

Annexure VI

Eligibility criteria for the auditors qualified to conduct the internal audit of trading members.

The eligibility criteria for the auditors qualified to conduct the internal audit of trading members for the half year ended September 30, 2023 is as under

1. The Audit shall be conducted only by an independent qualified Chartered Accountant or Company Secretary or Cost & Management Accountant who is in practice and does not have any interest in or relation with the Member other than the Internal Audit assignment.
2. The Auditor / Audit firm or at least one of the partners should have a minimum of 5 years' experience in carrying out audits.
3. The Auditor/ Audit firm is not debarred or restrained from issuing any certificate by ICAI, ICSI, ICMAI, RBI, SEBI or by other regulator/law enforcement agency.
4. Auditor and/or its employee or partner signing the Internal Audit Report shall have a valid NISM Series-XIV: Internal Auditors for Stockbrokers Certification or NISM Series III-A: Securities Intermediaries Compliance Certification or ICAI Certificate Course on Financial Markets and Securities Laws or any other equivalent examination.

Further Trading members are also required to ensure compliance with the provisions of Para 4.2 of Annexure 1 of SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016, on Appointment and Rotation of Internal auditors.