

Notice inviting applications from Eligible Practicing Chartered Accountant Firms for conducting Statutory Audit of our Bank / Branches for the Financial year 2021-22.

We wish to appoint Statutory Auditors to Audit the Accounts of our Bank for the Financial year 2021-22 in accordance with the guidelines issued by Reserve Bank of India vide their Circular No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 Dated 27.04.2021.

Our Asset size as on 31.03.2020 falls below Rs.1000 Crores.

Requirement of the Audit Firms

- 1) The Audit Firm shall be a Limited Liability Partnership Firm (LLP) or Partnership Firm.
- 2) Minimum number of 2 full-time partners (FTPs) associated with the firm for a period of at least three years.
- 3) Out of total FTPs Minimum one No. of Fellow Chartered Accountant (FCA) Partners associated with the firm for a period of at least three years.
- 4) Minimum six years of Audit Experience of the firm.
- 5) Minimum of eight Professional staff.

Ineligibility of the Audit Firm for appointment as Statutory Auditors

- 1) The Audit Firm proposed to be appointed as SCAs/SAs should be duly qualified for appointment as Auditor in terms of Section 141 of the Companies Act.
- 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 Entities shall ensure that appointment of SCAs/SAs is in line with the ICAI's Code of Ethics/any other such standards adopted and does not give rise to any conflict of interest.
- 4) If any partner of a Chartered Accountant firm is a director in any Entity, the said firm shall not be appointed as SCA/SA of any of the group entities of that Entity.
- 5) 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.

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 Bank with full details. Further, the audit firm shall take all necessary steps to become eligible within a reasonable time and in any case, the audit firm should be complying with the above norms before commencement of Annual Statutory Audit for Financial Year ending 31st March and till the completion of annual audit.

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

Procedure for Appointment of SCAs/SAs

The Bank will shortlist minimum of 2 audit firms so that even if firm at first preference is found to be ineligible/refuses appointment, the firm at second preference can be appointed and the process of appointment of SCAs/SAs does not get delayed. However, in case of reappointment of SCAs/SAs by 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.

The names of shortlisted audit firms, in order of preference, shall be placed before the Audit Committee / Board of Directors for selection as SCAs/SAs. Upon selection of SCAs/SAs by the bank in consultation with Audit Committee / Board of Directors verify compliance with the eligibility norms prescribed by RBI and shall seek RBI's prior approval for appointment of SCAs/SAs.

The Bank shall obtain a certificate, along with relevant information as per **Form B (which is attached)**, from the audit firm(s) proposed to be appointed as SCAs/SAs 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 Entities, under the seal of the said audit firm.

Chartered Accounts who qualify themselves with the norms prescribed above shall submit their Applications together with requisite enclosures addressed to the Chief Executive Officer, The Adarsh Cooperative Urban Bank Limited, # 1-251/1, MPR Complex, Shapurnagar, IDA Jeedimetla, Phase-I, Hyderabad-500 055, Telangana State immediately or apply online for further processing.

**For The Adarsh Cooperative Urban Bank Ltd.,
CHIEF EXECUTIVE OFFICER
-Sd**

FORM B
Eligibility Certificate from

Name:

Firm Registration Number.

A. Particulars of the firm:

Asset Size of Entity as on 31st March of Previous Year Number of Full-Time partners (FTPs) associated* with the firm for a period of three (3) years

Out of total FTPs, Number of FCA Partners associated with the firm for a period of three (3) years

Number of Full Time Partners/ Paid CAs with CISA/ISA Qualification Number of Years of Audit Experience.

Number of Professional staff Exclusively associated in case of all Commercial Banks (excluding RRBs), and UCBs/NBFCs with asset size of more than ₹ 1,000 crore

Details may be furnished separately for experience as SCAs/SAs and SBAs

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 Commercial Banks (excluding RRBs)/UCBs/NBFCs (as applicable).

It is certified that neither I nor any of our partners / members of my / their families (family will include besides spouse, only children, parents, brothers, sisters or any of them who are

wholly or mainly dependent on the Chartered Accountants) or the firm / company in which I am / they are partners / directors have been declared as wilful defaulter by any bank / financial institution.

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

Signature of the Partner

(Name of the Partner)

Date: