, constitution and partnership deed must be reported to the Company within 15 days of such change with necessary supporting documents, failing which, it will be treated as deliberate suppression of facts by the Firm . In such eventualities, Company also reserves its right to terminate the contract with such Firm without notice.
- 3.9 If information furnished during the application process is found to be incorrect, at any point of time, SBI DFHI Limited will not only summarily reject the application / terminate the contract without any notice, but also the applicant may be blacklisted from any future assignments in the Company.
- 3.10 SBI DFHI Limited may share such information with ICAI, Reserve Bank of India (RBI), SEBI or PDAI / FIMMDA or any other organization, who, in turn, may share the information among its member institutions.
- 3.11 Any terms and conditions beyond the scope of this process added by the bidder, whether implicitly or explicitly stated in any of the responses, will be ignored.
- 3.12 Notwithstanding anything contained herein above, the Company reserves its right to terminate the contract by giving 30 days prior notice to the selected firm without assigning any reasons.

#### **4 Fidelity and Secrecy Clauses:**

- 4.1 The selected Firm and its employees will strictly undertake not to record by any means or to communicate or allow to be recorded by any means or communicated to any person or divulge in any way any information relating to the conversations, events, ideas, concepts, know-how, techniques, data, facts, figures and all information, howsoever concerning or relating to the Company and its affairs to which the audit Firm / their employees etc. have access in the course of performance of the contract. The successful firm, on award of contract, will execute a non-disclosure agreement and declaration of fidelity and secrecy as per the Company's standard format.
- 4.2 All personnel of the Concurrent Auditor, before commencing the Audit should submit their Biodata and valid KYC documents to the Company. Any change / substitution of the personnel deployed for conduct of the audit should be notified well in time and the incoming personnel should submit their Bio-data & KYC documents to SBI DFHI Ltd. for verification. Only after satisfactory verification of KYC documents the new person will be allowed to carry out work.
- 4.3 No data in any name can be transferred or converted to any other media by the representative of Firm under any circumstances. No public platform or social media or any media, what so ever name it may be known, can be used for any matter and issues relating to Concurrent audit and relation, rights, responsibilities and obligations of the Firm or the Company.

#### **5 How to Apply**

- 5.1 Interested CA Firm should submit their application as per format given in Annexure I & II. Application and Commercial should be enclosed in two separate sealed covers.
- 5.2 Two sealed covers: 1st Containing duly filled and signed Application form (as per Annexure I) super scribed "Application form" and 2<sup>nd</sup> Containing Commercials (as per Annexure II) super scribed "Commercials" should be placed in another sealed cover super scribed as "**Application for Empanelment of Chartered Accountant Firm for Concurrent Audit**" should reach us at below noted address on or before **16<sup>th</sup> May 2025 by 5.00 P.M.**  
  
**"The Executive Vice President & CFO, SBI DFHI Limited, 5<sup>th</sup> Floor Mistry Bhavan, 122 Dinshaw Vacccha Road, Churchgate Mumbai - 400020."**
- 5.3 The application and all correspondence and documents relating to this process must be written in English. The application must provide individual and factual replies to specific questions asked in the application. Documents submitted should be complete in all respects as required.

- 5.4 Application marked **Annexure-I** need to be submitted duly filled in with required particulars accompanied by self-attested supporting documents. Application and all self-attested supporting documents (for point no 12 and 13 of application) to the application must be, signed / self-attested, by the authorized signatory for the applicant Firm.
- 5.5 Incomplete application without required supportive documents will not be considered by the Company.
- 5.6 The audit fee shall be inclusive of all charges such as certification charges, out of pocket expenses, traveling expenses, Boarding, Lodging, etc. except applicable taxes (which will be paid as per prevailing rate at material time). The audit fee will be payable at the end of quarter and after submission of all reports pertaining to that quarter.
- 5.7 In case of any clarification required, please e-mail your query to [headmidoffice@sbidfhi.com](mailto:headmidoffice@sbidfhi.com) / [cro@sbidfhi.com](mailto:cro@sbidfhi.com) (Contact 022-69334424 / 9167499028) **before 5:00 pm by 9<sup>th</sup> May 2025**. Subject line of the email should mention: "**Clarification: Application for Concurrent Auditors**".
- All queries will be replied, after the above cutoff - time line and as an addendum in our web site & no separate individual clarification / reply will be sent / issued.
- 5.8 A brief description of Company's working during the year / state of company's Affairs for last two financial years is given in Annexure III. The data mentioned in Annexure III are indicative only, and actual volume of transaction may change depending on Market conditions. As on 31<sup>st</sup> March 2025, our Investment Book was ~₹25,500 crore.
- 5.9 Please note that while evaluating the bids additional weightage will be given for experience in conduct of concurrent audit of Treasuries of PSB (Public Sector Banks) / Standalone Primary Dealers.

## **6 DISCLAIMER:**

- 6.1 There is no commitment or obligations, whatsoever on the part of the Company or officials associated with the process within the Company, regarding the initial appointment and review/ reappointment thereafter. Any assumptions made by bidders, on the basis of information shared herein, will be at their own risk and responsibility.
- 6.2 Company reserves the right to withdraw appointment process at any point of time without assigning any reason or giving any notice.

**Format for Application for appointment as Concurrent Auditors**

1.	Name of the C.A. Firm			
2.	Address of Main Office of Audit Firm with Pin code & Contact Details.			
3.	Local (Mumbai/ Navi Mumbai / Thane) Address with Pin code.			
4.	Date of Establishment			
5.	PAN of the Firm			
6.	Registration No. with ICAI			
7.	Unique Code No. RBI			
8.	Firm 's RBI Category			
9.	GST Number of the Firm			
10.	No. of Partners in firm			
11.	Name of Partners with Additional qualification (such as CISA / DISA) pl mention specifically against name.	Name of Partner	of	Additional Qualification
11.	Branches of C.A. Firm Name of City with full address			
12.	Experience of Concurrent Audit of Treasury of Commercial Bank (min Treasury size (Rs.20000 crore) / Standalone PD. (Please give details with supporting documents) (Please mention size of treasury)	Name of Institution	Size of Treasury	Period of concurrent audit conducted <sup>1</sup>
		<sup>1</sup> – Mention start date and end date		
13.	Experience of Concurrent Audit of Treasury of PSB (if any) (Please give details with supporting documents)	Name of Institution	Size of Treasury	Period of concurrent audit conducted <sup>1</sup>
		<sup>1</sup> – Mention start date and end date		
14.	No. of Man Days in a month a CA will be deputed for this assignment			
15.	Whether Statutory Auditor of SBI / Its Group Company			
16.	If any Audit of SBI or its Group Companies handled in past: if yes, please give details alongside period of such assignment.			
17.	Any consultancy / Advisory assignment currently doing for SBI / its group company. If yes give details			
18.	Whether any Partner of Firm is on board of any of SBI / its group Company			
19.	Contact details for this appointment /			

	Assignment process (Name of person, designation, email, mobile no)	
20.	Any other relevant data	

We confirm that the information furnished above is true and correct and we have not been de-paneled / black listed by any organization in the past and we fulfill all the conditions of eligibility for appointment as a Concurrent Auditor of SBI DFHI Limited.

We have read the terms and conditions stipulated for appointment as Concurrent Auditors of SBI DFHI Limited and we also understand that the Company reserves its right to accept or reject the application without assigning any reason.

Place:

Date:

Signature of the applicant with seal

**Format for Commercial**

**for appointment as Concurrent Auditors**

(On Letter Head of Chartered Accountant Firm)

Executive Vice President & CFO

SBI DFHI Limited

5<sup>th</sup> Floor Mistry Bhavan

122 Dinshaw Vaccha Road

Churchgate Mumbai-400020

Dear Sir,

We submit below our commercials for appointment of Concurrent Auditors

Annual Audit Fee     Rs.    (give in numeric value) (Rs.    (give in word)) + Applicable Taxes.

This fee is inclusive of all charges & certification fee(s) and is payable in four equal instalments at the end of each calendar quarter and after submission of all reports pertaining to that quarter. We understand that applicable TDS will be deducted, as per law, while making payment of audit fee.

Place

Date

Signature of the applicant with seal

## Annexure III

(₹ n Crore)

For Financial year	2023-24	2024-25
I. Net Average Call, Notice and Term Money	4781.47	5763.080
II. SLR Segment		
(A) Treasury Bills		
a. Primary market	39,329.59	30,219.27
b. Secondary market	95,781.44	77,193.42
<b>Total of A (a+b)</b>	1,35,111.03	1,07,412.69
(B) Dated Govt. Securities		
a. Primary market	35,439.87	29,288.03
b. Secondary market	19,07,545.56	23,13,220.34
<b>Total of B (a+b)</b>	19,42,985.43	23,42,508.37
III. Non SLR segment	7,053.42	6,163.99
IV. TREPS Segment	21,59,639.30	26,98,756.75
V. Portfolio Size Approx. (Rs. Crs)	21,500.00	23,500.00

We also deal in Interest Rate Futures, Equities and are authorized to issue Commercial Papers. However, in the relevant years transactions in those segments were either nil or nominal. Please note that above information is indicative only and may increase or decrease depending on the Market opportunity (ies) and Management decision(s).



**1 Scope of the Concurrent Audit:**

The scope and coverage of Concurrent Audit to be carried out by the Firm would include checking of BASEL II and III related information, checking of additional returns, besides the following:

- 1.1 The Audit process should, inter alia, cover checking of **100%** of transactions (whether through a broker or otherwise) in Government Securities, Non-Government Securities, Constituents Accounts, Money Market and Administration along with the supporting documents.
- 1.2 Verification & checking all returns to State Bank of India, Reserve Bank of India and other Regulators before submission on a regular ongoing basis well in time.
- 1.3 Verification of reporting of all OTC trades, including (a) Trades done on NDS Call platform (b) sale leg of short sale transactions on NDS-OM within 15 minutes and (c) reporting of sale of securities allotted to client bidders in primary auctions within one hour of allotment (in such cases where the client bids are submitted as own bids)
- 1.4 Checking of short sell transactions, including verification of whether both sale and cover legs were done with Gilt Account Holders (GAH) clients.
- 1.5 Checking and verification of 100% transactions in Government securities, Non-Government Securities, Money Market instruments (including Repo, TREPS/ CROMS), Term Money and Commercial Paper Issuance to confirm that transactions are within the framework of policies and regulations framed by the Company, guidelines issued by RBI and other Regulatory Authorities as updated from time to time. The checking would cover all the core and non-core activities conducted by the company, including derivative transactions / foreign exchange activities, if any.
- 1.6 Verification that all Intra Group (SBI Group) transactions are on arm's length basis - specific comment to be made in this regard.
- 1.7 All fund-based transactions, non-fund-based transactions and revenue/expenditure transactions of Rs.5 Lakhs and above in respect of Intra Group (SBI Group) have to be audited at source and commented upon.
- 1.8 Verification and confirmation that transactions are contracted and executed as per the procedures and controls specified by the Company and Regulatory Authorities with regard to authorization and segregation of responsibility.
- 1.9 Verification and confirmation that all amounts due to/due by the Company are settled in time. (This will include comment on interest receivable on investment / money Market instruments including checking and comments on correctness of amount paid / Received).

- 1.10 Whether Securities and Documents held by the Company are adequately safeguarded to protect the Company's interest and there is no unauthorized movement of these items.
- 1.11 Review of underwriting bids in auction and sale thereof.
- 1.12 Comments with respect to compliance of underwriting and bidding commitment of PD license condition.
- 1.13 Comments on the bids submitted for and on behalf of clients and compliance with RBI regulation / guidelines and Company's internal guidelines.
- 1.14 Checking and comments on Manual vouchers passed in internal accounts of the Company.
- 1.15 Checking expenditure vouchers & e-TDS on a monthly basis. Review of all expenses and comments on booking and classification of Income & Expenses under appropriate Account Heads.
- 1.16 Salary Booking.
- 1.17 Review of statutory deductions.
- 1.18 Adherence to the guidelines in connection with deduction of tax at source and timely deposit of TDS and filing of statutory returns.
- 1.19 Adherence to the GST guidelines (including filing of statutory returns)
- 1.20 Adherence to the guidelines in connection with deduction of Profession Tax and timely deposit of the same and filing of statutory returns.
- 1.21 Adherence to the guidelines in connection with deduction of PF contributions and timely deposit of the same and filing of the returns, if any.
- 1.22 Review the integrity of MIS and timeliness of information reported to Senior Management.
- 1.23 Observations on various types of limits breach if any, reasons thereof and their ratifications. Review of sign-off process for exceptional transactions.
- 1.24 Checking and comment on reconciliation of Bank accounts, CCIL pledge / Margin accounts, Pledge / Margin account with other Central Counter Parties such as NSE Clearing Limited (NSE Clearing), Indian Clearing Corporation Ltd and Companies Demat Account.
- 1.25 Monthly Ledger scrutiny and Stock verification.
- 1.26 Checking, verification, and comment on CSGP account opening process, Compliance of Regulatory KYC guidelines & adequacy of KYC documents obtained, identification of Beneficial owners etc.
- 1.27 Checking transactions in Constituent GAH accounts. Confirmation about recovery of charges from Constituent account holders as per Company's policy.

- 1.28 Verification of records pertaining to submission of client bids in the Primary Auction as own bids under competitive route and commenting on the adherence to the regulatory guidelines.
- 1.29 Verification of OTC trades in line with the rate scan policy of the Company.
- 1.30 Checking dealing room / Sourcing Team call recording and verification of OTC trades with recorded call to ascertain whether there is substitution of counterparty and/or security.
- 1.31 Scrutiny of all Value Free Transactions (VFT) to confirm that the same are eligible VFTs.
- 1.32 To scrutinize whether there are any instances of coupon/redemption proceeds (due to the constituent) remaining unpaid on account of failure of the electronic payment.
- 1.33 Comment on Information technology and related controls.
- 1.34 Comment on adherence to the guidelines on sourcing and application of funds.
- 1.35 Comment on purchase / sale of securities through SGL transfer forms, if any.
- 1.36 Comment on fulfillment of regulatory targets (bidding, success ratio, turnover etc.)
- 1.37 As specified by Reserve Bank of India, scope of Concurrent Audit would include monitoring broker-wise limits & prudential limits laid down by RBI, accuracy and timely submission of all regulatory returns, reconciliation of SGL/CSGL balances with PDO statements, reconciliation of current account balance with RBI DAD statements, settlements through CCIL, stipulations with respect to short sale deals, when-issued transactions, constituent deals, money market deals, adherence to accounting standards, verification of deal slips, reasons for cancellation of deals, if any, transactions with related parties to ascertain whether done on "arms-length basis", verification of the daily activity logs of NDS-OM in order to verify whether the PD is giving two-way quotes in G-Secs, etc.
- 1.38 Scrutinising and verifying the daily valuation of securities.

The List is illustrative and not exhaustive. It would also include any new relevant laws and statutory guidelines issued by RBI & other authorities that may come in place in future.

### **Other Conditions**

The Auditor will be required to issue draft reports on Concurrent Audit separately to the Mid Office for clarification and discussion and issue the final report as per

following schedule:

<b>Type of Audit</b>	<b>Periodicity</b>	<b>Final Report to be submitted by</b>
Concurrent Audit	Monthly	By 10 <sup>th</sup> of following month