Policy on "Statutory Audit", covering-

1. **A**ppointment / **R**e- **A**ppointment of **S**tatutory **C**entral / **B**ranch **A**uditors.
2. **I**dentification of **A**uditor for **I**FSC **B**anking **U**nit (IBU).
3. **R**emuneration / **I**ncidental **E**xpenses payable to **S**tatutory **C**entral / **B**ranch **A**uditors.
4. **N**orms of **B**usiness **C**overage / **S**election of **B**ranches for **S**tatutory **A**udit.
5. **L**ong **F**orm **A**udit **R**eport (By **S**tatutory **C**entral / **B**ranch **A**uditors) & Observations by Statutory Central Auditors.
6. **I**nternal **F**inancial **C**ontrol **O**ver **F**inancial **R**eporting.
7. **L**imited **R**eview **G**uidelines.
8. **D**isclosure **R**equirements.
9. Formats.

For the FY **2**026-**2**7 & onwards.

Central Bank of India (hereinafter, the Bank) attaches the greatest importance to the independence and quality standards of the Statutory Audit (SA) function. Apart from being an essential balancing dimension in a Corporate's/ Bank's organizational structure, it constitutes a statutory and regulatory requirement for providing the final and omnibus assurance of corporate integrity to all internal and external stakeholders. The Bank is committed to fostering and upholding the highest standards of integrity and quality in Governance, Regulatory & Corporate reporting.

Objective: To formulate and adopt a Board approved policy for the Bank, governing the appointment/ reappointment of Statutory Central/Branch Auditors, norms of business coverage (2026-27 & onwards) along with selection of branches for Statutory Audit, which would ensure transparency, objectivity, independence of the audit function and compliance with all statutory and regulatory stipulations.

Guidelines covered: The following guidelines were covered while preparing the policy, as under:

Regulator	Citation	Circular Name & Reference	Reference	Date
a. Reserve Bank of India	R-1	Reserve Bank of India (Commercial Banks – Statutory Audit) Directions, 2026.	RBI/DoS/2026-27/414 - DoS. CO. ARG. 8/08.91.001/2026-27	July 31st, 2026
b. Reserve Bank of India	R-2-1 & R-2-2	(I) Revised Guidelines for Appointment / Re-Appointment of Statutory Branch Auditors of Public Sector Banks. (II) Norms on Business Coverage under Statutory Branch Audit of Public Sector Banks.	Ref. DoS. CO. ARG / S8213 / 08.91.001/ 2022-23, Read with Ref. Dos. ARG. No. S512/08.91.001/2023-24	March 06, 2023 & April 24,2023
c. Reserve Bank of India	R-2-3	Appointment / Reappointment of Statutory Branch Auditors (SBAs) in Public Sector Banks for the FY 2023-24.	Ref. DoS. CO. ARG. No. 10136/08. 15. 008 /2023-24	March 15,2024
d. Reserve Bank of India	R-2-4	Appointment / Reappointment of Statutory Branch Auditors (SBAs) in Public Sector Banks for the FY 2024-25.	Ref. DoS. CO. ARG. No. S9000/ 08.15.008/2024-25	March 19,2025

e. Reserve Bank of India	R-2-5	Appointment / Reappointment of Statutory Branch Auditors (SBAs) in Public Sector Banks for the FY 2025-26.	Ref. DoS. CO. ARG. No. S9582 /08. 15. 008/2025-26	March 20, 2026
f. Reserve Bank of India	R-3	Appointment of Statutory Central Auditors in Public Sector Banks- Reporting Obligation for SCAs from FY 2019-20. (IFCO-FR)	DoS. ARG. No. 6270/ 08. 91. 001 / 2019-20	March 17,2020
g. SEBI	R-4	SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015	No. SEBI/LAD-NRO/GN/2015-16/013 (As amended time to time).	September 02, 2015
h. MCA	R-5	THE COMPANIES ACT, 2013.	As Amended.	
i. MCA	R-6	The Companies (Audit and Auditors) Rules, 2014	As Amended.	
j. RBI	R-7	Remuneration of Statutory Central Auditors (SCAs) and Statutory Branch Auditor (SBAs) – The Banking Laws (Amendment) Act, 2025	RBI / 2026-27/ Ref. No. DoS. CO. ARG / S477/ 08. 92. 001/2026-27	April 17, 2026
k. Misc	R-8	The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970	As amended on 1st August 2025.	

Coverage of the Policy:

1. **A**ppointment / **R**e- **A**ppointment of **S**tatutory **B**ranch / **C**entral **A**uditors.
2. **I**dentification of **A**uditor for **I**FSC **B**anking **U**nit (IBU).
3. **R**emuneration / **I**ncidental **E**xpenses payable to **S**tatutory **B**ranch / **C**entral **A**uditors.
4. **N**orms of **B**usiness **C**overage / **S**election of **B**ranches for **S**tatutory **A**udit.
5. **L**ong **F**orm **A**udit **R**eport (By SCA & SBA).
6. **I**nternal **F**inancial **C**ontrol **O**ver **F**inancial **R**eporting.
7. **L**imited **R**eview **G**uidelines.
8. **D**isclosure **R**equirements.

Governance and Oversight: Role of the Board and Senior Management-

- The bank shall decide on the number of SCAs based on a Board approved policy, inter alia, considering 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 and any other relevant factors.

- The 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 shall be flagged by the ACB to the Board of Directors of the bank and the concerned Senior Supervisory Manager (SSM), Department of Supervision (DoS), RBI.

- The Board / ACB of the bank shall review the performance of SCAs on an annual basis. The bank shall report any serious lapses or negligence in audit responsibilities or conduct

issues on part of the SCAs or any other matter considered as relevant to DoS, RBI within two months from completion of the annual audit. The bank shall send such reports with the approval / recommendation of the Board / ACB, with full details of the audit firm. The Board shall review the performance of SCAs / SAs in case ACB is non-existent in the bank.

- The Board / ACB of the bank shall make recommendations to the competent authority as per the relevant statutory / regulatory instructions for fixing of audit fees of SCAs / SAs.

- The bank 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 SCAs / 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.

- 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 methodology approved by the Board for business coverage and selection of branches shall, inter-alia, consider bank-specific characteristics, degree of centralization of processes, need to address fraud risk and credit risk, adverse reports from internal/ concurrent auditors, whistle blower complaints and unusual patterns/ activity shown by internal MIS reports. It should also ensure that a representative cross section of rural, semi-urban, urban and metropolitan branches is covered, including branches that are not subjected to concurrent audit. This methodology shall be reviewed and updated regularly.

- The Bank shall allot the top 20 branches (to be selected strictly in descending order of outstanding advances) to the SCAs and shall ensure that at least 15 per cent of the gross advances of the bank are covered by branches under SCAs.

- The actual selection of branches as well as the allocation of SBAs shall be done as per the Board approved methodology and approved by the Audit Committee of the Board (ACB).

- It shall be ensured that selection and allocation of branches to SBAs is made in a transparent, fair and judicious manner. Not more than two branches shall be allotted to each SBA.

- The Board approved policy for selection and appointment of auditors shall be placed on the official website of the bank. The Bank shall also disclose on website the extent of business coverage under statutory branch audit for the respective year and the previous year with effect from FY 2023-24.

Applicability/Validity of the Policy:

This policy is valid for the Financial Year 2026-27 & onwards & covers Bank and its foreign Branch, only. This policy shall be reviewed by the Board as and when any changes are to be incorporated in the Policy, due to change in applicable law or regulation, or at least once in every three years and updated accordingly.

The policy for the FY 2026-27, was approved by 779th Board Meeting, held on 24th March 2026. Reserve Bank of India consolidated certain circulars (Reserve Bank of India (Commercial Banks – Statutory Audit) Directions, 2026. (RBI/DoS/2026-27/414 - DoS.CO.ARG.8/08.91.001/2026-27) dated July 31st, 2026) necessitated this review in policy.

