

SREE THYAGARAJA CO-OPERATIVE BANK LTD.

STATUTORY AUDIT POLICY – 2021

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## STATUTORY AUDIT POLICY – 2021

### **1. INTRODUCTION:**

The Reserve Bank of India has issued Guidelines for appointment of Statutory Auditors for UCBs and other entities vide Circular No. DoS. CO.ARG/ SEC. 01/ 08.91.001/ 2021-22 dt. April 27, 2021.

As per Sl.No.10 of the above circular each Entity shall formulate a Board Approved Policy to be hosted on its official website/public domain and formulate necessary procedure thereunder to be followed for appointment of Statutory Auditors.

In view of the above, it is necessary to adopt a Policy for Appointment of Statutory Auditors (SAs)

### **2. AUTHORITY TO FRAME THE POLICY AND MAKE AMENDMENTS/MODIFICATIONS:**

Under the provisions of Clause 58.2 of the Bye-laws of the Bank the Board is the competent authority to frame the Statutory Audit Policy and lay down the Rules, Regulations and Procedures as also to amend or to modify the policy guidelines, rules, regulations and procedures.

### **3. SHORT TITLE AND COMMENCEMENT:**

**3.1** This Policy is called **Statutory Audit Policy** of Sree Thyagaraja Co-operative Bank Ltd., Bengaluru and will be applicable for Financial Year 2021-22 and onwards in respect of appointment/reappointment of SAs of the Entities.

**3.2** As RBI guidelines regarding appointment of SAs shall be implemented for the first time from FY 2021-22, UCBs shall have the flexibility to adopt these guidelines from H2 (second half) of FY 2021-22 in order to ensure that there is no disruption.

**3.3** This Policy Guidelines, Rules, Regulations and Procedures are subject to changes, modifications, additions and deletions to be made from time to time in consonance with the directions/instruction of Reserve Bank of India and Karnataka State Co-operative Audit Department.

**3.4** In case of difficulty or confusion in the meaning or interpretation of any of the provisions of the Policy herein contained, direction/instructions given in RBI Guidelines and its time to time circulars shall prevail.

**3.5** The Policy Guidelines relating to Statutory Audit will come into effect from the date they are approved by the Board of the Bank.

### **4. DEFINITIONS AND MEANINGS:**

Unless the context otherwise requires, the words and expressions in this 'Statutory Audit Policy' shall mean as under

- 4.1 'Auditing Firm'** means a firm of more than one Chartered Accountant within the meaning of the Chartered Accountants Act,1949, who or which shall have a fair knowledge of the functioning of the co-operative societies and shall have an experience of at least six years in auditing and have working knowledge of the Kannada language.
- 4.2 'Bank'** means **Sree Thyagaraja Co-operative Bank Limited, Bengaluru**
- 4.3 'Board'** means the Board of Directors of Sree Thyagaraja Co-operative Bank Limited duly constituted as per the Byelaws of the Bank
- 4.4 'Statutory Auditor'** means the auditing firms enlisted in the panel of auditing firms approved by the Director of Co-operative audit under section 63(20)(ii) of the Karnataka Co-operative Societies Act,1959.

**5. OBJECTIVES OF THE POLICY:**

- 5.1** To monitor and assess the independence of the auditors
- 5.2** Afford necessary transparency and objectivity for most key aspects of this important assurance function.

**6. PRIOR APPROVAL OF RBI:**

- 6.1** UCBs will be required to take prior approval of RBI (Department of Supervision) for appointment/reappointment of SCAs/SAs, on an annual basis in terms of the above-mentioned statutory provisions. For the purpose, they should apply to Department of Supervision, RBI (Regional office of RBI under whose jurisdiction their Head Office is located) before 31<sup>st</sup> July of the reference year.

**7. NUMBER OF SAs AND BRANCH COVERAGE:**

- 7.1** UCBs 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<sub>3</sub> of audit firms. Further, the Entity may finalize the work allocation among SAs, before the commencement of the statutory audit, in consultation with their SAs.
- 7.2** UCBs should decide on the number of SAs based on a Board Approved Policy, *inter alia*, taking into account the relevant factors such as 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.
- 7.3** SAs shall visit and audit at least the Top 20 branches/Top 20% of the branches of the Bank (in case of Banks having less than 100 branches), to be selected in 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.

**8. INDEPENDENCE OF AUDITORS:**

- 8.1** The Board of Directors shall monitor and assess the independence of the auditors. Any concerns in this regard may be flagged by the Board of the UCB to the concerned SSM/RO of RBI.
- 8.2** In case of any concern with the Management of the Entities such as non-availability of information/non-cooperation by the Management, which may hamper the audit process, the SAs shall approach the Board<sub>5</sub>/ACB of the Bank, under intimation to the concerned SSM/RO of RBI.
- 8.3** Concurrent auditors of the Bank should not be considered for appointment as SAs.

**8.4** The time gap between any non-audit works (services mentioned at Section 144 of Companies Act, 2013, Internal assignments, special assignments, etc.) by the SAs for the Bank or any audit/non-audit works for its group entities should be at least one year, before or after its appointment as SAs. However, during the tenure as SA, an audit firm may provide such services to the concerned Entities which may not normally result in a conflict of interest, and Entities may take their own decision in this regard, in consultation with the Board.

**Note:** A conflict would not normally be created in the case of the following special assignments (indicative list):

- (i) Tax audit, tax representation and advice on taxation matters, (ii) Audit of interim financial statements.
- (iii) Certificates required to be issued by the statutory auditor in compliance with statutory or regulatory requirements. (iv) reporting on financial information or segments thereof

**8.5** The restrictions as detailed in para 8.3 and 8.4 above, should also apply to an audit firm under the same network of audit firms or any other audit firm having common partners.

## **9. PROFESSIONAL STANDARDS OF SAs:**

**9.1** The SCAs/SAs shall be strictly guided by the relevant professional standards in discharge of their audit responsibilities with highest diligence.

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

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

## **10. ELIGIBILITY NORMS:**

### **10.1 Basic eligibility norms for audit firms:**

<b>Asset Size of Entity as on 31st March of Previous Year</b>	<b>Minimum No. of Full-Time partners (FTPs) associated with the firm for a period of at least three (3) years</b>  <b>Note 1</b>	<b>Out of total FTPs, Minimum No. of Fellow Chartered Accountant (FCA) Partners associated with the firm for a period of at least three (3) years</b>	<b>Minimum No. of Full Time Partners/ Paid CAs with CISA/ISA Qualification</b>  <b>Note 2</b>	<b>Minimum No. of years of Audit Experience of the firm</b>  <b>Note 3</b>	<b>Minimum No. of Professional staff</b>  <b>Note 4</b>

Above Rs.15,000 Crore	5	4	2	15	18
Above Rs.1,000 crore and upto Rs.15,000 crore	3	2	1	8	12
Up to Rs.1,000 crore	2	1	1*	6	8

\* Not mandatory for UCBs/NBFCs with asset size of upto 1,000 crore.

**Note 1:**

There should be at least one-year continuous association of partners with the firm as on the date of shortlisting for considering them as full time partners. Further, for appointment as SAs with **asset size above 1,000 crore**, at least two partners of the firm shall have continuous association with the firm for at least 10 years.

For UCBs with **asset size above 1,000 crore**, the 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 Board 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, which will ensure the capability of the firm for the purpose.

**Note 2: CISA/ISA Qualification:**

For UCBs with **asset size upto 1,000 crore**, there is **no minimum requirement** in this regard. However, such Entities may give priority to firms with full time partners or full time CAs having 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.

**Note 3: Audit Experience:**

Audit experience shall mean experience of the audit firm as Statutory Central/Branch Auditor of Commercial Banks (excluding RRBs)/ UCBs/NBFCs/ 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 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 empanelment (for PSBs)/ shortlisting (for other Entities) for considering them as professional staff for the purpose.

## 10.2 Additional Consideration

- (i) The audit firm, proposed to be appointed as SAs for Entities, 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 Entities shall ensure that appointment of 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 any Entity, the said firm shall not be appointed as SA of any of the group entities of that Entity.
- (v) The auditors for Entities with **asset size above 1,000 crore** 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.
- (vi) For audit of UCBs, the SA of the firm should have a fair knowledge of the functioning of the cooperative sector and shall preferably have working knowledge of the language of the state in which the UCB/branch of the UCB is located.

## 10.3 Continued 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 the Entity 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.

## 11. Audit Fees and Expenses

- 11.1** The audit fees for SAs of all the Entities shall be decided in terms of the relevant statutory/regulatory provisions.
- 11.2** The audit fees for SAs of all the Entities 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.
- 11.3** The Board of Entities shall make recommendation to the competent authority as per the relevant statutory/regulatory instructions for fixing audit fees of SAs.

## 12. Tenure and Rotation

- 12.1** In order to protect the independence of the auditors/audit firms, Entities will have to appoint the SAs for a **continuous period of three years**, subject to the firms satisfying the eligibility norms each year. Further, UCBs can remove the audit firms during the above period only with the prior approval of the concerned office of RBI (Department of Supervision), as applicable for prior approval for appointment.
- 12.2** An audit firm would not be eligible for reappointment in the same Entity for six years (two tenures) after completion of full or part of one term of the audit tenure (In case an audit firm has conducted audit of any Entity for part-tenure (1 year or 2 years) and then not appointed for remainder tenure, they also would not be eligible for reappointment in the same Entity for six years from completion of part-tenure).
- 12.3** One audit firm can concurrently take up statutory audit of a maximum of eight UCBs during a particular year, subject to compliance with required eligibility criteria and other conditions 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 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.

## 13. PROCEDURE FOR APPOINTMENT OF STATUTORY AUDITORS:

- 13.1** Each Entity shall formulate a Board Approved Policy to be hosted on its official website/public domain and formulate necessary procedure thereunder to be followed for appointment of SAs. Apart from conforming to all relevant statutory/regulatory requirements in addition to these instructions, this should afford necessary transparency and objectivity for most key aspects of this important assurance function.
- 13.2** The Entities shall shortlist **minimum of 2 audit firms** for every vacancy of SAs 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 SAs does not get delayed. However, in case of reappointment of SAs by the Bank 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.
- 13.3** The Bank shall place the name of shortlisted audit firms, in order of preference, before their Board for selection as SA. Upon selection of SAs by the Bank in consultation with their Board and verifying their compliance with the eligibility norms prescribed by RBI, the Bank shall seek RBI's prior approval for appointment of SAs.
- 13.4** The Bank shall obtain a certificate, along with relevant information as per **Form B**, from the audit firm(s) proposed to be appointed as SAs 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 SAs of the Entities, under the seal of the said audit firm.
- 13.5** The 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**, stating that the audit firm(s) proposed to be appointed as SAs by them comply with all eligibility norms prescribed by RBI for the purpose.

**13.6** While approaching the RBI for its prior approval for appointment of SAs, Bank shall indicate their total asset size as on March 31<sup>st</sup> the previous year (audited figures), forward a copy of Board/ACB Resolution recommending names of audit firms for appointment as SAs in the order of preference and also furnish information as per **Form B** and **Form C** as mentioned above, to facilitate expeditious approval of appointment/re-appointment of the concerned audit firm.

## **FORM B**

### **Eligibility Certificate from (Name and Firm Registration Number of the firm)**

#### **A. Particulars of the firm:**

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

\*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

#### **B. Additional Information:**

- (i) Copy of Constitution Certificate.
- (ii) 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.
- (iii) 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.
- (iv) Whether the firm has been debarred from taking up audit assignments by any regulator/Government agency? If yes, details thereof.
- (v) Details of disciplinary proceedings etc. against firm by any Financial Regulator/Government agency during last three years, both closed and pending.

#### **C. Declaration from the firm**

The firm complies with all eligibility norms prescribed by RBI regarding appointment of SCAs/SAs of UCBs. 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 / directors have been declared as willful defaulter by any bank / financial institution. (For the purpose of this declaration, the credit facilities availed by companies where the partner of a firm has been appointed as non-executive director in a professional capacity having no financial interest shall not be included).

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

Signature of the Partner  
(Name of the Partner)

Date:  
Place:



**FORM C**

**Certificate to be submitted by the regarding eligibility of audit firm proposed to be appointed as SA**

1. **Sree Thyagaraja Co-operative Bank Ltd., Bengaluru** 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 1<sup>st</sup>/2<sup>nd</sup>/3<sup>rd</sup> 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. **Sree Thyagaraja Co-operative Bank Ltd.**, 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 Sree Thyagaraj Co-operative Bank Ltd. as SCA/SA/SBA.
4. **Sree Thyagaraj Co-operative Bank Ltd.** 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:

**FORMAT FOR SEEKING INFORMATION FROM THE AUDIT FIRMS:**

<b>Sl. No.</b>	<b>PARTICULARS</b>	
1	Name of the Firm ( <b>Please furnish the self- attested copy of Constitution Certificate</b> )	
2	Firm Registration No.	
3	Date of formation of the Firm	
4	Date of merger (if any)	
5	RBI Unique Code (if any)	
6	Firm's PAN (Please furnish the Firm's Financial Statements Income Tax Returns along with computation of income)	
7	Karnataka Co-operative Audit Department Empanelment No.	
8	No. of Partners	
9	No. of Full Time Partners(FTP) associated with the firm more than 3 years (There should be at least 1 year continuous association of partners with the firm as on the date of application for considering them as full time partners)	
10	Out of total FTPs, Number of FCA Partners associated with the firm for a period of three (3) years	
11	Number of Full Time Partners/ Paid CAs with CISA/ISA Qualification	
12	Number of years of Audit Experience	
13	Number of Professional staff and the period of their association with firm (for each 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.)	
14	No. of years of Audit Experience of the firm (Details may be furnished separately for experience as SCAs/SAs and SBAs)	
15	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.	
16	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	
17	Whether the firm has been debarred from taking up audit assignments by any regulator/Government agency, NFRA, ICAI,RBI or other regulators? If yes, details thereof.	
18	Details of disciplinary proceedings etc. against firm by any Financial Regulator/Government agency during last three years, both closed and pending.	
19	Whether the firm has a fair knowledge of the functioning of the cooperative sector?	
20	Whether the firm has working knowledge of Kannada language?	

21	Whether the audit firm is qualified for appointment as auditor of a Company in terms of Section 141 of the Companies Act,2013?	
22	Are any of the partners are directors of any other UCB's? If so, furnish the details	
23	Whether the firm have capability and experience in deploying Computer Assisted Tools and Techniques (CAATTs) and Generalized Audit Software(GAS)?	

**Note: Please fill-up the Form B and enclose the same**

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

(on the letter head of the audit firm)

**A. Particulars of the firm:**

<b>Asset Size of Entity as on 31st March of Previous Year</b>	<b>Number of Full Time Partners (FTP)s associated* with the firm for a period of three (3 ) years</b>	<b>Out of total FTPs, Number of FCA Partners associated with the firm for a period of three (3) years</b>	<b>Number of Full Time Partners/ Paid CAs with CISA/ISA Qualification</b>	<b>Number of years of Audit Experience #</b>	<b>Number of Professional staff</b>
Up to Rs.1,000 crore					

\*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

**B. 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.

**C. Declaration from the firm**

The firm complies with all eligibility norms prescribed by RBI regarding appointment of SCAs/SAs of UCBs. 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 / directors have been declared as willful defaulter by any bank / financial institution. (For the purpose of this declaration, the credit facilities availed by companies where the partner of a firm has been appointed as non-executive director in a professional capacity having no financial interest shall not be included).

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

Signature of the Partner

(Name of the Partner)

(Seal of the firm)

(Should be signed by the main partner/s)

Date:

Place:

**Format of Letter of Consent** (On the letter head of the Audit Firm)

Ref No:

Date:

The Chief Executive Officer  
Sree Thyagaraja Co-operative Bank Ltd.  
No.5, 9th Cross, N.R.Colony  
Bengaluru – 560 019.

Dear Sir,

**SUB: IRREVOCABLE CONSENT TO ACCEPT THE ASSIGNMENT OF STATUTORY  
AUDITOR OF THE BANK FOR THE PERIOD FROM 01.04.20....TO 31.03.20.....**

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1. We hereby convey our irrevocable consent to accept the assignment of Statutory Audit work of the Bank for the period from 01.04..... to 31.03.....
2. We are aware that our appointment will be subject to the approval of Reserve Bank of India and any force majeure events and in such cases, we will not have any claim against the Bank and RBI.
3. We here by confirm that our appointment is subject to complying with the stipulated norms (including the ceiling on acceptance of number of UCBs) on eligibility and guidelines issued by the Reserve Bank of India.
4. We hereby further confirm that the information furnished in **Form B** and the details of firm are true and correct.
5. We hereby convey our acceptance that the remuneration, TA/DA and other incidental expenses will be paid as per the relevant statutory/regulatory provisions.
6. We undertake that the audit work will be carried out by our own staff and we will not subcontract the audit work.
7. We further undertake that in the event of acceptance of the appointment as Statutory Auditor of the Bank, all the internal assignments if any, will stand withdrawn.

Yours faithfully,  
Signature of the Partner  
(Name of the Partner)  
(Seal of the firm)  
(Should be signed by the main partner/s)  
Date:  
Place: