



**Policy on Appointment of
Statutory Central Auditors (SCA)
and Statutory Branch Auditors (SBA)**

FY 2026

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1. Policy Statement:

Reserve Bank of India vide Circular No. RBI / 2021-22/ 25 Ref. No. Dos. CO. ARG /SEC / 01/ 08.91.001/ 2021-22 dated April 27, 2021 has issued Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks, in terms of provisions of Section 30(1A) of the Banking Regulation Act, 1949. The policy on appointment of SCAs/Statutory Branch Auditors (SBAs) is designed in terms of the above guidelines and other applicable provisions of the Companies Act 2013.

2. Scope:

The purpose of the policy is to define the guidelines / process to be followed during the appointment, re-appointment and removal of Statutory Central Auditors including the number of Statutory Central Auditors and their eligibility criteria, selection procedure and scope of audit.

3. Policy Principles - Number of Statutory Central Auditors (SCAs):

As per RBI regulations, considering the size and spread of assets, accounting and administrative units, complexity of transactions, level of computerization, availability of other independent audit inputs, identified risks in financial reporting, etc., and with a view to ensure that audits are conducted in a timely and efficient manner, Banks shall have the following number of Statutory Central Auditors (SCAs). For Entities with asset size of ₹15,000 crore and above as at the end of previous year, the statutory audit should be conducted under joint audit of a minimum of two audit firms [Partnership firms/Limited Liability Partnerships (LLPs)]. All other Entities should appoint a minimum of one audit firm (Partnership firm/LLPs) for conducting statutory audit. It shall be ensured that joint auditors of the Entity do not have any common partners and they are not under the same network of audit firms. Further, the Entity may finalize the work allocation among SCAs/SAs, before the commencement of the statutory audit, in consultation with their SCAs/SAs.

4. Policy Details - Eligibility Criteria of Auditors:

Constitution of the audit firm for conducting the Statutory Audit of the bank shall be Partnership Firms or Limited Liability Partnerships (LLPs). Eligibility criteria to be fulfilled by the audit firm(s) for appointment as SCA(s) of the Bank comprise of: -

- a) Basic Eligibility
- b) Additional Consideration

The details of the same, with respect to the applicability to the Bank, is as under:

A. Basic Eligibility

Asset Size as on 31st March of Previous Year	Minimum No. of Full-Time partners associated with the firm for a period of at least three years ¹	Out of total FTPs, Minimum No. of Fellow Chartered Accountant Partners associated with the firm for a period of at least three years	Minimum No. of Full Time Partners/ Paid CAs with CISA/ISA Qualification ²	Minimum No. of years of Audit Experience of the firm ³	Minimum No. of Professional staff ⁴
Above ₹15,000 crore	5	4	2	15	18

Notes:

- 1. Full-Time partners (FTP) associated with the firm:** - There should be at least one-year continuous association of partners with the firm as on the date of empanelment for considering them as full-time partners. At least two partners of the firm shall have continuous association with the firm for at least 10 years. Further, the full-time partners association with the firm would mean exclusive association. The definition of 'exclusive association' will be based on the following criteria:

- (a) The full-time partner should not be a partner in other firm/s.
- (b) She/He should not be employed full time / part time elsewhere.
- (c) She/He should not be practicing in her/his own name or engaged in practice otherwise or engaged in other activity which would be deemed to be in practice under Section 2(2) of the Chartered Accountants Act, 1949.
- (d) The Board/ACB shall examine and ensure that the income of the partner from the firm/LLP is adequate for considering them as full-time exclusively associated partners.

2: CISA/ISA Qualification: There should be at least one-year continuous association of Paid CAs with CISA/ISA qualification with the firm as on the date of empanelment (for PSBs)/ shortlisting (for other Entities) for considering them as Paid CAs with CISA/ISA qualification for the purpose.

3: Audit Experience: Audit experience shall mean experience of the audit firm as Statutory Central/Branch Auditor of Commercial Banks (excluding RRBs)/ AIFIs. In case of merger and demerger of audit firms, merger effect will be given after 2 years of merger while demerger will be affected immediately for this purpose.

4: Professional Staff: Professional staff includes audit and article clerks with knowledge of book-keeping and accountancy and who are engaged in on-site audits but excludes typists/stenos/computer operators/ secretaries/subordinate staff, etc. There should be at least one-year continuous association of professional staff with the firm as on the date of application of empanelment for considering them as professional staff for the purpose.

5: Common Partners: Joint auditors of the bank should not have any common partners and should not be under the same network of audit firms.

B. Additional Consideration

- i) The audit firm, at the time of submission of application for empanelment as SCAs should be duly qualified for appointment as auditor of a company in terms of Section 141 of the Companies Act, 2013.
- ii) The audit firm should not be under debarment by any Government Agency, National Financial Reporting Authority (NFRA), the Institute of Chartered Accountants of India (ICAI), RBI or Other Financial Regulators.
- iii) The appointment of SCAs/SAs is in line with the ICAI's Code of Ethics/any other such standards adopted and does not give rise to any conflict of interest.
- iv) If any partner of a Chartered Accountant firm is a director in the Bank, the said firm shall not be appointed as SCA of any of the group entities of the Bank
- v) The applicant firm should have capability and experience in deploying Computer Assisted Audit Tools and Techniques and Generalized Audit Software, commensurate with the degree/ complexity of computer environment of the Entities where the accounting and business data reside in order to achieve audit objectives.
- vi) Concurrent auditors of the Bank will not be considered for appointment as SCAs.
- vii) The audit of the Bank and any entity with large exposure to the Bank for the same reference year should also be explicitly factored in, while assessing independence of the auditor.

- viii) The time gap between any non-audit works (services mentioned at Section 144 of Companies Act, 2013, internal assignments, special assignments, etc.) by the SCA/SA of the Bank should be at least one year, before or after its appointment as SCA/SA. However, during the tenure as SCA/SA, an audit firm may provide such services to the Bank which may not normally result in a conflict of interest, and the Bank may take its own decision in this regard, in consultation with the Board/ACB.
- ix) The restrictions as detailed in Sl. No. vi, vii and viii above should also apply to an audit firm under the same network of audit firms or any other audit firm having common partners.
- x) An audit firm can concurrently take up statutory audit of a maximum of four Commercial Banks [including not more than one PSB or one All India Financial Institution (NABARD, SIDBI, NHB, EXIM Bank) or RBI], eight UCBs and eight NBFCs during a particular year, subject to compliance with required eligibility criteria and other conditions for each Entity and within overall ceiling prescribed by any other statutes or rules. For this purpose, a group of audit firms having common partners and/or under the same network, will be considered as one entity and they will be considered for allotment of SCA/SA accordingly. Shared/sub-contracted audit by any other/associate audit firm under the same network of audit firms is not permissible. The incoming audit firm shall not be eligible if such audit firm is associated with the outgoing auditor or audit firm under the same network of audit firms.
- xi) In case any audit firm (after appointment) does not comply with any of the eligibility norms (on account of resignation, death etc. of any of the partners, employees, action by Government Agencies, NFRA, ICAI, RBI, other Financial Regulators, etc.), it may promptly approach the Bank with full details. Further, the audit firm shall take all necessary steps to become eligible within a reasonable time and in any case, the audit firm should be complying with the above norms before commencement of Annual Statutory Audit for Financial Year ending 31st March and till the completion of annual audit.

5. Tenure and Rotation:

The appointment/reappointment/removal of SCAs for undertaking the annual audit of the Bank shall be subject to prior approval of the Reserve Bank of India and shareholders at each Annual General Meeting. The term of SCAs will be for a period of one year (commencing from the date of AGM in which their appointment is approved by the shareholders till the conclusion of the next AGM) which has to be approved by majority of the shareholders present and voting, either directly

or through proxy. The maximum tenure of appointment of SCAs will be for a period up to three years, subject to annual approval by the RBI and the shareholders at the AGM. In case of reappointment of SCAs, till the completion of tenure of continuous term of 3 years, there would not be any requirement of shortlisting and sending names of multiple audit firms to RBI while seeking approval to appointment.

The audit firm would not be eligible for reappointment for six years (two tenures) after completion of full or part of one term of the audit tenure.

6. Procedure for appointment / re-appointment of SCAs:

The procedure for appointment/ re-appointment of SCAs is detailed below: -

- a) When new SCA(s) are required to be identified due to retirement of existing SCAs on completion of the term for which they are appointed or due to any vacancy arising owing to disqualification or any other reasons, a Request for Proposal prepared in line with the requirements of this Policy, duly approved by the MD & CEO, shall be published in the official website of the Bank inviting proposals from eligible Chartered Accountant Firms.
- b) The Bank shall obtain complete profile of the Firms complying with the eligibility criteria stipulated by RBI. A process for assessment of these Firms shall be prepared and approved by the Audit Committee of Executives (ACE)). Based on the assessment, the details of the Firms' along with the order of preference, subject to a maximum of 6 Firms, shall be placed before the Audit Committee of Executives.
- c) Before evaluation by ACE, the Bank will collect the profile of audit firms along with application for appointment (as per Annexure II attached) and eligibility form in 'Form B'. Bank reserves its right to call for additional information, over and above that specified therein. The application must be signed by the main partner/s of the audit firm under the seal of the said audit firm.
- d) Bank will also verify the details of the firm(s) in ICAI website, to check whether any adverse remarks/disciplinary action is pending against the said firm(s), whereby the firm(s) become ineligible for appointment as SCAs of the Bank.
- e) ACE shall interact with the shortlisted firms, in the presence (mandatory) of Chief Financial Officer as an invitee and recommend a minimum of 2 audit firms for every vacancy in the order of preference to the Audit Committee of Board (ACB) for their approval and recommendation to the Board of Directors for approval. ACE will evaluate the details of the eligible audit firms

on various parameters, including audit experience (as per the criteria mentioned in Para 4(A)(3) above), location, nature of clientele etc. The shortlisting of 2 Firms is to ensure that, even if the firm at first preference is found to be ineligible/ refuses appointment, the firm at second preference can be appointed and the process of appointment of SCAs does not get delayed.

- f) Based on recommendation of ACB, the shortlisted audit firms' list will be placed before the Board of Directors for approval.
- g) The Board approved list of audit firms' will be taken up with RBI for approval i.e., Bank will seek RBI's prior approval for appointment of SCAs along with a certificate in 'Form C' (as per Annexure V attached).
- h) The appointment/reappointment/removal of SCAs for undertaking the annual audit of the Bank shall also be subject to prior approval of shareholders at each Annual General Meeting. A resolution will be placed before the shareholders at the Annual General Meeting to approve the appointment of the selected firm(s) as SCAs of the Bank for a period of one year (commencing from the date of AGM in which their appointment is approved by the shareholders till the conclusion of the next AGM) which need to be approved by majority of the shareholders present and voting, either directly or through proxy.
- i) Once resolution is approved by the shareholders, appointment order will be issued to the Firm, indicating their role and responsibilities along with the remuneration payable for the assignment. The Firm shall submit their acceptance to the offer of appointment and also submit necessary documents viz., declaration of eligibility, certificate of non-indebtedness etc. as per extant RBI, SEBI and other statutory / regulatory guidelines.
- j) Reappointment of SCAs until completion of tenure of continuous term of three years will be subject to fulfilling the terms of appointment as specified in the policy.

7. Scope of Audit

Scope of statutory central audit of the Bank will be strictly as per RBI guidelines. The audit firm will be required to conduct limited review of quarterly financial results as required under clause 49 of the listing agreement, subject to RBI guidelines. The audit assignment also includes issue of certificates mandated by RBI as part of the annual audit process. The details of certification to be undertaken by the SCAs and other areas of annual audit are reviewed by RBI on annual basis and necessary instructions are issued to the Bank which will be communicated to the SCAs separately. In case of joint audit by more than one audit firms, Bank will finalize the work allocation among

SCAs, before the commencement of the statutory audit, in consultation with the SCAs and as per regulatory guidelines.

8. Audit Fee and Expenses Payable

The audit fees for SCAs shall be reasonable and commensurate with the scope and coverage of audit, size and spread of assets, accounting and administrative units, complexity of transactions, level of computerization, identified risks in financial reporting, etc. The shareholders may delegate the power to the Board of Directors, (based on the recommendation of the ACB) for approving the remuneration to statutory auditors by means of a resolution. For reimbursement of the lodging & boarding charges, travelling allowance and daily conveyance payable to statutory central auditors, the categories of the officers linked for the purpose of deciding the ceiling limits are given below

Sl. No	Category of Audit Officials	Equivalent scale of Bank Officials (in IBA)
1	Partners/Proprietors	VII – General Manager
2	Qualified Assistants	III -Senior Manager
3	Un- Qualified Assistants	I - Officers

Wherever Bank has Guest House or Banks own accommodation facility, the same may be utilized to cater to the needs of the auditors. The TA/HA should be kept to the minimum. Where the SCAs have their headquarters at a place different from that where the Head Office of the Bank is situated, but have an office at the same place as the Head Office of the Bank, the TA/HA, if any, should be nominal for the central audit. However, to ensure the quality of audit, there should be no objection to the partners of the Firm visiting the Head Office of the Bank as and when they deem it necessary. Where the SCAs have an office at the place where the branches/offices of the bank to be audited are situated, they will not be reimbursed TA/HA. However, local conveyance may be reimbursed.

In case of dispute between the auditors and the bank regarding settlement of their bills, the MD & CEO of the Bank shall be the final authority to decide the claims.

9. Number of branches to be audited

In terms of RBI guidelines SCAs shall visit and audit at least the top 20 branches, to be selected in the order of the level of outstanding advances, in such a manner as to cover a minimum of 15% of total gross advances of the bank.

10. Review of Performance:

Re-appointment of audit firm(s) as SCAs for their subsequent term of second and third year, as the case may be, will be undertaken by the ACB / Board, who will review their performance on annual basis and subject to their fulfillment of eligibility criteria as well as appointment terms, and recommend their re-appointment as SCAs for subsequent year. Thereafter, the applicable procedure outlined under item '6' above will be followed.

A note on review/performance of SCAs shall be placed to ACB/Board on an annual basis. Performance of SCA shall be made as per the RBI Circular No. RBI / 2021-22/ 25 Ref. No. Dos. CO. ARG /SEC / 01/08.91.001/ 2021-22 dated April 27, 2021. At the time of annual review of the performance of SCAs by the ACB/Board, any serious lapses/negligence in audit responsibilities or conduct issues on part of the SCAs or any other matter considered as relevant, will be reported to RBI within two months from completion of the annual audit, based on the approval/recommendation of the ACB/Board, with the full details of the audit firm.

In the event of lapses in carrying out audit assignments resulting in misstatement of the financial statements of the Bank, and any violations/lapses vis-à-vis the RBI's directions/ guidelines regarding the role and responsibilities of the SCAs in relation to the Bank, the SCAs would be liable to be dealt with suitably under the relevant statutory/regulatory framework.

11. Resignation

Resignation of SCA will be subject to the extant RBI guidelines as well as SEBI guidelines with regard to listed entities as under –

- a. If the SCA resigns within 45 days from the end of quarter of a financial year, then the auditor shall, before such resignation, issue the limited review / audit report for such quarter/ year.
- b. If the SCA resigns after 45 days from the end of a quarter of a financial year, then the auditor shall, before such resignation, issue the limited review / audit report for such quarter as well as the next quarter.
- c. Notwithstanding the above, if the SCA has signed the limited review / audit report for the first three quarters of a financial year, then the auditor shall, before such resignation, issue the limited review / audit report for the last quarter of such financial year as well as the audit report for such financial year.

d. Further, the SCA when submitting their resignation must also comply with the following, as per extant SEBI guidelines, which includes, inter-alia, reporting of concerns with respect to the Bank to the ACB:

- In case of any concern with the Management of the Bank, such as non-availability of information/non-cooperation by the Management, which may hamper the audit process, the SCA shall approach the Chairman of the ACB and the ACB shall receive such concern directly and immediately without specifically waiting for the quarterly ACB meetings.
- In case the SCAs propose to resign, all concerns with respect to the proposed resignation, along with relevant documents shall be brought to the notice of the ACB. In cases where the proposed resignation is due to non-receipt of information/ explanation from the Bank, the auditor shall inform the ACB of the details of information/ explanation sought for and not provided by the management, as applicable.
- On receipt of such information from the SCAs relating to the proposal to resign as mentioned above, the ACB / Board of Directors, as the case may be, shall deliberate on the matter and communicate its views to the management and the auditor.

12. Appointment of Statutory Branch Auditors (SBA)

Bank will empanel the requisite number of audit firms found eligible for appointment as SBAs. Audit firms desirous of getting themselves empaneled must submit the requisite application cum eligibility form along with their profile. Bank reserves its right to empanel or to call for additional information, over and above that specified therein. The application must be signed by the main partner/s of the audit firm under the seal of the said audit firm.

- ✓ The eligibility criteria and other norms mentioned for appointment of SCAs will mutatis mutandis apply for appointment of SBAs also. However, for the purpose of Branch Audits, all eligible Firms including proprietary concerns shall be considered.
- ✓ The maximum tenure for which a SBA can be appointed is four years, subject to the audit firm meeting the laid down eligibility criteria.
- ✓ If an auditor has previously completed four consecutive years as SBA of the Bank, a minimum cooling period of four years must elapse from conclusion of the last audit engagement before reappointment as SBA.

- ✓ In cases where auditor has earlier served as SCA of the Bank, a minimum period of six years must pass after completion of last audit engagement as SCA, before they can be considered for reappointment.
- ✓ The audit entity shall not have any common partner(s) with any other SBA of the Bank and they are not under the same network of audit firms.
- ✓ The bank shall satisfy itself (on the basis of unconditional, irrevocable undertaking furnished by the SBA entities, as per Annexure III)) that the audit entity meets the requirements of above paragraph before making any appointment/ re-appointment as well as during the engagement.
- ✓ The maximum number of branches that can be allotted to a Statutory Branch Auditor is three.
- ✓ The shareholders' approval has to be sought for authorizing the Board of Directors to appoint SBAs and to fix their remuneration.
- ✓ After due diligence, the list of the firms selected for empanelment/appointment as SBAs shall be placed before the ACB of the Bank for its approval.
- ✓ The Board of Directors of the Bank, based on the recommendation from the ACB shall approve the list of SBAs eligible for empanelment/appointment as SBAs from time to time and also their remuneration.
- ✓ The list of Auditors eligible for empanelment/ appointment as SBAs as approved by the Board is forwarded to RBI along with the Board resolution, for approval.
- ✓ After getting the approval from the RBI, the Bank shall finalize the number of auditors required for conducting statutory audit of the branches from the list empaneled. The allotment of branch/es will be decided and appointment letters shall be issued to the concerned auditors.
- ✓ The appointment of SBAs will be made on an annual basis, subject to their fulfilling the eligibility norms prescribed and also subject to their suitability.
- ✓ As per RBI guidelines, Bank, while conveying the terms of appointment, shall advise the SCAs/SBAs to specifically report, simultaneously to the Chief Executive Officer of the bank, ACB, if necessary, and to concerned SSM, DoS, RBI, any matter suspected to be a fraud or fraudulent activity or any foul play in any transaction. In case the amount of fraud involved is ₹ 1 crore or more, SCAs/SBAs shall report such instances directly to the Fraud Monitoring Group, DoS, RBI, Central Office, Bengaluru, to the Top Management of the Bank and if necessary, to the ACB of the bank. The SCAs/SBAs shall also be advised that any deliberate failure in compliance to the above, on their part, would render them liable for action.
- ✓ The SBAs will be paid fees, based on the outstanding Gross Advances position of the Branch(s) audited, plus applicable taxes, only.

The above norms should be read in line with the extant guidelines issued by RBI. Any amendments/ additional conditions imposed / relaxations extended by the RBI post implementation / amendments made to this Policy, the same shall prevail over the conditions specified above.

13. Business Coverage and Disclosure in Public Domain

As per guidelines issued to Public Sector Bank (PSB) for appointment/ re-appointment of SBAs, for FY 2023-24 and onwards, PSBs shall have the discretion to determine the business coverage under statutory branch audit, as per Board approved policy, after considering Bank specific aspects relating to business and financial risks. PSBs shall disclose on their website, the extent of business coverage under statutory branch audit for the respective year and previous year with effect from FY 2023-24. The Board approved policy for selection and appointment of auditors shall also be placed on the official website of the bank.

As per RBI guidelines, SCAs shall visit and audit at least the top 20 branches to be selected in the order of the level of outstanding advances, in such a manner as to cover a minimum of 15% of total gross advances. In addition, the banking companies and NBFCs shall ensure adherence to the provisions of Section 143 (8) of the Companies Act, 2013 regarding audit of accounts of all branches. As per Section 143 (8), where a company has a branch office, the accounts of that office shall be audited either by the auditor appointed for the company or by any other person qualified for appointment as an auditor of the company. Bank follow the practice of 100% audit coverage through appointment of SBAs.

14. **Review of the Policy**

The Policy shall be modified to give effect to the changes, if any, in the guidelines/ directives/ instructions that may be advised by the RBI/ Government of India/ other Statutory Bodies, from time to time, subject to the approval of the Board. The Policy will be reviewed at annual intervals and in case of delay for renewal of the Policy within the time line and for justifiable reasons, the ACB may extend the validity of the Policy based on the recommendations of MD&CEO.

Annexure-I**(In the letterhead)****Either Proforma 'A' or Proforma 'B'****Proforma 'A'**

Place

Date: XX/XX/XXXX

DECLARATION

I _____ the proprietor / main partner of M/s. _____ situated at (complete address) hereby declare that no credit facilities (including guaranteeing any facility availed of by third party) have been availed of by me / any of our partners / members of my / their families* or by the firm / company in which I am / they are partners / director from any other bank / financial institution

2. In case the above declaration or any part thereof is proved to be incorrect, the bank is free to advise the details thereof to RBI and Institute of Chartered Accountants of India for initiating necessary action against me.

Proforma 'B'**DECLARATION**

I _____ the proprietor / main partner of M/s. _____ situated at (complete address) hereby declare that credit facilities (including guaranteeing any facility availed of by third party) availed of by me / any of our partners / members of my / their families* or by the firm / company in which I am / they are partners / directors from -----bank / financial institution (please give the name) have not turned non performing as per the prudential norms prescribed by Reserve Bank of India.

2. In case the above declaration or any part thereof is proved to be incorrect, the bank is free to advise the details thereof to RBI and Institute of Chartered Accountants of India for initiating necessary action against me.

Signature of the Proprietor /
Main Partner

Seal of the Proprietary Concern /
Partnership Firm

** Family will include besides spouse; children, parents, brothers, sisters or any of them, who are wholly/ mainly dependent on the Chartered Accountants*

Note: The above declaration must be furnished on the letterhead of the proprietary concern / audit firm.

Annexure II

To be printed in Letterhead of the Firm.

Format of Application by audit firm for empanelment as Statutory Central/Branch Auditors of the Bank.

SI. No.	Particulars	
1	Name of the Audit Firm	
2	Constitution [Individual/Proprietorship/Partnership Firm / LLP]	
3	Firm Registration Number (FRN) or (LLP No.)	
4	PAN of the Audit Firm	
4A	GST No.	
5	RBI UCN Number	
6	Category of the Firm / LLP (Category I, II, 111 or IV)	
7	No. of partners (Details of partners to be produced) 1. Full-Time partners (FTPs) associated with the firm for a period of at least three (3) years. 2. There should be at least one-year continuous association of partners with the firm as on date of short listing for considering them as full-time partners.	
8	No. of Full Time Partners / Paid CAs with CISA / ISA Qualification	
9	No. of years of Audit Experience of the firm	
10	Professional Staff other than as listed above: (Professional Staff includes audit and article clerks with knowledge of book-keeping and accountancy and who are engaged in on-site audits but excludes typists/ stenos computer operators/secretaries/subordinate staff etc.	
11	No. of statutory audits of Commercial Banks undertaken by the audit firm (at present)	
12	Whether the auditors of the firm have capability and experience in deploying Computer Assisted Audit Tools and Techniques: (CAATTs): and Generalized Audit Software (GAS), commensurate with the degree/ complexity of computer environment of the Entities where the accounting and business data reside in order to achieve audit objectives.	

13	Any other details relevant for considering. your appointment as Statutory Auditor in terms of RBI Guidelines	
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Firm Details

Name of Firm	
Constitution status	
Date Constituted	
Firm Registration Number	
RBI UCN	
RBI Category	
HO Address	
Branch Address	
Contact Number	
Mail ID	

Partners Details

Partner Name	Professional Address	Qualification	Year of Enrolment	MRN	Additional Qualification

Experience of the Bank/Branch Audit.

Sl. No	Name of the Bank	Bank Audit/ Branch Audit- (if branch audit, mention the name of the branch)	From Year	To Year	No of Years

Signature with seal

Annexure III

To,
Chief Financial Officer,
 Dhanlaxmi Bank|
 Corporate Office | Punkunnam,
 Thrissur - 680 002 | Kerala

Ref: **Letter No. ACT: AUD/ /XXXX-XX – Appointment as Statutory Branch Auditor**

With reference to the above, we hereby confirm our acceptance of the appointment as branch auditor for the financial year XXXX-XX. In this regard:

1. I/we hereby declare that I am/ we are qualified auditors in practice and I am/ we are eligible to conduct audit u/s Section 141 of Companies act, 2013.
2. I/ we also declare that no adverse remarks/ disciplinary proceedings are pending against me/ us by ICAI / NFRA other regulatory authorities and I/ we do not suffer any disqualification, which makes me/ our firm ineligible for appointment as auditors of your bank.
3. I/we hereby declare that I / we do not have continuous association with your bank for more than three years and complied with the requirement of RBI guide lines regarding the cooling period and independence.
4. Declaration Proforma A or B
5. Our bio data is furnished below:

BIO DATA - Branch audit for the year XXXX-XX

Name		
Address (In case of change)		
Firm Registration No		
Details of Proprietor/ Partners*	<u>Name</u>	<u>Membership No.</u>
Telephone No. with STD code	Office:	
	Res	
	Cell:	
Fax No. with STD code		
E-mail id.		
Complete Bank Account Number & Type of account		
Name of the Bank & Branch		

IFSC Code	
Permanent Account Number	
Whether GST registration applicable? If yes, please furnish GSTIN	
Whether registered under MSME? If yes, please provide Udyog Aadhaar No.	

** In case of partnership firm, all partners' details should be provided.*

Note: All the fields are mandatory. Any incomplete format may likely to delay the processing of audit fee payment.

Encl. Proforma A and B

Date: XX/XX/XXXX

Signature

(With Seal)

Annexure IV (In the letterhead)**1. DECLARATION OF ELIGIBILITY, QUALIFICATION, INDEBTEDNESS, FIDELITY AND SECRECY**

I/We, _____ Proprietor/main partner of M/s. _____ situated at _____ (complete address) with PAN _____ do hereby declare and confirm as follows;

1. I/We will faithfully, truly and to the best of our skill and ability, execute and perform the duties required of us as Auditors of **Dhanlaxmi Bank Limited** and which properly relates to the office or position in the said Dhanlaxmi **Bank Limited**.
2. I/We further declare that we will not communicate or allow to be communicated to any person not legally entitled thereto, any information relating to the affairs of **Dhanlaxmi Bank Limited** or to any person having any dealings with books or document belonging to or in the possession of **Dhanlaxmi Bank Limited** or the business of any person having dealings with **Dhanlaxmi Bank Limited**, except as otherwise provided in any other law or practice and usage necessary or appropriate to divulge such information.
3. I/We also declare that our own staff will carry out the audit and that we will not sub- contract the work to anybody under any circumstances.
4. I/we hereby declare that I / we do not have continuous association with your bank for more than three years and complied with the requirement of RBI guide lines regarding the cooling period and independence.
5. I/We am/are not an officer/employee of your Bank.
6. I/We is/are not a partner or in employment of any employee of your Bank.
7. I/We or any of the partners or Associate Firms or Sister Concern or Branch Office am/are not assigned any service referred to in Section 144 of the companies Act, 2013, of your Bank viz. internal audit, concurrent audit, design and implementation of any financial information system, actuarial services, investment advisory services, investment banking services, rendering of outsourced financial services, management services etc.; whether directly or indirectly.
8. Neither our firm nor any of its partners are partners in the retiring audit firms of your Bank.
9. I/We do not hold any securities/shares of your Bank.

10. None of the relatives of the proprietor/partners of the Firm hold securities of your Bank of face value exceeding Rs. 1 Lakh.
11. I/We or any relative of proprietor/partners of the firm am/are not indebted to your Bank in excess of Rs. 5 Lakh.
12. I/We or any relative of any proprietor/partners of the firm have not given a guarantee or provided any security in connection with the indebtedness of any third person to your Bank in excess of Rs.1 Lakh.
13. I/We am/are not convicted by a court of an offence involving fraud and a period of 10 years has not elapsed from the date of such conviction.
14. None of the relative of the proprietor/partner of the firm is a director of your Bank or is in the employment of your Bank as a director or Key Managerial Personnel.
15. I/We do not have any business relationship with your Bank, whether directly or indirectly.
16. I/We are fulltime practicing-chartered accountants and am/are not employed elsewhere and do not have any other business interest.
17. I/We are not otherwise disqualified to accept the audit in terms of section 141 of Companies Act, 2013 read with section 30 of Banking Regulation Act, 1949.
18. Neither I nor any of our partners / proprietor of the audit firm or their spouse, dependent parents, brothers, sisters or any of them, or the firm/company in which members of my / their families (family will include besides spouse, children, parents, brothers, sisters or any of them who are wholly or mainly dependent on the Chartered Accountants) or the firm / company in which I am / they are partners / directors have been declared as willful defaulter by any bank / financial institution.
19. Neither I nor my spouse, dependent children and wholly or mainly dependent parents, brothers, sisters or any of them, of any of the partners / proprietors of the firm or the firm / company in which they are partners / directors are not indebted to the bank.
20. There are no adverse remarks/disciplinary proceedings pending in respect of professional misconduct etc., on the records of Institute of Chartered Accountants of India (ICAI)/Reserve Bank of India (RBI) against our firm or proprietor or any of partners of the firm.
21. In case any of the above declaration is proved to be incorrect, the Bank is at liberty to advise the details thereof to Reserve Bank of India (RBI) and Institute of Chartered Accountants of India (ICAI) for initiation of necessary action.

Signature of the Proprietor/Partner

Seal of Firm

(With Seal)

Place:

Date: XX/XX/XXXX

Annexure V**FORM C****Certificate to be submitted by the Commercial Banks (excluding RRBs) and UCBs regarding eligibility of audit firm proposed to be appointed as SCA**

The bank/UCB is desirous of appointing M/s _____, Chartered Accountants (Firm Registration Number _____) as Statutory Central Auditor (SCA)/ Statutory Auditor (SA) for the financial year _____ for their 1st/2nd/3rd term and therefore has sought the prior approval of RBI as per the section 30(1A) of the Banking Regulation Act, 1949/ Section 10 (1) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980/ Section 41(1) of SBI Act, 1955.

2. The bank/UCB has obtained eligibility certificate (copy enclosed) from (name and Firm Registration Number of the audit firm) proposed to be appointed as Statutory Central Auditor (SCA)/Statutory Auditor of the bank/UCB for FY _____ along with relevant information (copy enclosed), in the format as prescribed by RBI.

3. The firm has no past association/association for _____ years with the bank/UCB as SCA/SA/SBA.

4. The bank/UCB has verified the said firm's compliance with all eligibility norms prescribed by RBI for appointment of SCAs/SAs of Commercial Banks (excluding RRBs)/UCBs.