Conflict in Policy:

In the event of a conflict between this Policy and the extant regulations or laws or Reserve Bank of India directives (as may be amended, replaced, restated, from time to time) the regulations and laws shall prevail.

Redressal of Grievances:

Any Grievances shall be placed before the COVH (COMMITTEE OF VERTICAL HEADS), constituted for Statutory Audit related matters.

Quorum shall be all members present, apart from Vertical Head- F & A/ CFO, out of above. In case of absence of the committee member, alternate VH (as designated by HCM Department) shall act as committee member.

The Committee will dispose of grievances/complaints (if any) regarding the selection of Statutory Central Auditors or Statutory Branch Auditors and allotment of Branches to them.

The timeline for Redressal of such grievances shall be 15 working days. In case of any difference in opinion/ dispute, Bank shall be following the best practices of the industry.

The modification/changes, if any, made by RBI in norms/criteria/procedure from time to time shall construe to be part of our policy and supersede the existing guidelines available at Banks website automatically.

Standard Formats:

Standard formats for collecting information from the CA firms, willing to be appointed as Statutory Central / Branch Auditors are enclosed with the policy. Any formats, mentioned above, are subject to modifications, as per requirements during the actual appointment process.

Obligation of the firm(s) on Disclosure, willing to get appointed as Statutory Central / Branch Auditors:

The verification of the credentials of the SCA/SBA firms shall be based on the limited information available in the list provided by Reserve Bank of India and the details furnished by the firms.

Bank shall verify the details to the possible extent and shall not be made liable for any factual incorrect information/ concealment of facts provided/ made by the firms, during appointment/ during their tenure.

Firms, which are willing to apply for Statutory Central Auditor are required to desist from accepting any assignment from the Bank &/or its group entities, as mentioned in section 144 of Companies Act 2013.

A time gap of one year from the date of release of list by Reserve Bank of India (Calendar year) must be explicitly maintained in this regard, before accepting SCA.

Failure to satisfy the above stipulation shall lead to non-selection/ cancellation of appointment. This clause shall be effective for all new selection made after this policy date.

Prerequisite / Restriction for CA firms, willing to accept SBA, is mentioned in respective section.

However, firms,

1. Firm may desist from applying for Statutory Branch Auditor, if they are entrusted with / have taken up, other assignment from the Bank.
2. Firm may refrain from taking up other assignments, concurrently, during their tenure as Statutory Branch Auditors.

Definitions:

(1) 'All India Financial Institutions' shall mean National Bank for Agriculture and Rural Development (NABARD), Small Industries Development Bank of India (SIDBI), National Housing Bank (NHB), Export-Import Bank of India (EXIM Bank) and National Bank for Financing Infrastructure and Development (NaBFID) as established under their respective statutes, (hereinafter collectively referred to as 'AIFIs').

(2) 'Audit Firm' shall mean a partnership firm or Limited Liability Partnership (LLP).

(3) 'Group Entities' shall mean two or more entities related to each other through any of the following relationships, viz. Subsidiary - parent [defined in terms of Accounting Standards (AS) 21], Joint venture (defined in terms of AS 27), Associate (defined in terms of AS 23), Promoter - Promotee [as provided in the SEBI (Acquisition of Shares and Takeover) Regulations, 1997] for listed companies, a related party (defined in terms of AS 18), Common brand name, and investment in equity shares of 20 per cent and above.

(4) "Large Exposure" or "LE" shall have the same meaning as defined in the Reserve Bank of India (Commercial Banks – Concentration Risk Management) Directions, 2025.

(5) 'Public Sector Banks (PSBs)' (individually as a 'PSB') shall refer to State Bank of India and corresponding new banks collectively.

Role of Committee of Executives / Vertical Heads-

Board Agenda vide BM/770/2025-26/04/ dated 19.07.2025 - Board Directed that all policies should contain designation in agnostic terms i.e. Vertical Head, Head of Dept. instead of using designations such as CGM, GM, DGM etc. Hence, the designations mentioned in the policy are to be interpreted in Agnostic Terms only.

A selection committee of Vertical Head shall be in place consisting of the following members, who will oversee the processes & recommend to the ACB (if required), as under:

1. Identification of Statutory Central Auditor.
2. Identification of Auditor for IFSC Banking Unit.
3. Identification of Branches for Statutory Branch Audit & finalization of vacancy position.
4. Identification of Statutory Branch Auditor.
5. Redressal of Grievances.

The members of the committee are as under:

VH (F &A, CA & ID, SAM & Recovery, Cr. Monitoring, Chief Risk Officer & CCO in advisory role, only).

The quorum of the committee will be of all participating Vertical Heads.

In case of absence of any member, the alternate Vertical Head will be a member of the committee.

The meeting of the members shall be convened by Dy. General Manager- F & A/ Asst. General Manager- F & A.

This committee shall be referred as COVH (Committee of Vertical Heads) in all relevant section of the policy.

1. ***A. Appointment / Re- Appointment of Statutory Central Auditors:***

   a. Number of Statutory Central Auditors / Statutory Auditors and Branch Coverage-

   i. Bank with asset size (asset size = total asset, published Balance Sheet) of ₹15,000 crore and above as at the end of previous year, shall ensure to get their statutory audit conducted under joint audit by a minimum of two audit firms.

   ii. The number of SCAs appointed by the banks are adequate, commensurate with the asset size and extent of operations of the banks, with a view to ensure that audits are conducted in a timely and effective manner. The indicative maximum limit, with respect to asset size, as prescribed by Reserve Bank of India, are as under:

Sr. No.	Asset Size of the Bank *(Amount in Crores)*		Maximum Number of SCAs
	Above	Up to	
1.	₹0	₹5,00,000	4
2.	₹5,00,000	₹10,00,000	6
3.	₹10,00,000	₹20,00,000	8
4.	₹20,00,000	No Limit	12

   The asset size of the Bank as of March 31, 2026, is ₹5,49,479 crore & Bank can opt for the second slab by appointing 6(Six) Statutory Central Auditors. However, depending on the requirement (adequate, commensurate with the asset size and extent of operations of the bank), Bank shall be continuing with 4(four) Statutory Central Auditors.

   iii. Bank shall finalize the work allocation among SCAs, before the commencement of the statutory audit, in consultation with their SCAs.

   iv. Joint auditors of the bank do not have any common partners, and they are not under the same network of audit firms as defined in Rule 6(3) of the Companies (Audit and Auditors) Rules, 2014. Compliance of this point shall be ensured based on the declaration, provided by the interest firms.

   v. Bank shall allot the top 20 branches (to be selected strictly in order of the level of outstanding advances) to SCAs in such a manner as to cover a minimum of 15 per cent of the total gross advances of the bank by SCAs.

   vi. Bank shall finalize the work allocation among SCAs, before the commencement of the statutory audit, in consultation with their SCAs.

b. <u>Eligibility Criteria of Auditors-</u>

i. Basic Eligibility:

The eligibility norms, for a CA firm, willing to be appointed as Statutory Central Auditor, are as under:

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

Note 1A: There shall be at least one-year continuous association of partners with the audit firm as on the date of empanelment (for Public Sector Banks) for considering them as full-time partners, with, at least two partners of the firm shall have continuous association with the firm for at least 10 years.

Note 1B: The full-time partner's association with the audit firm shall mean 'exclusive association'. The definition of 'exclusive association' will be based on the following criteria:

(1) The full-time partner should not be a partner in another audit firm(s).

(2) They should not be employed full time / part time elsewhere.

(3) They should not be practicing in their 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.

(4) The income of the partner from the firm / Limited Liability Partnership (LLP) should not be below the threshold limits prescribed by the Office of Comptroller and Auditor General (CAG) for the purpose of consideration as full-time partners for appointment as auditors of Public Sector Undertakings.

Note 2: Certified Information Systems Auditor (**CISA**) / Information Systems Audit (**ISA**) Qualification: At least one-year continuous association of Paid CAs with CISA / ISA qualification with the firm as on the date of empanelment.

Note 3: Audit Experience: Audit experience shall mean experience of the audit firm as Statutory Central / Branch Auditor of Commercial Banks, Small Finance Banks, Payment Banks, Local Area Banks or AIFIs. In case of merger and demerger of audit firms, merger effect will be given after two years of merger while demerger shall 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 / stenographers / computer operators / secretaries / subordinate staff. There should be at least one-year of continuous association of professional staff with the audit firm as on the date of empanelment for considering them as professional staff for the purpose.

ii. Additional Consideration:

(1) The audit firm proposed to be appointed as SCAs for the bank, should be duly qualified for appointment as auditor of a company in terms of Section 141 of the Companies Act, 2013.

(2) 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.

(3) The firm must make adequate disclosure, so that, the Bank shall be in a position to ensure that, appointment of SCAs 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.

(4) If any partner of an audit firm is a director in any PSB, the said firm shall not be appointed as SCAs of any PSB. Further, if any partner of an audit firm is a director in any bank, the said firm shall not be appointed as SCAs of any of the group entities of that bank.

Explanation:

The Group Entities here refer to the RBI regulated entities in the Group, which fulfil the definition of Group Entity, as provided in the definition. Therefore, if any partner of an audit firm is a director in an RBI regulated entity in the Group, the said firm shall not be appointed as SCAs of any of the RBI regulated entities in the Group.

However, if an audit firm is being considered by any of the RBI regulated entities in the Group for appointment as SCAs, whose partner is a director in any of the Group Entities (which are not regulated by RBI), the said audit firm shall make appropriate disclosures to the ACB as well as Board.

(5) The SCAs for a bank 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 bank where the accounting and business data reside in order to achieve audit objectives.

iii. Continued Compliance with Basic Eligibility Criteria:

(1) In case an audit firm (after appointment) fails to comply with any of the eligibility norms (on account of reasons such as resignation or death of any of the partners / employees, action by Government Agencies, NFRA, ICAI, RBI, and other financial regulators), it shall promptly approach the bank with full details.

Further, the audit firm shall take all necessary steps to regain eligibility within a reasonable time and in any case, the audit firm must comply with the above norms before commencement of Annual Statutory Audit for Financial Year ending 31st March and till the completion of annual audit.

(2) In case of any extraordinary circumstance after the commencement of audit, like death of one or more partners, employees or any other reason, which makes the audit 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.

c. Independence of Auditors-

i. 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 / LM of the bank, under intimation to the concerned SSM of RBI. The SCAs shall directly approach the Board only when the bank does not have an ACB or when they notice a matter of concern involving any member of the ACB.

ii. Concurrent auditors of the bank should not be considered for appointment as SCAs of the same bank.

iii. 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.

Explanation: These Directions do not prohibit an audit firm from doing audit of any company / entity with Large Exposure to the bank from being appointed as SCAs of the bank. It only stipulates that this aspect should also be explicitly factored while assessing independence of the SCAs. In this

regard, the Board / ACB / LM shall see that there is no conflict of interest, and the independence of auditors is ensured.

iv. Before appointment or after completion of the audit assignment as SCAs, the time gap between any non-audit works (services mentioned in Section 144 of Companies Act, 2013, internal assignments or special assignments) by the SCAs for the bank or any audit / non-audit works for its Group Entities should be at least one year. However, during the tenure as SCA, an audit firm may provide such services to the concerned bank which may not normally result in a conflict of interest, and bank shall take its own decision in this regard, in consultation with the Board / ACB / LM. A conflict of interest would not normally arise in the case of following special assignments (indicative list):

(1) Tax audit, tax representation and advice on taxation matters.

(2) Audit of interim financial statements.

(3) Certificates required to be issued by the SCA in compliance with statutory or regulatory requirements.

(4) Reporting on financial information or segments thereof.

Explanation: The Group Entities refer to the RBI regulated entities in the Group, which fulfil the definition of Group Entity, as provided in the Directions. However, if an audit firm engaged with audit / non- audit works for the Group Entities (which are not regulated by RBI) is being considered by any of the RBI regulated entities in the Group for appointment as SCAs, it shall be the responsibility of the Board / ACB / LM of the concerned RBI regulated entity to ensure that there is no conflict of interest and independence of auditors is ensured, and this should be suitably recorded in the minutes of the meetings of Board / ACB / LM.

v. The restrictions, regarding Concurrent Audit, Non-Audit work – as mentioned in Section 144 of Companies Act 2013 & factoring of LEF related information, as above, shall also apply to an audit firm under the same network of audit firms or any other audit firm having common partners, as defined in Rule 6(3) of the Companies (Audit and Auditors) Rules, 2014.

1. For the purpose of these Directions, a group of audit firms having common partners and / or under the same network, will be considered as one entity and they shall be considered for allotment of SCAs accordingly.
2. 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.

d. Independence of Auditors-

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

ii. In the event of lapses in carrying out audit assignments resulting in misstatement of a bank's financial statements, and any violations / lapses vis-à-vis RBI's directions 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.

e. ***Tenure & Rotation-***

i. In order to protect the independence of the auditors, the bank shall appoint the SCAs for a continuous period of three years, subject to the firms satisfying the eligibility norms each year.

ii. The audit firms which have already completed tenure of one year or two years with any bank may be permitted to complete the balance tenure only, i.e., two years and one year, respectively, if they fulfil the eligibility norms on an annual basis.

iii. Further, the bank can remove the audit firms during the above period only with the prior approval of the DoS, RBI, as applicable for prior approval for appointment, as mentioned at Paragraph 32(1) of these Directions.

iv. Upon completion of the prescribed tenure of three years of the SCA and until appointment of the incoming SCAs for the relevant financial year, the outgoing SCAs of the bank may continue for the Limited Review of financial statements for ensuing quarter(s), in accordance with the provisions of this Direction and the applicable statutory requirements.

v. An audit firm shall not be eligible for reappointment in the same bank 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 bank for part-tenure (one year or two years) and then not appointed for remainder tenure, then also it shall not be eligible for reappointment in the same bank for six years from completion of part-tenure. The audit firms can continue to undertake statutory audit of other entities.

vi. The following limits are applicable in respect of audit of all RBI regulated entities, irrespective of the asset size.

One audit firm can concurrently take up statutory audit of a maximum of four Small Finance Banks, Payment Banks, Commercial Banks and Local Area Banks (but not more than one PSB or one AIFI or RBI), eight UCBs,

eight NBFCs and five St.CBs / CCBs (including not more than one StCB) during a particular year, subject to compliance with required eligibility criteria and other conditions for each bank and within overall ceiling prescribed by any other statutes or rules.

f. ***Audit Fees & Expenses-***

Described in schedule – 3.

g. Appointment Procedure / Standard Operating Procedure for Appointment:

i. The appointment / re-appointment of Statutory Central Auditor is a time bound process & the same shall be completed by a month's time, from the receipt of list of CA firms, from Reserve Bank of India, if not otherwise, specified by Reserve Bank of India.
(In this context, the relevant section G.32.1 is reproduced below:
The bank shall obtain prior approval of DoS, RBI for appointment / reappointment of SCAs / SAs, on an annual basis in terms of the above-mentioned statutory provisions. For the purpose, the bank shall apply to DoS, RBI before 31st July of the reference year and the PSBs shall approach RBI within one month of receipt of list of eligible audit firms from RBI. For the purpose, all Commercial Banks in India shall approach the Central Office of RBI (Department of Supervision).

ii. Bank shall shortlist minimum of two audit firms for every vacancy of SCAs so that even if audit firm at first preference is found to be ineligible / refuses appointment, the audit firm at second preference can be appointed and the process of appointment of SCAs does not get delayed.

iii. However, in case of reappointment of SCAs by a bank till completion of tenure of continuous term of three years, there shall not be any requirement of shortlisting and sending names of multiple audit firms to RBI while seeking approval to appointment.

iv. Bank shall shortlist audit firms from the said list of eligible audit firms as received from RBI. The list is not ranked in any order & all firms are eligible for selections, for all Banks, provided they complies the norms, as above. Based on certain objective criteria (like number of full-time partners / Professional staff/ CISA / ISA qualified partners / Paid Cas / FCAs, experience in diverse domain/ suitability etc.) Bank shall shortlist firms for appointment of SCAs.

v. The shortlisting / identification shall be done by the COVH (COMMITTEE OF VERTICAL HEADS), which will recommend the shortlisted firms to the ACB. COVH (COMMITTEE OF VERTICAL HEADS) shall meet at least twice, to finalize the CA firms, after due deliberation.

vi. The firms, expressed their interest, or having repute, shall be cross checked for the following points:
    a. Appearance of name in Reserve Bank of India list.
    b. Assignments, undertaken in the Bank / Bank group in past 1 year, for prohibition clause.
    c. Firms name appearing in NFRA list of order / debarment / AQR & FAQR, for prohibition clause.

vii. Then the eligible applications shall be graded through a matrix, as under, followed by Demonstration & Discussion (Hereinafter D&D).

viii. COVH shall recommend two / three names against each vacancy before the ACB. For this purpose, the scoring of Matrix shall be considered for calling for D&D.

	Parameter
1.	Firm name available in RBI List.
2.	Standing of the Firm.
3.	No of FTP associated with the firm for a period of at least 3 years.
4.	No of FCA partners (out of FTP mentioned in 3) associated with the firm for at least 3 years.
5.	No of FTP / Paid CA (With 1-year continuous association) having CISA / ISA
6.	Experience as Statutory Central / Branch Auditor of Commercial Banks / AIFIs.
7.	Experience as Statutory Branch Auditor of Commercial Banks / AIFIs.
8.	No of Professional Staff, excluding Typist, Steno, Computer Operator.
9.	Experience in Different Fields (viz Commercial Banks / AIFI, State /Central Govt, Private Companies, UNO, WBO, Insurance, Financial Markets).
10.	No of Branches other than HQ
11.	Women participation in firm, as partner / paid CA.
12.	Demonstration
13.	Personal Interview

ix. In case of tie in matrix score, COVH shall decide the firm to call for D & D / The cutoff / number of firms for D&D shall be decided by the COVH & placed with the agenda, before ACB, for information only.

x. Further, the 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 by the Bank in consultation with their ACB and verifying their compliance with the eligibility norms prescribed by RBI, the Bank shall seek RBI's prior approval for appointment of SCAs.

xi. Bank shall continue to follow the existing procedure followed for selection of SCAs / SAs. They shall place the name of shortlisted audit firms, in order of preference, before their ACB / LM for selection as SCAs / SAs. Upon selection of SCAs / SAs by the bank in consultation with their ACB and verifying their compliance with the eligibility norms prescribed by RBI. On successful verification & ACB identification, the name of the firms to be forwarded to Reserve Bank of India, for approval. Bank shall issue appointment letters, only after receipt of the approval from Reserve Bank of India.

xii. Bank shall obtain a certificate, along with relevant information as per (Form B- RBI nomenclature), from the audit firm(s) proposed to be appointed as SCAs / 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 SCAs / SAs of the bank, under the seal of the said audit firm.

xiii. 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- RBI nomenclature), stating that the audit firm(s) proposed to be appointed as SCAs / SAs by it complies with all eligibility norms prescribed by RBI for the purpose.

xiv. Bank shall forward form B & C, along with the ACB resolution (recommending name of firms, in order of preference) & indicate the Asset size (as on previous FY, duly audited), for seeking approval for appointment / re-appointment of SCAs.

xv. Post receipt of approval from Reserve Bank of India, Bank shall issue "Appointment Letter" & finalize the work allocation.

B. Appointment / Re- Appointment of Statutory Branch Auditors:

a. Reserve Bank of India, vide their communication DOS/CO/ARG/S8213/08.91.001/2022-23 dated 6th March 2023, Ref. DOS: ARG: No. S512/08.91.601/2023-24 dated 24th April 2023, Ref. DOS. CO. ARG. No. 10136/08.15.008/2023-24 dated 15th March 2024, Ref. DOS. CO. ARG. No. S9000/08.15.008/2024-25 dated 19th March 2025 & Ref. DoS. CO. ARG. No. S9582 /08. 15. 008/2025-26 dated March 20, 2026, addressed individually to all Public Sector Banks, issued & reaffirmed the guidelines for (1) Appointment / Reappointment of Statutory Branch Auditors of Public Sector Banks Accordingly, the policy was amended and updated accordingly, in terms of the said Reserve Bank of India, circular.
b. Reserve Bank of India has granted a general permission to PSBs for appointment/ re-appointment of SBAs subject to the requirements mentioned herein and validation of the list of auditors to be appointed in AAS portal (to ensure that, name of any audit firm appearing in preferred list of one or more PSB, is being allocated to PSB on "first come, first served" basis through AAS application.
c. Eligibility Criteria: To be eligible for appointment/ re-appointment as SBA, and Audit entity (i.e. audit firms or sole proprietorship auditors) shall meet the following conditions:
    i. The audit entity satisfies all the criteria laid down in section 141 of the Companies Act, 2013.
    ii. The audit entity or any of its partners have not been barred from exercising duties as auditor by any regulatory body, including the RBI, Securities and Exchange Board of India, the Comptroller and Auditor General (C & A G), Government of India, the National Financial Reporting Authority (NFRA) and the Institutes of Chartered Accountant of India (ICAI).
    iii. The audit entity is not undertaking audit engagements, either as SBA or Statutory Central Auditor (SCA), of any other PSB for the period of appointment.
    iv. In case the auditor has previously completed four consecutive years as SBA of the bank, at least four years (one tenure) have elapsed after the completion of the last audit engagement as SBA of the same PSB.
    v. In case the auditor has been appointed as an SCA of the Bank in the past, at least six years (two tenures) have elapsed after the

completion of the last audit engagement as SCA of the same PSB (irrespective of tenure of previous engagement).

vi. None of the partners of the audit firm or the proprietor of the audit entity are Directors in the same PSB, i.e. Bank in this case..

vii. The audit entity does not have any common partner(s) with any other SBA of the same PSB (i.e. Bank in this case) and they are not under the same network (As defined in rule 6(3) of the Companies (Audit & Auditors) Rules, 2014) of audit firms.

viii. The audit entity meets the criteria for bank audit experience, number of partners, standing, etc., as laid down in SBA-1 for the audit engagements for the year ending March 31, 2025, an onwards.

ix. Applicant Firm, Associate Firm / Sister Concern has not taken up any assignment (which may potentially have a "Conflict of Interest") in Central Bank of India & its group entities.

d. As hitherto, the ICAI shall forward a list of eligible audit entities as per norms prescribed by RBI. The same shall be reviewed to identify continuing/ non-continuing auditors, etc., and forwarded by the RBI to Bank for selection.

e. The bank shall satisfy itself (based on unconditional, irrevocable undertaking furnished by the SBA entities) that the audit entity meets the requirements of above paragraph (read Eligibility Criteria) before making any appointment/ re-appointment as well as during the engagement.

f. Appointment/ Re-appointment and Removal: Prior to appointment/ re-appointment, the names of the audit entities selected shall be uploaded to the RBI's Auditor Allocation System (AAS) to ensure that any audit entity which is preferred by multiple PSBs is allocated only to one PSB on "first – come, first – served" basis by the AAS. Post appointment/ re-appointment, the bank shall report to RBI (through AAS) the list of SBAs appointed, along with the details of branches thereof, after completion of audit. The details of audit firms, who have accepted the assignment, but not undertaken the audit work, shall be reported to RBI, through AAS portal.

g. The bank shall appoint the SBA for a period of one year at a time up to a period of 4 (four) consecutive years as per the reviewed list of Continuing / Non-Continuing Auditor forwarded by RBI to PSBs for selection, subject to the audit firm meeting the eligibility criteria laid down in point 3 above. The names of the SBAs appointed shall be reported to RBI, through AAS portal.

h. The Bank shall ensure that as a part of the terms of engagement, the SBA shall report any fraud entailing an amount of ₹ 1 crore or more directly to the Fraud Monitoring Group, Department of Supervision, Reserve Bank of

India. Further, the terms of engagement shall require all material irregularities, including fraud, concurrently to the Chairman of the ACB as well as Managing Director & Chief Executive Officer of the Bank.

i. The ACB of the Bank shall review the performance of SBAs on an annual basis. Any serious lapses, negligence in audit responsibilities, conduct issues or any other matter considered as relevant as observed by the ACB shall be reported to the RBI within two months from the completion of annual audit, with the full details of the audit firm.
j. In case of any notable lapses / misconduct on the part of SBA, the agenda will be placed before the ACB, otherwise, agenda item is not required to be placed before ACB.
k. Non-re-appointment/removal of SBAs by Banks before completion of audit tenure of four years will continue to be subject to RBI's prior approval. Such request for prior approval shall be forwarded to RBI with the approval of Board/ ACB.
l. In case, any continuing firm, found to be engaged in any other assignment, shall not be allowed to take up Statutory Audit assignment & reported to ACB / RBI in due course.

Standard Operating Procedure for Appointment of Statutory Branch Auditors:

- The Bank will receive the list of Auditors for Statutory Branch Audit (Continuing & Fresh/ Non-Continuing) forwarded by RBI to PSB for selection.
- Bank will prepare the list of branches (as per Policy) to be covered under Statutory Audit (Excluding Top 20).
- The district wise vacancy will be worked out, keeping in view of the "minimum displacement" clause, to the extent possible, for identification/ selection of auditors against the vacancies arisen, from the non-continuing auditors list.
- The existing Concurrent Auditors of the Bank, if any & Statutory Branch Auditors retired in past 4 years & SCA firms retired in past 6 years from our Bank will be removed from the List mentioned in point no (i) Bank will use the ICAI portal &/or manual process for filling up the vacancy arising out of retiring firms/ inclusion of new branches, if any.
- For giving a fair scope to all the SBA / CA Firm available at the pool of Non-Continuing Auditors, the vacancy may be distributed among ICAI portal &/or Manual Process, on need basis, with the prior approval of COVH(COMMITTEE OF VERTICAL HEADS). However, Bank may go for any of the process, or both, as per the exigency, at their own requirement,

with approval / ratification from COVH(COMMITTEE OF VERTICAL HEADS) & this shall not be treated as any deviation.

- Bank, at its requirement, may identify some of the firms, who have submitted their profile/ contacted the Bank on their own, subject to fulfilment of all eligibility criteria, irrespective of the location.
- The shortlisting / identification of Branches as well as CA firms to be appointed as Statutory Branch Auditors, shall be done by the COVH(COMMITTEE OF VERTICAL HEADS), which will recommend the shortlisted firms to the ACB. COVH (COMMITTEE OF VERTICAL HEADS) shall meet twice, to finalize the Branches, Vacancy & CA firms, after due deliberation.
- The panel of SBA identified will be forwarded to RBI, for confirmation, in AAS application.
- Any appointment will be finalized after clearance from RBI AAS application, to avoid any rejection through the portal (based on selection of a single auditor by multiple PSB).
- Suitability of CA Firms: In case the option/s of CA firms identified by the software is not found suitable to the bank on account of followings, the final decision for selection will lie with COVH (Committee of Vertical Heads) (as above):
    - The experience of the audit firm was not satisfactory with the bank either as statutory auditor/Concurrent auditor/stock auditor.
    - The bank comes to know about the non-satisfactory experience with other banks.
- In case the identified firm is already engaged by the bank as Concurrent auditor.
- It is to be clarified that a CA firm will not be entitled for appointment, merely on the ground of being identified by the software.
- The Bank can appoint any eligible firm as SBA from any location.
- The format of SBA - 1 shall be revisited during actual identification process & may differ / seek additional information, over and above regulatory requirements.
- Any other terms & conditions, as prescribed by Regulator &/or law of the land, shall be applicable with their effective date and form a part of this policy, till amendment.
- Note: During the process of identification of fresh firms (if any), Bank shall entertain the email mode only. Bank shall not be responsible for non-delivery of email to the addressed CA Firm due to any reason, whatsoever. The cut off time, for a selection cycle will not be extended in any case.

- Any operation issue/ deviation/ modification over and above this policy will be approved/ratified by COVH (COMMITTEE OF VERTICAL HEADS), with intimation to ACB.
- Role of Regional / Zonal Offices –
    - Obtaining necessary documents / declaration from the CA firm & verify the same with Constitution Certificate to ensure the eligibility.
    - Obtaining Letter of Introduction from the CA firm to ascertain its identity.
    - Verifying the data submitted by the firm, against the guidelines circulated during Annual Closing.

2. ***Identification of Auditor for IFSC Banking Unit (IBU):***

   a. IFSC Banking unit (IBU) is treated as an overseas Branch.

   b. Reserve Bank of India, guidelines, regarding appointment of "Auditors for Overseas Branch(es) are reproduced below:

      "Indian Commercial Banks shall appoint Statutory Auditor for all their overseas branches every year. While seeking approval for appointment of Statutory Auditor for overseas branches, the bank shall indicate the details of audit firms, being recommended for appointment (their experience, standing or any other detail) in the cases where the appointment is not subjected to the approval of the overseas regulator. However, if the approval of the overseas regulator is required, the same shall be indicated in the application."

   c. Since IBU is domestically located Branch & treated as an Overseas Branch, the Statutory Central Auditor, who shall be auditing the Treasury & International Division, shall carry out Audit of IBU, as Statutory Central Auditor. In turn, Bank shall cover Top – 21 Branches (including one IBU), instead of Top -20 Branches.

   d. Statutory Central Auditor shall conduct the audit / review, in the capacity of Statutory Central Auditor & not as a Branch Auditor.

   e. The approval for this purpose, from Reserve Bank of India, shall be concurrently obtained, during obtaining approval for appointment / reappointment of Statutory Central Auditors.

   f. Remuneration & Other expenses are detailed at Schedule 3.

SOP- Concurrently with Statutory Central Auditors.

3. <u>Remuneration / Incidental Expenses payable to Statutory Central / Branch Auditors.</u>

a. Reserve Bank of India vide its letter no. DoS. CO. ARG. / S477 / 08.92.001 / 2026-27, Dated 17/04/2026 informed about The Banking laws amendment Act-2025 wherein it is stated that the Auditor remuneration shall henceforth be decided by the Banks in terms of these provisions. The remuneration / fees shall be kept reasonable and commensurate with, including but not limited to (I.) the scope and coverage of audit,
(II.) size and spread of assets, accounting and administrative units,
(III.) the complexity of business, financial and technology landscape of the Bank, etc. Accordingly, related circulars have been withdrawn by RBI.

b. Guided by the previous circulars and keeping in view of above-mentioned provisions, Bank proposed to continue the same Audit Fee Structure as approved vide Board agenda no. BM/779/2025-26/13/CAT-7/VOL.3/3.09, Dated 24.03.2026 which was approved by Board, in the meeting held on 23rd June 2026, vide agenda, BM/783/2026-27/04/CAT-7/VOL-2/2.02.

c. For commenting / expressing opinion / Reporting on the specified items (mentioned in Schedule 6- Internal Financial Control Over Financial Reporting), Bank shall pay quarterly remuneration of Rs. 2 lakhs (excluding taxes) to the Joint Auditors / SCAs.

d. Any further amendment / changes shall be made accordingly.

e. For IBU- Remuneration, shall be made, as treating the advance level, equivalent to domestic advance & be guided by the provisions of the "Schedules of Remuneration payable to SCA/SBA".

