



"Policy for Selection and appointment of Statutory Central Auditors (SCAs) and Statutory Branch Auditors (SBAs) of Bank- F.Y. 2025-26"

SELECTION AND APPOINTMENT OF STATUTORY CENTRAL AUDITORS (SCAs): -

Govt. of India vide their letter No. F No. 1/14/2004-BOA dated 25/11/2014 issued by Ministry of Finance, Department of Financial Services, the appointment of Statutory Central Auditors (SCAs) in Public Sector Banks (PSBs) had been revisited. The power of selection and appointment of SCAs had been delegated to individual PSBs from the year 2014-15 and onwards. Reserve Bank of India provides criteria for selecting SCAs to PSBs, keeping in view the policy parameters in this regard from time to time. The recent guidelines for appointment of Statutory Central Auditors issued by RBI vide Ref. RBI/2021-22/25. Ref No DoS/CO.ARG/SEC.01/08.91.001/2021-22 dated 27th April 2021.

I. Number of Audit Firms

In terms of Reserve Bank of India revised guideline dated 27th April 2021, Banks are required to maximum no of Statutory Central Auditor based on Asset size as under:

SN	Asset Size	Maximum no of SCAs
1	Upto Rs 5,00,000 crore	4
2	Above Rs 5,00,000 crore and upto Rs 10,00,000 crore	6
3	Above Rs 10,00,000 crore and upto Rs 20,00,000 crore	8
4	Above Rs 20,00,000 crore	12

As per the above-mentioned RBI circular dated 27th April 2021, The Board of the Bank is empowered to decide the number of SCAs to be appointed subject to the above maximum number. Our Bank having assets size of less than 5 lakh crore is eligible to appoint maximum 4 number of Statutory Central Auditors.

At present, we have four audit firms as Statutory Central Auditors of our Bank which was appointed in FY 2023-24 for the period of 3 years subject to review of firms satisfying the eligibility norms each year as per extant guidelines of Reserve Bank of India.



II. Eligibility of Audit Firms

In accordance with RBI guidelines, Bank is required to appoint Statutory Central Audit firms fulfilling the criteria mentioned hereunder which is based on asset size of Bank. Since our Bank is having asset size of above Rs 15000 cr, Our Statutory Central Auditors should fulfil following minimum criteria:

SN	Eligibility Criteria	Requirement
1	Minimum no of Full time partners (FTPs) associated with the firm for a period of at least three years	5 (Note A)
2	Out of Total full time partners, minimum no of fellow Chartered Account (FCA) partners associated with the firm for a period of at least three years	4
3	Minimum No of fulltime Partners/Paid CAs with CISA/ISA qualification	2
4	Minimum No of years of Audit Experience of the firm	15 (Note B)
5	Minimum no of Professional Staff	18 (Note C)

Note A:

- For Partner to be classified as Full-Time partner at least one-year continuous association with the firms as on date of empanelment is mandatory
- Minimum 2 partners of the firm should have continuous association with the firm for at least 10 years
- Full-time partner's association with the firm would mean exclusive association. The definition of 'exclusive association' will be based on the following criteria:
 - The full-time partner should not be a partner in other firm/s.
 - She/He should not be employed full time / part time elsewhere.
 - 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.
 - the income of the partner from the firm/LLP should not be below the threshold limits prescribed by the Office of C&AG for the purpose of



consideration as full-time partners for appointment as auditors of Public Sector Undertakings.

Note B:

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

Note C:

- 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 empanelment for considering them as professional staff for the purpose.

III. Additional Consideration

- The audit firm, proposed to be appointed as SCAs should be duly qualified for appointment as auditor of a company in terms of Section 141 of the Companies Act, 2013.
- 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.
- Bank shall ensure that 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.
- If any partner of a Chartered Accountant firm is a director in any Public Sector Bank (PSB), the said firm shall not be appointed as SCA of any PSB.
- The auditors should preferably 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.



IV. Allotment of Branches to Statutory Central Auditor

Bank will allot top 20 branches to Statutory Central Auditors for Half yearly/Quarterly review of accounts as per extant RBI guidelines.

V. Compliance with basic eligibility criteria

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 to 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.

In case of any extraordinary circumstance after the commencement of audit, like death of one or more partners, employees, etc., which makes the firm ineligible with respect to any of the eligibility norms, RBI will have the discretion to allow the concerned audit firm to complete the audit, as a special case.

VI. Procedure for Appointment of SCAs

1. Empanelment of audit firms eligible for appointment as SCAs will be done by the Office of C&AG, based on the norms prescribed by RBI, as on January 1 of the relevant year.
2. The list of firms as furnished by C&AG to RBI will be subjected to scrutiny by RBI for identifying the eligible firms and excluding audit firms who have been denied audit by C&AG/RBI. RBI will forward a single list of all audit firms eligible for appointment as SCAs to all PSBs on an annual basis. Bank shall shortlist audit firms from the said list of eligible audit firms as received from RBI, based on certain objective criteria as laid down in the bank's policy for appointment of statutory auditors. Further, Bank shall place the list of shortlisted firms, in order of preference, before the ACB for selection of SCAs in a transparent manner. Upon selection of SCAs Bank in consultation with ACB and verifying their compliance with the eligibility norms prescribed by RBI, the PSBs shall seek RBI's prior approval for appointment of SCAs.



3. The appointment of SCAs will be made on an annual basis, subject to their fulfilling the eligibility norms prescribed by RBI from time to time and also subject to their suitability.
4. Bank will shortlist minimum of 2 audit firms for every vacancy of SCAs so that even if 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. However, in case of reappointment of SCAs by banks till 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.
5. The Bank shall obtain a certificate, along with relevant information as per **Form B** (Enclosed), from the audit firm(s) proposed to be appointed as SCAs by the Bank to the effect that the audit firm(s) complies with all the eligibility norms prescribed by RBI for the purpose. Such certificate should be signed by the main partner/s of the audit firm proposed for appointment of SCAs of the Entities, under the seal of the said audit firm.
6. Bank shall verify the compliance of audit firm(s) to the eligibility norms prescribed by RBI for the purpose and after being satisfied of their eligibility, recommend the names along with a certificate, in the format as per **Form C** (Enclosed), stating that the audit firm(s) proposed to be appointed as SCA by them comply with all eligibility norms prescribed by RBI for the purpose.
7. Bank while approaching to RBI for prior approval for appointment of SCAs will indicate total asset size as on March 31st of the previous year (audited figures) and forward a copy of Board/ACB Resolution recommending names of audit firms for appointment as SCAs in the order of preference and also furnish information as per **Form B** and **Form C** as mentioned above.
8. Preference may be given to audit firms, who have satisfactory performance /experience as SCAs/SBAs/PSUs/Listed enterprise, certification like CISA/DISA, approached Bank for appointment as SCAs in our Bank.
9. Committee Approach- Depending upon the vacancies, a selection committee comprising of GM Risk Management/CRO, GM/in charge International Department, GM/In charge Audit & Inspection Department and GM Credit monitoring Department shall be formed for shortlisting / selection of SCAs. Senior most GM amongst the members shall be the Head of this Committee. AGM/DGM Finance Department shall be the convenor of the committee. This committee may fix additional criteria as may deemed fit apart from the basic selection criteria as enumerated in the RBI circular. After



considering the same, this Committee will identify the proposed SCAs and recommend the names to the Audit Committee of the Board.

10. Committee will shortlist 2 audit firms for every vacancy of SCA(s) (In case of new appointment only). The Shortlisted firm names, in order of preference, shall be placed before ACBs for selection of SCAs. Upon selection of SCA(s) by Bank in consultation with ACB and verifying their compliance with eligibility norms prescribed by RBI, Bank shall seek RBI's prior approval for appointment as SCA(s).
11. On receipt of list from RBI and based on number of vacancies of the Bank, Finance Department will shortlist audit firms based on eligibility criteria of RBI, Bank objective criteria like Experience/satisfactory performance in PSBs/PSUs/Listed Companies, Locations of Audit firm, Audit firms showing willingness for being appointed as SCAs in the Bank etc. Finance Department will prepare list of firms for each vacancy and place before Committee for their consideration.
12. Finance Department shall ensure that shortlisted firms meet the RBI eligibility criteria and necessary certificate/Consent letter is obtained from shortlisted firms before placing to ACB.
13. In accordance with RBI guidelines, Bank will submit list of Audit firms for appointment as SCAs in the Bank to RBI, within one month from the date of receipt of letter from RBI.
14. Upon receipt of approval of SCAs firm from RBI, the same shall be placed before ACB for their information.

VII. Independence of Auditors

- I. Audit Committee of the Board (ACB) shall monitor and assess the independence of the auditors and conflict of interest position in terms of relevant regulatory provisions, standards and best practices. Any concerns in this regard may be flagged by the ACB to the Board of Directors and concerned Senior Supervisory Manager (SSM).
- II. 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 SCAs shall approach the Board /ACB of Bank, under intimation to the concerned SSM



- III. Concurrent auditors of the Bank will not be considered for appointment as SCAs. 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.
- IV. The time gap between any non-audit works (services mentioned at Section 144 of Companies Act, 2013, Internal assignments, special assignments, etc.) by the SCAs for the Entities or any audit/non-audit works for its group entities should be at least one year, before or after its appointment as SCAs. However, during the tenure as SCA, an audit firm may provide such services to the Bank which may not normally result in a conflict of interest, and Bank will take own decision in this regard, in consultation with the Board/ACB.
- V. The restrictions as detailed in para III and IV above, should also apply to an audit firm under the same network of audit firms or any other audit firm having common partners.

VIII. Professional Standards of SCAs

ACB shall review the performance of SCAs on an annual basis. Any serious lapses/negligence in audit responsibilities or conduct issues on part of the SCAs or any other matter considered as relevant shall be reported to RBI within two months from completion of the annual audit. Such reports will be sent with the approval/recommendation of the ACB with the full details of the audit firm.

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

IX. Tenure and Rotation

In order to protect the independence of the auditors/audit firms, Bank will appoint the **SCAs for a continuous period of three years**, subject to the firms satisfying the eligibility norms each year.

Banks can remove the audit firms during the three-year period only with the prior approval of the RBI, Department of Supervision. The Board of Directors of the Bank will be the competent authority to recommend removal of any SCA to RBI



An audit firm would not be eligible for re-appointment in the Bank for six years (two tenures) after completion of full or part of one term of the audit tenure.

One 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 clarity, the limits prescribed for UCBs exclude audit of other co-operative societies by the same audit firm. For the purpose of this circular, 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.

X. Tax Audit:

The tax audit shall be done centrally at head office either by the SCAs or any other independent CA firm (RBI category-I) to be appointed specifically for this purpose. Fees for tax audit shall be fixed on basis of negotiation with CA firms.

SELECTION AND APPOINTMENT OF STATUTORY BRANCH AUDITORS (SBAs): -

As per RBI guidelines, Bank shall have Board approved policy for appointment of Statutory Branch Auditors and Bank shall also disclose on their website the extent of business coverage under statutory branch audit for the respective year and the previous year with effect from FY 2023-24 and onwards.

As per RBI guidelines dated 06th March 2023, from FY 2023-24 and onwards, the PSBs have been given the discretion to determine business coverage under Statutory Branch Audit, as per their Board approved policy, after considering bank-specific aspects relating to business and financial risk.

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Further for FY 2023-24 and onwards RBI has given general permission to Public Sector Banks (PSBs) for appointment/reappointment of SBAs, that means RBI will not accords prior approval for appointment of SBAs of PSBs.

As per RBI guidelines, The Board of the Bank shall lay down a policy for engagement of SBAs covering their eligibility criteria, appointment, re-appointment, removal, business coverage and selection of branches for Statutory Branch Audit. The policy, inter-alia, should consider bank-specific characteristic, degree of centralization of processes, need to address fraud risk and credit risk, adverse reports from in ternal/concurrent auditors, whistle blower complaints and unusual pattern/activity shown by internal MIS reports.

I. Eligible Audit Firms:

The list of eligible firms for appointment of Statutory Branch Auditors (SBAs) will be forwarded by RBI. However, the Bank will be guided by the eligibility norms specified in Annex 1A of RBI letter DOS.CO.ARG/S8213/08.91.001/2022-23 dated 06th March 2023. RBI will provide two list of Auditors one containing name of continuing Auditors and other will contain name of Audit firms who are eligible for appointment.

II. Methodology for Selection of Branches:

- Statutory branch audit of the Bank should be carried out so as to cover a minimum of 78% of all funded and 78% of all non-funded credit exposures of the bank.

Financial Year	Audit Coverage (in % of credit exposure)
2024-25 (As per last approved Policy)	Minimum coverage of 78% of all funded and 78% of all non-funded credit exposure of the Bank.
2025-26	Minimum coverage of 78% of all funded and 78% of all non-funded credit exposure of the Bank.



- The selection of branches for statutory audit shall include a representative cross section of rural/semi-urban/urban and metropolitan branches including branches which are not subjected to concurrent audit within a minimum of 78% of all funded and 78% of all non-funded credit exposures of the bank.
- RLH/SME/Agri/Integrated hubs which have separate sol ids would be included for Branch Audit. (RLH/SME/Agri hubs which don't have separate sol ids, they are generally working as separate department in zonal offices and already Included In the annual audit of zonal offices by central statutory auditors every year).
- Centralized hubs like service branches and CPPC Nagpur would be included for branch audit.
- Category B Branches, AMB (Asset Management Branches) would be included for Branch Audit.
- Branches having fraud detected and reported during the FY 2024-25 by Fraud Management Cell, Risk Management Department
- High risk Branches /Special report Branches identified by the Audit & Inspection Department.
- Up to 20% of the Branches will be covered which were not under Statutory Branch Audit in the last past 5 years within a minimum of 78% of all funded and 78% of all non-funded credit exposures of the bank.
- In respect of branches which are subject to concurrent audit by chartered accountants and not selected for Branch Audit, LFARs and other certifications done by the concurrent auditors, shall be consolidated and submitted by the bank to Statutory Central Auditors.

III. Procedure for selection of Audit Firms & eligibility criteria for Branch Audit:

- a. The Bank will select the names of the audit firms for Branch Audit from the list of eligible audit firms forwarded by the RBI. While selecting the names of Audit Firms, firms will be done taking into consideration of their category, location and the size of Branches selected for Audit to the extent possible.
- b. The names of firms selected from non-continuing list together with the names of continuing Branch Auditors will be reported to RBI (through AAS) along



- with details of allocation of branches thereof by uploading in RBI AAS applications.
- c. The actual selection of Branches as well as the allocation of SBAs will be done as per the Board approved methodology and approved by the Audit Committee of the Board (ACB).
 - d. The Audit entity satisfies all criteria laid down in section 141 of the Companies Act, 2013.
 - e. The Audit entity or any of its partners have not been barred from exercising duties as auditor by any regulatory body including the RBI, SEBI, the comptroller and auditor general (C&AG), Government of India, the national financial reporting authority (NFRA) and the institute of chartered accountants of India (ICAI).
 - f. The audit entity is not undertaking audit engagement, either as SBA or Statutory Central Auditor (SCA), of any other PSB for the period of appointment.
 - g. In case the auditor has previously completed four consecutive years as SBA of the bank, at least four years have elapsed after the completion of the last audit engagement as SBA of the same PSB.
 - h. In case of auditor has been appointed as an SCA of the Bank in the past, at least Six years have elapsed after the completion of the last audit engagement as SCA of the same PSB (irrespective of tenure of previous engagement).
 - i. None of the partners of the Audit firm or the proprietor of the audit entity are director in the same PSB.
 - j. The audit entity does not have any common partner(s) with any other SBA of the same PSB and that they are not under the same network of the Audit firms.
 - k. The audit entity meets the criteria for the bank audit experience, number of partners, standing, etc., as laid down in Annex 1A for the audit engagements for the year ending March 31, 2024.
 - l. Committee Approach - A committee of General Managers/Departmental Head from Risk Management, Credit monitoring, Audit & inspection and



Finance Department would shortlist & finalize firms for statutory branch audit from the list of audit firms provided by Reserve Bank of India for Statutory Branch Audit and shall be placed before the Audit Committee of the Board for its approval.

IV. Irrevocable consent:

Before appointing the audit entity, Irrevocable consent will be obtained from the Audit Firm in writing for consideration of appointment/re-appointment as SBA for the particular year and during the subsequent continuing years, respectively, and not to take up Statutory Branch Audit engagement with any other PSB during such period. The Audit entity will be eligible for appointment/re-appointment as a SCA or as SBA of only one PSB during a particular year.

V. Tenure:

SBA Firm will be appointed as SBA for a period of one year at a time up to a period of four consecutive years, subject to the audit firm meeting the eligibility criteria. The appointment of SBA will be made on annual basis subject to their fulfilling the eligibility norms prescribed by RBI from time to time and subject to their performance and suitability. In case the audit firm has previously completed four consecutive years as SBA of our bank, the same audit firms will not be eligible to be re-appointed as SBAs in our Bank after completion of four years tenure at least for one cycle of four years.

VI. Number of Assignment:

One Audit firm can take up audit assignment in one Public Sector Bank only.

VII. Allocation of Branches:

- a. No distinction will be made between the continuing auditors and the fresh auditors.
- b. Bank will allot branches, to the extent possible, to the audit firms in the order of their category in such a way that larger branches are audited by bigger/experienced Audit Firms.
- c. Bank will give assignment to all the auditors approved/considered for appointment.



- d. Allocation of Top 20 Branches shall be allocated to Statutory Central Auditors strictly based on outstanding Advances in such a manner so as to cover minimum 15% of total gross Advances of the Bank

VIII. Maximum Number of Branches to be Audited:

Not more than two (2) branches (irrespective of the size) will be allotted to each of the Statutory Branch Auditors.

IX. Relinquish the Internal Assignments, if any:

In the event of acceptance of the appointment a Statutory Auditor of the Bank all the internal assignments in our bank, if any, will stand withdrawn.

X. Undertakings/ Declarations to be obtained from the firm/firms:

- a. A suitable undertaking would be obtained from the firm /firms to the effect that the Audit will be carried by their own staff and they will not subcontract the Audit Work.
- b. None of the disqualifications under section 226 of the Companies Act, 2013 applies to them and they are qualified for appointment as Statutory Branch Auditors of the Bank.
- c. There are no adverse remarks/disciplinary proceedings pending/ initiated against the firm/any of its partners/proprietor on the records of ICAI, which would make them ineligible for appointment as auditors.
- d. None of the partners of your firm or their spouse, depending children and wholly or mainly dependent parents, brothers, sisters or any of them, OR the firm / company in which they are partners / directors are indebted to our Bank. Further, they have not been declared as wilful defaulters by any Bank or financial institute.
- e. Associate firms or sister concerns of statutory audit firm are disqualified for internal audit or for any special assignment where the main firm/partners are allotted Statutory Audit in a particular year.
- f. Audit firm will take up only one audit assignment in our Bank during any financial year.



- g. The firms whose partner/s is on the Board of the Bank are not eligible to be appointed as auditor of the Bank.
- h. A suitable undertaking would be obtained from firms/partners for fulfillment of eligibility criteria.
- i. The SBA shall report any fraud entailing an amount of Rs. 1 crore or more directly to the Fraud Monitoring Group, Department of Supervision, RBI. Further, the terms of engagement shall require reporting of all material irregularities, including frauds, concurrently to the chairman of the ACB as well as the MD & CEO of the Bank.

XI. Removal/Discontinuation:

An audit firm appointed as Statutory Branch Auditor may be removed during its tenure with the prior approval of the Reserve Bank of India. The Board of Directors of the Bank/ACB will be the competent authority to recommend removal of any SBA to RBI.

XII. Audit of Foreign Branches:

As on date Bank is having two foreign branches at Singapore and Hong Kong. The Audit of existing Foreign Branches and branches which may be opened in future will be governed by the Laws of that country as well as norms prescribed by RBI. International Department, Head Office will ensure compliance with respect to Auditing, Selection of Auditors and payment of remuneration etc.

Audit Fees and Expenses:

Statutory Auditors will be paid fees for audit as per extant RBI guidelines Ref No. Dos.CO.ARG.NO.S8056/08.92.001/2022-23 dated 1st March 2023. In this said guideline, RBI has given fee structure in respect of basic Audit fee only for Head office (based on balance sheet size) and Branches (based on quantum of Advance). Bank will decide fees of all other items of work (such as additional certifications required by SEBI, preparation of LFAR, Scrutiny and incorporation of returns of Branches, auditing of consolidated financial statements, quarterly/half-yearly limited review, other additional certifications/reporting required by RBI etc.) done by Statutory Auditors with the approval of their Board/ACB. Further, the Bank has been given discretion to decide for reimbursement of lodging & boarding

charges, travelling charges, halting allowances and daily conveyance payable to Statutory Auditors in a cost-effective manner in mutual consent with Auditors.

1. Audit of the Head/Central Office as an accounting unit:

Category of banks (On the basis of balance sheet size)	Rate of audit fees (₹)
up to ₹200000 crore	8,42,600/-
Above ₹2,00,000 crore and up to ₹5,00,000 crore	902000/-
Above ₹5,00,000 crore and up to ₹10,00,000 crore	9,61,400/-
Above ₹10,00,000 crore and up to ₹15,00,000 crore	10,20,800/-
Above ₹15,00,000 crore	10,80,200/-

Size of our Balance Sheet falls between ₹2,00,000 crore and ₹ 5,00,000 crore. Hence the fees for Audit of the Head/Central Office as an accounting unit shall stand at ₹ 9,02,000/-.

2. Fees for Statutory Branch Audit work: The Schedule of audit fees admissible to the auditors for the audit work of the branch, depending upon the quantum of total advances **(a to L)** [as on the date with reference to which the audit is conducted] will be as under:

Category of bank branches (on the basis of quantum of advances)	Rates of Audit fees (Amount in Rs.)
a) Up to Rs. 10 crore	44,250/-
b) Above Rs. 10 crore up to Rs. 20 crore	63,250/-
c) Above Rs. 20 crore up to Rs. 30 crore	87,300/-
d) Above Rs. 30 crore up to Rs. 50 crore	1,32,800/-
e) Above Rs. 50 crore up to Rs. 75 crore	1,51,800/-
f) Above Rs. 75 crore up to Rs. 125 crore	2,01,150/-
g) Above Rs. 125 crore up to Rs. 175 crore	2,51,750/-
h) Above Rs. 175 crore up to Rs. 300 crore	3,16,250/-
i) Above Rs. 300 crore up to Rs. 500 crore	3,56,750/-
j) Above Rs. 500 crore up to Rs. 1000 crore	3,95,950/-
k) Above Rs. 1000 crore up to Rs. 5000 crore	4,35,150/-
L) Above Rs. 5000 crore	4,74,350/-



3. Fees for others works/Certification:

SI No	Particulars	Fee Structure
i	Service Branches/Specialized branches i.e. City Back Offices and Central Pension Processing Cell branches RLH/ALH/MSME hub which are working as separate solid and not linked with any zone/Branch	44,250 /- (As minimum fee prescribed by RBI for the branches having advances)
ii	Asset Management Branches/Asset Recovery Branches	25% of the Audit fee payable on the size of the advance portfolio (NPA) of that Asset Management Branch/Asset Recovery Branch
iii	Preparation of Long Form Audit Report	10% of basic audit fees of the Branch 25% of basic audit fees of Head office
iv	Preparation of Long Form Audit Report and other certification by Concurrent Auditors of those Branches not selected for Statutory Branch Audit	15000/- plus applicable taxes per Branch to Concurrent Auditor
v	Scrutiny & incorporation of return of branches by SCAs	Rs. 850/- per branch
vi	Quarterly / Half yearly review by SCAs	20% of the following: - - Basic audit fee of HO - Audit fee of Top 20 branches - Scrutiny & incorporation of return of branches @ Rs.850/- per branch.
vii	Tax Audit Fee	NA (Since Tax Audit discontinued)



viii	Audit of Treasury	NIL being part of Head Office
ix	Cash Flow Statement	Rs. 25000 /- per Half Year
x	Fees for additional certifications	20% of Basic Head Office Audit fee
xi	Additional certificate required by SEBI	Rs. 35,000/- per certificate quarterly
xii	Other Miscellaneous certification a) Certificate for compliance purpose b) Certificate for claiming subsidy/other monetary benefits	a) Rs. 15,000/- b) Rs. 25,000/-
xiii	Certificate for AT-1 Bonds	Rs. 50,000/- (up to issue size of Rs. 5000 cr.) Rs. 1,00,000/- (issue size above Rs. 5000 cr.)

- a. No fee is payable to Branch Auditors for additional attestation
b. No separate TA/HA shall be payable for LFAR.

4. Reimbursement of Travelling and Halting Allowances and Daily Conveyance Charges

For reimbursement of the lodging & boarding charges, travelling allowance and daily conveyance to statutory auditors, the Banks has been given the discretion to decide the same in a cost-effective manner in mutual consent with the auditors. Further, in no circumstances should the rate exceed the IBA prescription for the respective ceiling. The categories of officers linked for the purpose of deciding the ceiling limits are given below.

Category of audit Officials	Equivalent scale of Bank Officials (as per IBA)
Partners/Proprietors	VII – General Manager
Qualified Assistants	III – Senior Manager
Unqualified Assistants	I – Officers



With regard to the reimbursement of travelling, halting allowance and daily conveyance charges, the Bank shall consider as under:

- I. Wherever the Bank has Guest House or Visiting Officers' Flats, the same may be utilized to cater to the needs of the auditors.
- II. Bank will call for such details as are necessary for verification of bills in this regard and the statutory auditors shall furnish such details for verification of the actual expenses.
- III. Where the statutory auditors have their headquarters at a place different from that where the Head/Central Office of the bank is situated, but have an office at the same place as the Head/Central Office of the bank, the TA/HA, if any, should be nominal for the audit. However, to ensure the quality of audit, there will be no objection to the partners of the firm visiting the Head/Central Office of the bank as and when they deem it necessary.
- IV. Where the statutory central auditors or branch auditors 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 will be reimbursed.
- V. All expense bills where GST is charged should have Bank GSTN mentioned on the Invoice. Expenses will be reimbursed on actual basis within the maximum ceiling.
- VI. 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 satisfying himself that the actual expenses have been incurred by a particular auditor and the claims are settled keeping in view the aforesaid RBI guidelines.



FORM B

Eligibility Certificate form (Name and Firm Registration Number of the firm)

1. Particulars of the firm:

Asset Size of Entity as on 31st March of Previous Year	Number of Full-Time partners (FTPs) associated* with the firm for a period of three (3) years	Out of total FTPs, Number of FCA Partners associated with the firm for a period of three (3) years	Number of Full Time Partners/ Paid CAs with CISA/ISA Qualification	Number of Years of Audit Experience#	Number of Professional staff

*Exclusively associated in case of all Commercial Banks (excluding RRBs), and UCBs/NBFCs with asset size of more than ₹ 1,000 crore
#Details may be furnished separately for experience as SCAs/SAs and SBAs

2. Additional Information:

- Copy of Constitution Certificate.
- Whether the firm is a member of any network of audit firms or any partner of the firm is a partner in any other audit firm? If yes, details thereof.
- Whether the firm has been appointed as SCA/SA by any other Commercial Bank (excluding RRBs) and/or All India Financial Institution (AIFI)/RBI/NBFC/UCB in the present financial year? If yes, details thereof.
- Whether the firm has been debarred from taking up audit assignments by any regulator/Government agency? If yes, details thereof.
- Details of disciplinary proceedings etc. against firm by any Financial Regulator/Government agency during last three years, both closed and pending.

3. Declaration from the firm

The firm complies with all eligibility norms prescribed by RBI regarding appointment of SCAs/SAs of Commercial Banks (excluding RRBs)/UCBs/NBFCs (as applicable). It is certified that neither I nor any of our partners / members of my / their families (family will include besides spouse, only 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 / directors¹⁵ have been declared as wilful defaulter by any bank / financial institution.

It is confirmed that the information provided above is true and correct.

Signature of the Partner
(Name of the Partner)
Date:



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/SA

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.

Signature
(Name and Designation)

Date:



Annex 1 A

Eligibility Norms advised by Reserve Bank of India for appointment of Statutory Branch Auditors (SBAs) for the FY March 31,2024, and onwards.

Category	No. of CAs exclusively *associated with the firm (Full time)	No. of partners exclusively associated* with the firm (full time) Out of (2)	Professional Staff #	Bank Audit experience	Standing of the audit firm (@)
(1)	(2)	(3)	(4)	(5)	(6)
Category I	5	3	8	The firm or at least one of the partners should have a minimum of 8 years' experience of branch audit of a public sector bank or of a private sector bank (PVB).	8 years
Category II	3	2	6	The firm or at least one of the partners should have conducted branch audit of a public sector bank /private sector bank for at least 5 years.	6 years (for the firm or at least one partner)
Category III	2	2	4	The firm or at least one of the CAs should have conducted branch audit of a public sector bank/private sector bank for at least 3 years.	5 years (for the firm or at least one partner)
Category IV					
Partnership Firm	2	2	2	Not necessary	3 years
Proprietorship concern	2	1	2	Not necessary	6 years
Proprietorship concern	1	1	2	The proprietor should have conducted branch audit of a public sector bank /private sector bank for at least 3 years	6 years

* 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 or his own name or engaged in practice elsewhere or engaged in other activity which would be deemed to be in practice under Section 2(2) of the Chartered Accountants Act, 1949.
- # Professional Staff (excluding typist, stenographers, computer operators, secretary/ies and sub-ordinate staff etc) implies audit and articled clerks with knowledge in book keeping and accountancy and are engaged in audit.
- @ The Standing of an audit firm would be reckoned from the date of its establishment. For a proprietorship, the period for which the proprietor has been holding a Certificate of Practice issued by the ICAI shall be reckoned for standing.