

Annexure V

Guidelines pertaining to statutory auditors

As per the guidelines mentioned in the SEBI circular reference no. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016:

I) No stock broker shall appoint or re-appoint—

- a) an individual as statutory auditor for more than one term of five consecutive years;
and
- b) an audit firm as statutory auditor for more than two terms of five consecutive years:

II) Provided that—

- i. An individual statutory auditor who has completed his term under clause I (a) above shall not be eligible for re-appointment as statutory auditor for the same stock broker for five years from the completion of his term.
- ii. An statutory audit firm which has completed its term under clause I (b) above, shall not be eligible for re-appointment as statutory auditor for the same stock broker for five years from the completion of such term:

Provided further that as on the date of appointment no statutory audit firm having a common partner or partners to the other audit firm, whose tenure has expired for a stock broker immediately preceding the financial year, shall be appointed as statutory auditor of the same stock broker for a period of five years.

The above provisions are applicable from Financial Year April 01, 2017-March 31, 2018.

All the members are required to take note of the same and ensure adherence to the provisions.