4. ***Norms of Business Coverage / Selection of Branches for Statutory Audit & Standard Operating Procedure:***

Top 20 Branches & IBU:

I. Bank shall allot the Top 20 Branches (to be selected strictly in descending order of outstanding advances) to the SCAs and shall ensure that at least 15 percent of the gross advance of the Bank are covered by branches under the SCAs. The cutoff date to decide the Top 20 branch shall be first Friday of the last month of the 4th / Other quarter/ Last day of previous month, or RBI intimation on List of Continuing/ Non-Continuing Auditor (SBA), whichever is earlier/ or as per Management decision, envisaging the level of advance as of 31st March / Quarter end date of that year to cover 15% of gross advance. Advance of IBU shall be used in the calculation of Top 21 / total coverage.

II. It may happen, the Branches as identified as Top 20, may undergo a change, in the last day of quarter, then the newly introduced branch will be a part of Top 20 and the expenses incurred for pre-audit exercise of the previously identified branch, shall construed to be a part of audit expense of Top 20 branches. The SBA / SCA will be swapped for that / those branches as per requirement / convenience / logistic arrangement, solely by the requirement of the Bank.

Other Branches / Business Units / Non Business Units:

III. The same timeframe, as above may be followed for identification of branches, for Statutory Branch Audit. As the system level granular data is available to SCAs through CBS, along with continuous IFCO-FR testing & pre-audit of Top 20 branches, Zones, Central Office Departments, Bank shall stick to coverage of a minimum 60% fund based and non-fund-based exposure.

IV. Bank shall ensure to cover a considerable amount of Agriculture, MSME, Retail portfolio, along with NPA, Deposits, CASA, Total Advance / NPA (i.e. including / not excluding Technical Write Off).

V. Selection of Branch: Since our Bank is on Core Banking Solution, all data is available at a single point, by way of reports/ statements/ data dump etc. Further, a robust internal audit system, concurrent audit system & continuous Limited Review by SCAs & IFCO-FR testing, encompasses majority of the risk component. For addressing the various parameters, in the referred RBI circular, inclusion of a representative cross section, of the following parameters is ensured, up to the cutoff date, while selecting the branches:

1. Branches under Concurrent Audit (Both CA Firms & Ex Staff).
2. High-Risk Branches & Branches where risk rating is migrated upwards / downwards.
3. Special Audit Branches during the FY 2025-26.

4. Branches where whistle blower compliant has been received.
5. Borrowal & non-Borrowal frauds, reported/pipeline, for the FY.
6. Branches having currency chest.
7. Branches having total fund (+) non-fund-based exposure / outstanding of certain cut off amount & Branches having a single exposure of certain cut off amount (to be decided by COVH (COMMITTEE OF VERTICAL HEADS) in consultation with SCAs).
8. Spurt of Advances- Comparing cutoff date over last date of previous FY (Both without considering MOC) & Slippage / Incremental Addition of NPA.
9. A representative cross section of branch, not under statutory audit for past 5 years.
10. In case of shortfall, in any parameter, COVH (Committee of Vertical Heads) (as above) have the authority to increase number of branches. Any other terms & conditions, as prescribed by Regulator &/or law of the land, shall be applicable with their effective date and form a part of this policy, till amendment.

VI. The shortlisting / identification shall be done by the COVH (COMMITTEE OF VERTICAL HEADS), which will recommend the shortlisted Branches to the ACB. This process shall move concurrently with identification of CA firms, to be appointed as Statutory Branch Auditors.

VII. Before approaching RBI for approval to treat any of the branches earlier selected for audit as unaudited subsequently, Bank to consult their SCAs and obtain their written concurrence for such exclusion from audit. While seeking prior approval from the RBI, the bank shall state in its letter that the concurrence of the SCAs has been obtained. **However, in case of inordinate delay in finalizing the results, i.e., after cut-off date mentioned in the appointment letter, in consultation with SCA, Bank may cancel the assignment.** This is already a part of the appointment letter & this shall continue to be. Instances, if any shall be reported to the ACB/Board, concurrently with the Financial Results agenda & informed to Reserve Bank of India, also.

Standard Operating Procedure:

- Report on Fund & Non-Fund Based Exposure along with Outstanding & various parameter-based data to be obtained from CBS.
- Granular details on various parameters, as above (V (1 to 10)) to be obtained from the Business Departments.
- Growth parameters to be worked out using CBS data.
- Branches to be identified, as per above guidelines.
- COVH (COMMITTEE OF VERTICAL HEADS) shall oversee the process.

5. ***A. Long Form Audit Report (By Statutory Central / Branch Auditors) & Observations by Statutory Central Auditors & Standard Operating Procedure:***

   a. Long form Audit Report by Statutory Central Auditors shall be governed by Chapter IV of Reserve Bank of India (Commercial Banks – Statutory Audit) Directions, 2026, dated 31st July 2026.

   b. Since Long form Audit Report is submitted by the Statutory Central Auditors, based on the inputs received from the LFAR of Statutory Branch Auditors & their independent testing, it shall continue to be an independent function.

   c. Bank shall collate & submit the observations of SCAs, with the compliances, before the ACB for information. (*The LFAR of the bank, shall be placed before the ACB, indicating the action taken / proposed to be taken for rectification of the irregularities, if any, mentioned therein" as per the RBI (Commercial Banks – Statutory Audit) Directions, Dated 31.07.2026 Para no. A.35.3*).

   d. The Long Form Audit Reports (LFAR) prepared by concurrent auditors, who are practicing Chartered Accountants, shall be consolidated and submitted by the bank to their SCAs for branches that are not subject to Statutory Branch Audit. Any Other certificates and reports prepared by the concurrent auditors for such branches shall also be submitted to the SCAs.

   e. The bank shall forward a copy of the LFAR (i.e., for the bank / all Indian offices of the foreign bank as a whole) along with the related agenda notes and the Board's views or directions, to the concerned SSM, DoS, RBI, within 60 days from the date of submission of the same by the SCA.

B. Observations by Statutory Central Auditors / Management Letter & their compliance/ Standard Operating Procedure for compliance of SCAs Observation:

   a. Statutory Central Auditors shall present their observation before the ACB & submit a copy of the same to Finance & Accounts, for record & rectification.

   b. In turn, F & A, shall distribute the observations to the concerned departments with the request to provide replies / compliances / status (in case of ongoing / time consuming observations, with definite timeline). *(The LFAR of the bank, shall be placed before the ACB, indicating the action taken / proposed to be taken for rectification of the irregularities, if any, mentioned therein" as per the RBI (Commercial Banks – Statutory Audit) Directions, Dated 31.07.2026 Para no. A.35.3).*

   c. The bank shall forward a copy of the LFAR (i.e., for the bank / all Indian offices of the foreign bank as a whole) along with the related agenda notes and the Board's views or directions, to the concerned SSM, DoS, RBI, within 60 days from the date of submission of the same by the SCA.

   d. The collated observations shall be placed before the ACE & ACB, in quarter / rectification status wise Annexures, at periodic intervals, till each observation reaches a logical conclusion.

6. ***Internal Financial Control Over Financial Reporting:***

a. Reserve Bank of India, in their communication, Appointment of Statutory Central Auditors in Public Sector Banks- Reporting Obligation for SCAs from FY 2019-20 - (IFCO-FR) - DoS. ARG. No. 6270/ 08. 91. 001 / 2019-20, Dated March 17,2020, instructed Statutory Central Auditors to report in the "Independent Audit Report, as under:

i. Whether the financial statements comply with the applicable accounting standards.
ii. The observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Bank.
iii. Whether any director is disqualified from being a director of the bank under sub-section (2) of section 164 of the Companies Act, 2013.
iv. Any qualification, reservation or adverse remark, relating to the maintenance of accounts or other matters connected herewith.
v. Whether the bank has adequate internal financial controls system in place and the operating effectiveness of such controls.

b. SCAs made their comment based on their assessments for point no I to IV & for point no V, relied on the report presented by the Consultant & independent testing, till 2026.

c. To bring more stringency / control, Bank has now decided to entrust the assignment of testing the adequacy & effectiveness of financial controls, to Statutory Central Auditors, at quarterly intervals on remuneration basis.

Standard Operating Procedure:

- During Limited Review / Statutory Audit, a considerable sample shall be selected for testing the adequacy & effectiveness of IFCO-FR.
  For Statutory Audit, F & A shall identify the Branches & place the same before ACB.
- Central Office Departments, having direct / indirect financial impact, shall also be a part of the sample.
- All Central Office Departments shall constitute the sample, for reporting on non-financial matters, as per referred circular.
- SCAs, shall collect their samples, independently & provide their opinion, in the Independent Audit Report / Limited Review Report.
- This shall be a continuous & concurrent process.

7. ***Limited Review Guidelines.:***

On 1st March 2024 (vide their circular RBI/ 2023-24/129- Dos. CO. ARG/SEC.11/08.91.001/2023-24), RBI repealed the circulars pertaining to Limited Review of Accounts and advised Bank to carry out Limited Review in terms of SEBI guidelines. Accordingly, Bank has proposed to carry out Limited Review, as under:

a. Coverage of 50 % of Advance & NPA to continue, while the Advances of SAM & ARBs will also be covered/ counted, while arriving the coverage of Advances. This will reduce the number of branches to be covered under Limited Review by Concurrent Auditors, while Top 20 branches will be covered by SCAs.
b. The balance 50% of the Advances & NPAs will be continued to be covered by SCAs, through data dump at Central Office level.
c. The pre audit function to continue, on requirement basis, to have a clear reflection / maintain audit standard.
d. The stipulated eighty percent of each of the consolidated revenue, assets and profits, respectively, will be covered by SCAs, by auditing the Top 20 Branches and Central Office departments.
e. The Audit Report/ Limited Review Report shall continue to be addressed to the Management of the Bank.

8. Disclosure Requirements.

The Board approved policy for selection and appointment of auditors shall be available the official website of the bank. Further, a disclosure on the extent of business coverage under statutory branch audit for the respective year and previous year with effect from FY 2023-24, will be made available in public domain.

The statement to be uploaded in portal as under:

The minimum coverage of a minimum 60% fund based and non-fund-based exposure.

i. The Business covered for the current year is ___.
ii. The Business covered in previous year is ___.

Additionally, we may disclose the Advance coverage by Top 20 Branches & Other Branches under Statutory Branch Audit.

Formats:

A. Format for submission of Information by CA firms, willing to be appointed / re-appointed as Statutory Central Auditors – SCA-1.

B. Format for submission of Information by CA firms, willing to be appointed as Statutory Branch Auditors.

Submission of Information / Declaration for Appointment as Statutory Central Auditor, in Central Bank of India, For the FY – 202X – 2X

SCA-1-Part -A

Name of the Audit Firm / Applicant Firm:				
FRN/UCN:				
Date of Establishment:				
Head Office Address of Applicant Audit Firm:				
List of the Branch Offices of Applicant Audit Firm:				
A	B	C	D	E
Minimum No. of Full-Time partners (FTPs) associated with the firm for a period of at least three (3) years- Note 1	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	Minimum No. of Full Time Partners/ Paid CAs with CISA/ISA Qualification Note 2	Minimum No. of years of Audit Experience of the firm Note 3	Minimum No. of Professional staff Note 4
Attach Supporting Document for all points.				
Minimum Requirement – 5	Minimum Requirement – 4	Minimum Requirement – 2	Minimum Requirement – 15	Minimum Requirement - 18
Submit Actual	Submit Actual	Submit Actual	Submit Actual	Submit Actual

Note 1: There should be at least one-year continuous association of partners with the firm as on the date of empanelment (for PSBs)/ shortlisting (for other Entities) for considering them as full-time partners. Further, for appointment as SCAs/SAs of all Commercial Banks (excluding RRBs), and other Entities 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 all Commercial Banks (excluding RRBs), and UCBs/NBFCs 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:

(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) In case of PSBs, 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 (Substantiate with proof & C&AG threshold).

Note 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.

Note 3: Audit Experience:

For Commercial Banks (excluding RRBs), audit experience shall mean experience of the audit firm as Statutory Central/Branch Auditor of Commercial Banks (excluding RRBs)/ AIFIs. For UCBs and NBFCs, 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 affected 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.

Submission of Information / Declaration for Appointment as Statutory Central Auditor, in Central Bank of India, For the FY – 202X – 2X

SCA-1-Part – B

1 **Details of Common Partners of Applicant Firm (with other firms) & Network of firms (As defined in rule 6(3) */# of the Companies (Audit & Auditors) Rules, 2014)-**

Bank to ensure that the joint auditors of the bank do not have any common partners, and they are not under the same network of audit firms as defined in Rule 6(3) of the Companies (Audit and Auditors) Rules, 2014. 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.

*Illustrations: * The term "same network" includes the firms operating or functioning, hitherto or in future under the same brand name, trade name or common control.*

 # If a partner, who oversees an audit firm and certifies the financial statements of the company, retires from the said firm and joins another firm of chartered accountants, such other firm shall also be ineligible to be appointed for a period of five years.

Applicant Firm to provide the details of Common Partners (with other firms) & & Network of firms (As defined in rule 6(3) */# of the Companies (Audit & Auditors) Rules, 2014) –

S/N	*Partner Name*	*Membership No*	*Name of Firms, where associated, other than applicant firm.*	*FRN/UCN of Firms, where associated, other than applicant firm.*	*Whether constitutes a network in terms of point no 6(3) of Companies (Audit & Auditors) Rules, 2014.*

2 **The Applicant Firm (Including / factoring Network Firm / Common Partner (if Any))** has undertaken assignment of Concurrent Audit / non audit works (as per section 144 of Companies Act 2013 - Accounting and book keeping services, Internal audit (including Statutory & Revenue Audit), Design and implementation of any financial information system, Actuarial services, Investment advisory services, Investment banking services, Rendering of outsourced financial services, Management services, ASM, Legal Audit, TEV, IFCO-FR, Forensic Audit, RP/IRP, Any other kind of services not mentioned herein), & retired on completion of tenure/ relinquished within the tenure/ relinquished without performing the assigned task, during the period 31/08/2025 to the date of issuance of this communication for:

Central Bank of India	Cent Bank Home Finance Limited	Cent Bank Financial Services Ltd.
Generali Central LIC Ltd**.**	Generali Central Insurance Co Ltd	Indo – Zambia Bank- Zambia

Submit Details / Annexure, if applicable, else mention "Not Applicable".

3 The information on clientele of the Applicant Firm to whom Central Bank of India having / had exposure in the reference year (qualifying to be a Large Exposure, with LEI No).

4 **Details of Assignments undertaken by the firm from 01/04/2025 to till date:**

Name of the Organization	**Nature of Work undertaken.**		**Start Date**	**End Date**
	Bank	**Non-Bank**		

E.g., Audit / non-audit work as per Section 144 of The Companies Act 2013 & any other kind of services not mentioned herein).

5 **Additional Information:**

A	**Copy of Constitution Certificate (Must not be older than 1 week).**	**Attach $**
B	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, furnish details.	**Yes / No**
C	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, furnish details.	**Yes / No**
D	Whether the firm has been debarred from taking up audit assignments by any regulator/Government agency/ Statutory Body. If yes, furnish details.	**Yes / No**
E	Details of Disciplinary proceedings / Debarments etc. against firm by any Financial Regulator/Government Agency/ Statutory Body during last three years, both closed and pending for closure, if yes, furnish details.	**Yes / No**

(In case of any ambiguity in furnishing Yes/ No, the detailed explanation/ submission may also be furnished) / enclosed.

$ Also provide the PAN for the partners as per serial no of Constitution Certificate.

Submission of Information / Declaration for Appointment as Statutory Central Auditor, in Central Bank of India, For the FY – 202X – 2X

SCA-1-Part – C – Declaration -

- The applicant firm complies with all eligibility norms prescribed by RBI regarding appointment of SCAs of Public Sector Banks. It is also certifying that neither the undersigned 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.
  Note: For 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.
- Further, the applicant firm confirms, that, the prohibitions (indicative & exhaustive) mentioned at ICAIs, CODE OF ETHICS (PART 4A – INDEPENDENCE FOR AUDIT AND REVIEW ENGAGEMENTS) are complied with & there lies no scope for "Conflict of Interest", during submission of this consent to be appointed as Statutory Central Auditor.
- The applicant firm confirms that, it had completed the requisite cooling period of 6 years, before reappointment as SCA.
- The Applicant audit firm, proposed to be appointed as SCAs, is duly qualified for appointment as auditor of a company in terms of Section 141 of the Companies Act, 2013.
- The Applicant firm is not under debarment by any Government Agency, National Financial Reporting Authority (NFRA), the Institute of Chartered Accountants of India (ICAI), RBI or Other Financial Regulators or any LEI.
- No partner of the Applicant Chartered Accountant firm is a director in any Public Sector Bank (PSB), if so, the said firm shall not be appointed as SCA/SA of any PSB. Further, no partner of the Applicant Chartered Accountant firm is a director in any Entity failing under Central Bank of India (Group), if so, the said firm shall not be appointed as SCA/SA of any of the group entities of that Entity.
  (Refer Definitions for Group Entities)
- The Applicant firm has 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 to achieve audit objectives.
- The Applicant firm complies with stipulations of Reserve Bank of India circular RBI/DoS/2026-27/414-DoS.CO.ARG.8/08.91.001/2026-27, Dated July 31, 2026 & the firm complies with the requirements stipulated in "Policy on Appointment of Statutory Auditors" of Central Bank of India, available at public domain.
- The Applicant firm hereby authorizes the Bank to extract / obtain Credit Information report/ discrete enquiry from ICAI/NFRA/CAG/RBI/ Banks own database for indebtness for all partners/ Vendor Payment Module & any other Regulator &/or Clientele of the Applicant firm, about the Applicant firm & its partners for carrying out **Due Diligence Exercise** at the time of appointment/ reappointment/ assessment.
- It is confirmed that the information provided above on behalf of the firm & its Partners / Paid CAs/ Employees / Audit Team is true and correct. I /we understand that, concealing any information/ submitting any false / factually incorrect information shall lead to non – appointment / cancellation of appointment.

Signature of the Partner
(Name of the Partner)
Date:
Membership No:
Firm Registration No:
Unique Code No:
PAN No of the Firm:
GST No of the Firm:

Eligibility norms for the empanelment of audit firms to be appointed as Statutory Branch Auditors in Public Sector Banks for audits of the year ending March 31st, 2024, and onwards.

SBA-1-Part-A-

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 firms or at least one of the partners should have a minimum of 8 years' experience of branch audit of a Public Sector bank (PSB) 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 PSB/PVB 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 PSB / PVB for at least 3 years.	5 years (for the firm or at least on 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 PSB/ PVB 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 otherwise 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 typists, Stenographers, Computer Operators, Secretary/is, and subordinate 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.

SBA-1-Part-B-
Unconditional, Irrevocable Undertaking by the SBA Firm (to be submitted with the primary consent)-

1. We/the Firm satisfies all the criteria laid down in section 141 of the Companies Act, 2013.
2. We/the Firm or any of its partners have not been barred from exercising duties as auditor by any regulatory body, including the RBI, Securities and Exchange Board of India, the Comptroller and Auditor General (C & A G), Government of India, the National Financial Reporting Authority (NFRA) and the Institutes of Chartered Accountant of India (ICAI).
3. We/the Firm is not undertaking audit engagements, either as SBA or Statutory Central Auditor (SCA), of any other PSB for the period of appointment. This declaration also covers the Associate firm / Sister concern / Group Entities of the firm.
4. We/the firm is not engaged with the Bank, in any other form of assignment (Audit / Non-Audit- as per Section 144 of Companies Act) by any of our Branches. This declaration also covers the Associate firm / Sister concern / Group Entities of the firm.
5. We have previously completed four years at your Bank as SBA four year ago and We/the Firm satisfy the cooling period criteria of 4 years / or / We have previously completed three years at your Bank as SCA four year ago and We/the Firm satisfy the cooling period criteria of 6 years / or / We have not appointed as SCA /

SBA by Central Bank of India, prior to this. This declaration also covers the Associate firm / Sister concern / Group Entities of the firm.

6. None of the partners of the audit firm or the proprietor of the audit entity are Directors in the same Bank.
7. We/ the firm does not have any common partner(s) with any other SBA of the Central Bank of India, and they are not under the same network (As defined in rule 6(3) of the Companies (Audit & Auditors) Rules, 2014) of audit firms.
8. We/ the firm meets the criteria for bank audit experience, number of partners, standing, etc., as above.
9. We/ the firm shall report any fraud entailing an amount of ₹1 crore or more directly to the Fraud Monitoring Group, Department of Supervision, Reserve Bank of India. Further, the terms of engagement shall require all material irregularities, including fraud, concurrently to the Chairman of the ACB as well as Managing Director & Chief Executive Officer of the Bank.
10. We acknowledge that, the ACB of the Bank shall review the performance of SBAs on an annual basis. Any serious lapses, negligence in audit responsibilities, conduct issues or any other matter considered as relevant as observed by the ACB shall be reported to the RBI within two months from the completion of annual audit, with the full details of the audit firm.
11. The audit entity is not undertaking any audit engagements, either as SBA or Statutory Central Auditor (SCA), of any other PSB for the period of appointment.
12. None of the partners or their spouse, dependent children and wholly or mainly dependent parents, brothers, sisters or any of them or the Firm/ Company in which they are partners/ Directors are not indebted to our Bank. Further, they have not been declared as willful defaulters by any Bank or financial institution.

The Applicant firm hereby authorizes the Bank to extract / obtain Credit Information report/ discrete enquiry from ICAI/NFRA/CAG/RBI/ Banks own database for indebtness for all partners/ Vendor Payment Module & any other Regulator &/or Clientele of the Applicant firm, about the Applicant firm & its partners for carrying out **Due Diligence Exercise** at the time of appointment/ reappointment/ assessment.

It is confirmed that the information provided above on behalf of the firm & its Partners / Paid CAs/ Employees / Audit Team is true and correct. I /we understand that, concealing any information/ submitting any false / factually incorrect information shall lead to non – appointment / cancellation of appointment.

Signature of the Partner
(Name of the Partner)
Date:
Membership No:
Firm Registration No:
Unique Code No:
PAN No of the Firm:
GST No of the Firm: