



## Policy for appointment of Statutory Central Auditors (SCAs) for and from the FY 2014-15

The policy for appointment of SCAs for and from the FY 2014-15 will be as under -

### a. Number of audit firms as SCAs:

RBI has presently grouped the Bank under Category "C"; Public Sector Banks (PSBs) under this category shall have a maximum of four SCA's.

Therefore, the Bank will have four audit firms as SCAs, for and from the FY 2014-15, unless otherwise advised by RBI.

### b. Selection procedure

#### 1. Appointment of continuing SCA firms:

The list of continuing SCA firms will be informed by RBI. Accordingly, their appointment as SCAs during the year will be placed for approval to the Audit Committee of the Board and the Board, subject to declaration on eligibility by the audit firms.

#### 2. Selection and Appointment of new SCA firms in place of retiring auditors:

- The Bank shall consider only those audit firms whose names have been informed by RBI as eligible for appointment as SCAs in PSBs and fulfilling the criteria laid down by RBI for short-listing their selection and appointment.
- Selection of audit firms shall be made from the applications received. Applications from audit firms whose names do not appear in the RBI's list firms shall not be accepted / considered.
- The allotment of vacancies of SCAs' shall be in the ratio of 60:40 between 'Experienced' and 'New audit firms'.
- While short listing the audit firms required by the Bank during the year, subject to the above ceiling, the Bank will be guided by the norms issued by RBI from time to time.
- The Bank will obtain irrevocable consent and undertaking, in accordance with RBI guidelines, from the short listed audit firms for their appointment as SCAs of the Bank.



- The selected audit firms will submit the declaration / undertaking as per Annexure enclosed.
- Chairman & Managing Director, or in his absence, the Executive Director/s is / are authorized to approve the list of firms shortlisted by an internal committee. While short listing the audit firms, the committee will take into consideration, inter-alia, experience of the firm, branch network and other related aspects.

### 3. Approval of RBI

- The list of selected firms, after approval by Chairman & Managing Director, or in his absence, the Executive Director/s, will be placed before the Audit Committee of the Board, recommending their appointment as SCA's.
- Upon concurrence by ACB, the list of the audit firms, shortlisted as above, will be submitted for approval to RBI.
- The appointment of SCA's will be made upon approval by RBI. The final list of the selected audit firms as SCA's of the Bank will be placed to the Board for appointment / approval.

### 4. Tenure of Appointment

- The appointment of SCAs will be made on annual basis, subject to their fulfilling the eligibility norms prescribed by RBI from time to time and subject to their suitability. Such appointment will be for a continuous period of three years, subject to the firms satisfying the eligibility norms.

### 5. Scope of Audit

- The SCA firms will undertake the audit as per the extant RBI guidelines and changes therein from time to time, including that of top 20 branches, Treasury & Investment Banking Branch (Division) and Zonal Offices of the Bank.

### 6. Remuneration

- Remuneration shall be paid to SCA as per RBI guidelines.

### 7. Review of policy

- The above policy will be reviewed periodically as and when guidelines are revised by RBI in this regard. This policy will remain in force till the next review.

(S. M. Methe)  
Deputy General Manager  
Financial Management & Accounts  
Place : Pune  
Date : Feb. 16, 2014



### **Draft Declaration to be submitted by the Audit Firms**

The audit firms short listed for appointment as SCAs have to submit the following declaration / undertaking –

- That the audit firm(s) should be qualified under provisions of the Companies Act, 2013 for appointment as auditors of the Bank. No adverse remarks / disciplinary proceedings shall be pending / initiated against the firm(s) / any of the partners, on records of ICAI.
- The audit firm(s) / any of the partners should not be indebted to the Bank for amount exceeding the amount specified as per Companies Act 2013.
- The audit firm(s) / partner or their close relatives should not be a willful defaulter of any other Bank / Financial Institution.
- The audit firm(s) / partner or their close relatives should not appear in the IBA's caution list of third party entities.
- The audit firm(s) should not carry out any assignment of internal audit of the Bank.
- The audit firm(s) should not enter into sub-contract of the audit assigned to them.
- The audit firm(s) should adhere to all the statutory / regulatory guidelines relating to the audit assignment.