



**POLICY FOR APPOINTMENT OF
STATUTORY CENTRAL AUDITORS (SCAs)
&
STATUTORY BRANCH AUDITORS (SBA)**

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1. Introduction

1.1 The Company is incorporated under Companies Act, 1956 and is a listed entity. The Company is Housing Finance Company and regulated by the Directions and guidelines issued by the National Housing Bank, Reserve Bank of India, IRDAI and SEBI. Guidelines issued by RBI vide Circular dated April 27, 2021 will be applicable to the Company from second half (H2) of Financial Year 2021-22 onwards in respect of appointment/re-appointment of Statutory Central Auditors (SCAs). Appointment of Statutory Central Auditors (SCAs) and Statutory Branch Auditors (SBAs) shall be pursuant to the statutory and regulatory guidelines, as amended from time to time.

1.2 The objective of this policy is to formulate necessary procedure for appointment of Statutory Central Auditors (SCAs) and **Statutory Branch Auditors (SBAs)** to conform with the extant statutory and regulatory norms applicable to the Company.

2. Authority for appointment or re-appointment

The power/authority for appointment or re-appointment of the Statutory Central Auditors for undertaking the annual audit of the Company and review of quarterly financial results shall lie with the shareholders by way of resolutions at the Annual General Meeting and as detailed herein.

The power/authority for appointment/ re-appointment of Statutory Branch Auditors for undertaking the branch audit of the company resides with the Board.

3. Number of Statutory Central Auditors (SCAs) & Statutory Branch Auditors (SBAs)

3.1 Minimum number of Statutory Central Auditors (SCAs) [Partnership firms/Limited Liability Partnerships (LLPs)] to be appointed by the Company shall be two (2) since the asset size as on March 31st of the previous year, is more than Rs.15,000 Crore.

3.2 The number of SCAs can be increased upto 4 until the asset size of the Company reaches Rs.5,00,000 Crore.

3.3 The Company shall ensure that joint auditors of the Company do not have any common partners and they are not under the same network of audit firms. The Company may finalize the work allocation among statutory auditors, before the commencement of the statutory audit, in consultation with the statutory auditors.

3.4 The number of SCAs and SBAs to be appointed for a financial year shall be decided, 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.

3.5 SCAs shall visit and audit at least the Top 20 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 Company. Further, the Company may allocate additional branches from different geographies and of different sizes.

3.6 In addition, the Company shall ensure adherence to the provisions of Section 143 (8) of the Companies Act, 2013 regarding audit of accounts of all branches.

3.7 The Company shall inform ` Regional Office of RBI (Department of Supervision), under

whose jurisdiction the Head Office is located, about the appointment of SCAs for each year by way of a certificate in Form A, within one month of such appointment (Prior approval of RBI is not required as per RBI Circular dated April 27, 2021).

3.8 The empanelment of Statutory Branch Auditors (SBAs) shall be carried out in every fourth year. The empanelment list shall be approved by the audit committee and will be based on the minimum criteria set by the audit committee (based on the number of application received and the branch network expected in next three years).

4. Eligibility criteria

The minimum standards and eligibility criteria to be fulfilled by audit firms for appointment as Statutory Central Auditors (SCAs) **and Statutory Branch Auditors (SBAs)** of the Company shall comprise of –

- (a) Basic Eligibility and
- (b) Additional Consideration.

The details are given below:

4.1 Basic Eligibility for Statutory Central Auditors (SCAs)

Minimum no. of full time partners (FTPs) associated with the firm for a period of at least three years Note 1	Out of 'A', minimum no. of Fellow Chartered Accountant (FCA) partners associated with the firm for a period of at least three years	Minimum no. of full time partners/ paid CAs with CISA/DISA Qualification Note 2	Minimum no. of years of audit experience of the firm Note 3	Minimum no. of professional staff Note 4
A	B	C	D	E
5	4	2	15	25

Basic Eligibility for Statutory Branch Auditors (SBAs)

Minimum no. of partners associated with the firm for a period of at least three years	Out of 'A', minimum no. of Chartered Accountant (CA) partners associated with the firm for a period of at least three years	Minimum no. of partners with CISA/DISA/FCA Qualification	Minimum period of past practice for large/ medium/ small branches
A	B	C	D
4	2	1	15/10/5 years

Note 1 – Full time partners associated with the firm:

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, at least two partners of the firm shall have continuous association with the firm for at least 10 years.

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 any 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) Audit Committee of the Board (ACB) 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/DISA Qualification:

There should be at least one-year continuous association of paid CAs with CISA/DISA qualification with the firm as on the date of shortlisting for considering them as Paid CAs with CISA/DISA 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 two 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 shortlisting for considering them as professional staff for the purpose.

The above norms are subject to extant guidelines issued by RBI from time to time.

4.2 Additional Consideration

- (a) The audit firm, at the time of submission of application for empanelment as SCAs/SAs and SBAs should be duly qualified for appointment as auditor/ branch auditor of the Company in terms of Section 141 of the Companies Act, 2013.
- (b) 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. There shall not be any disciplinary proceedings pending against the partner / firm.
- (c) The Company shall ensure that appointment of SCAs/SAs or SBAs 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.
- (d) If any partner of a Chartered Accountant firm is a director in any of the group entities, the said firm cannot be appointed as SCA/SA or SBA of the Company.

[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 IND AS 27), Joint venture (defined in terms of IND AS 31), Associate (defined in terms of IND AS 28), Promoter-promotee [as provided in the SEBI (Acquisition of Shares and Takeover) Regulations, 1997] for listed companies, a related party (defined in terms of IND AS 24),

Common brand name, and investment in equity shares of 20% and above.]

(e) The Statutory Auditors of the Company 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 Company, where the accounting and business data reside, in order to achieve audit objectives.

(f) The firms/ LLPs should preferably have done the audit of financial services company (NBFC/ HFC) having loan book of at least Rs. 10,000 crores in last five years

(g) The firms/ LLPs should preferably have done the audit of at least two listed entities having turnover of minimum Rs. 2,500 crores in last five years

4.3 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 shall promptly approach the Company with full details. Further, the audit firm must 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 the audit firm does not become eligible within reasonable time allowed by the Company, the Company shall proceed for appointment of New Audit Firm with approval of shareholders.

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, the Company may approach the Board of Directors, to allow the concerned audit firm to complete the audit, as a special case, as per the authorization obtained from the Shareholders in the Annual General Meeting. The Company has to inform the same to the RBI.

5. Independence of Auditors

5.1 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 may be flagged by the ACB to the Board of Directors and concerned Senior Supervisory Manager (SSM)/Regional Office (RO) of RBI.

5.2 Concurrent/ Internal auditors of the Company should not be considered for appointment as SCAs of the Company.

5.3 The Audit firm doing Audit of any Bank / Entity with large exposure to the Company may be appointed as SCA of the Company. However, this aspect should be explicitly factored by the ACB while assessing the independence of the Auditors and the ACB shall ensure that there is no conflict of interest.

Large Exposures as defined under RBI Large Exposure Framework as amended from time to time.

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

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.

5.5 The restrictions of clause 5.3 and 5.4 above should also apply to an audit firm under the same network [as defined in Rule 6(3) of the Companies (Audit & Auditors) Rules, 2014] of audit firms or any other audit firm having common partners.

6. Professional Standards of SCAs/SBAs

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

6.2 The ACB of the Company shall review the performance of SCAs/SBAs on an annual basis. Any serious lapses/negligence in audit responsibilities or conduct issues on part of the SCAs/SBAs 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 recommendations of ACB and approval of the Board, with the full details of the audit firm.

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

7. Tenure and Rotation

7.1 In order to protect the independence of the auditors/audit firms, the Company shall appoint the SCAs/ SBAs for a continuous period of three years, subject to the firms satisfying the eligibility norms each year. Further, the Company removing the SCAs/ SBAs before completion of three years tenure shall inform concerned SSM/RO at RBI about it, along with reasons/justification for the same, within a month of such a decision being taken.

7.2 An audit firm would not be eligible for reappointment in the same Company 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 the Company 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 Company for six years from completion of part-tenure].

7.3. An Audit Firm proposed to be appointed as SCA of the Company, can concurrently take up statutory audit of a maximum of four Commercial Banks [including not more than one PSB or one All India Financial Institution (NABARD, SIDBI, NHB, EXIM Bank) or RBI, eight UCBs and eight NBFCs during a particular year, subject to compliance with required eligibility criteria and other conditions for each Entity and within overall ceiling prescribed by any other statutes or rules.

For the purpose of this Policy, a group of audit firms having common partners and/or under the same network, will be considered as one entity and they will be considered for allotment of SCA 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.

8. Audit Fee and expenses

8.1 The audit fees for SCAs of the Company shall be approved at the Annual General Meeting of the Company or the shareholders may delegate/authorize the Board of Directors of the Company to fix remuneration i.e., Audit fee and expenses, in terms of the relevant statutory/regulatory provisions.

The audit fees and expenses for SBAs of the Company shall be approved by Audit Committee of the company and the same shall be ratified by the Board of Directors.

8.2 The audit fees for SCAs and SBAs of the Company 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.

8.3 The ACB shall review the proposed audit fee and expenses and recommend to the Board of Directors for approval or the Board shall make recommendation to the shareholders for approval of Audit fee and expenses of SCAs as per the relevant statutory/regulatory instructions.

9. Procedure of appointment /re-appointment of SCAs

Process for appointment of New firm as SCAs:

9.1 Applications for appointment of SCAs will be invited from the Audit Firms /LLPs having their Head Office or Branch in Bengaluru, by publishing the requirement on the official website of the Company.

A window of 15 days to 21 days will be provided for submission of applications from the Audit Firms/LLPs meeting eligibility criteria as per para 4 and 5 above, together with the resume/profile, declarations, etc. as acceptable to the Company. The Company reserves its right to call for additional information, over and above that specified therein.

9.2 The shortlisting of firms from applications received, will be done by an Evaluation Committee consisting of MD & CEO, Deputy MD/ Whole Time Director and General Manager of the Company. The Evaluation Committee, will shortlist the firms, thrice the number of vacancies, for making presentation to the ACB, by evaluating them on the basis of pre-defined parameters and willingness received from the firms.

9.3 The short listed Audit Firms/LLPs for appointment as SCAs will make presentation to ACB, including compliance on para 4 and 5 as above, for final selection. ACB shall select minimum of 2 audit firms of SCAs so that even if firm at first preference is found to be ineligible/refuses appointment, the firm at second preference can be appointed and the process of appointment of Auditors does not get delayed.

9.4 Thereafter, the Company will approach the audit firms to obtain their irrevocable consent in writing strictly in order of preference. If the approached audit firm does not give consent, the Company will approach the next audit firm in order of preference for obtaining consent till the time the number of audit firms who have given the consent equals to number of vacancies for the particular year.

9.5 Thereafter, the Company will place the list of selected SCAs before the Board for approval as recommended by the ACB and to recommend the proposal to the Shareholders for their approval at the next Annual General Meeting.

9.6 General process to be followed:

(i) The Company shall obtain a certificate, along with relevant information as per Form B (Annexure 2) from the audit firm(s) proposed to be appointed/ reappointed as Statutory Auditors 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/ reappointment of Statutory Auditors of the Company, under the seal of the said audit firm.

(ii) The SCAs are required to declare the list of their major corporate clients to avoid conflict of interest.

9.7 The Board of Directors place the proposal for appointment / re-appointment / removal of Statutory Central Auditors together with their recommendations to the shareholders, for their approval at the AGM, in terms of this policy and applicable provisions of the Companies Act, 2013 and other prevailing regulatory and statutory requirements.

9.8 On appointment or reappointment of SCAs the Company shall inform to RBI by submitting Form A (Annexure 3).

9.9 Once resolution is approved by the shareholders, an appointment order is issued to the Audit Firm/LLP, indicating their role and responsibilities along with the remuneration payable for the assignment. The firm will submit their acceptance to the offer of appointment and also submit necessary documents viz., declaration of eligibility, certificate of non-indebtedness etc. as per extant RBI, SEBI and other statutory and regulatory guidelines.

9.10 On completion of the process of appointment, the Company shall submit requisite e-form to ROC intimating appointment of statutory auditors for the Company.

9.11 The audit firm(s) shall apply for appointment/ re-appointment of SBA in an application (Annexure 5) to the company. The process for appointment/re-appointment of Statutory Branch Auditors (SBAs) shall be in terms of the provisions of Section 143(8) of the Companies Act, 2013, as indicated in the RBI guidelines dated April 27, 2021 (Annexure 6). The guidelines for such appointment/re-appointment shall be on the above lines, to the extent applicable, and as approved by the ACB from time to time. The appointed SBAs shall give their acceptance on the terms and conditions laid for the purpose of branch audit (Annexure 7).

10. Review of performance

ACB shall review the performance of SCAs on an Annual Basis.

At the time of annual review of the performance of SCAs by the ACB, any serious lapses/ negligence in audit responsibilities or conduct issues on part of the SCAs or any other matter considered as relevant, will be reported to RBI within two months from completion of the annual audit, based on the recommendations of the ACB and approval of the Board, with the full details of the audit firm.

11. Resignation

Resignation of SCA will be subject to extant SEBI guidelines with regard to listed entities as under –

- a. If the SCA resigns within 45 days from the end of a quarter of a financial year, then the auditor shall, before such resignation, issue the limited review/ audit report for such quarter.
- b. If the SCA resigns after 45 days from the end of a quarter of a financial year, then the auditor shall, before such resignation, issue the limited review/ audit report for such quarter as well as the next quarter.
- c. Notwithstanding the above, if the SCA has signed the limited review/ audit report for the first three quarters of a financial year, then the auditor shall, before such resignation, issue the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.
- d. Further, the SCA when submitting their resignation must also comply with the following, as per extant SEBI guidelines, which includes, inter-alia, reporting of concerns with respect to the Company to the ACB:
 - (i) In case of any concern with the management of the Company, such as non-availability of information / non-cooperation by the management which may hamper the audit process, the auditor shall approach the Chairman of the ACB, and the ACB shall receive such concern directly and immediately without specifically waiting for the quarterly ACB meetings.
 - (ii) In case the SCAs propose to resign, all concerns with respect to the proposed resignation, along with relevant documents shall be brought to the notice of the ACB. In cases where the proposed resignation is due to non-receipt of information/ explanation from the Company, the auditor shall inform the ACB of the details of information/ explanation sought for and not provided by the management, as applicable.
 - (iii) On receipt of such information from the SCAs relating to the proposal to resign as mentioned above, the ACB shall deliberate on the matter and communicate its views to the Board, the management and the auditor.

The Company to additionally consider the rules and regulations, if any, applicable for such resignations.

12. Scope of Audit

Scope of Statutory Central Audit of the Company will be strictly as per the guidelines issued by RBI, regulations of SEBI, provisions of Companies Act, IRDA Act and such other applicable provisions. The statutory audit firm will be required to conduct limited review of quarterly financial results, to conduct Annual Audit and submit Audit Report as required under SEBI (LODR) Regulations, 2015 and subject to RBI guidelines. The audit assignment also includes issue of certificates mandated by RBI, SEBI, MCA etc., as part of the annual audit process. Certificate should be as per Form B (Annexure 2).

In terms of RBI guidelines SCAs shall visit and audit at least the top 20 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 Company. Further, the Company may allocate additional branches from different geographies and of different sizes.

The Company may finalize the work allocation among SCAs, before the commencement of the statutory audit, in consultation with their SCAs.

Scope of Branch Audit

The Company has to ensure adherence to the provisions of Section 143 (8) of the Companies Act, 2013 regarding audit of accounts of all branches. The accounts of that office shall be audited either by the auditor appointed for the Company under the Companies Act, 2013 or by any other person qualified for appointment as an auditor of the Company under the said Act and appointed as such under section 139 of the Act. The branch auditor shall prepare a report on the accounts of the branch examined by him and send it to the SCA of the Company who shall deal with it in his report in such manner as he considers necessary.

13. Review of policy

The Audit Committee of the Board and Board of the Company may review the policy as and when required/ need-based.

In case there are any regulatory changes requiring modifications to the Policy, the Policy shall be reviewed and amended at the next possible opportunity. However, the amended regulatory requirements will supersede the Policy till the time Policy is suitably amended.

14. The Board approved Policy will be hosted on Company's official website.

15. Provisions applicable to the Company are provided in Annexure 4, which will be updated from time to time based on the amendments to such provisions, if any.

Suggested format for application by audit firms for empanelment as Statutory Central Auditors of the Company

(To be furnished on the letter head of the audit firm)

To
The Board of Directors
The Can Fin Homes Limited
Bengaluru

Dear Sirs,

Sub: Appointment as Statutory Central Auditor (SCAs) of the Company

We wish to submit the profile of the firm along with the requisite eligibility criteria to consider the appointment of our firm as SCAs of Can Fin Homes Limited. We hereby give our consent to be appointed as SCAs of your Company.

We confirm that our firm fulfills the requirements of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, as well as extant RBI and SEBI guidelines.

Accordingly, we certify that:

- (1) We are eligible for appointment under section 139 of the Companies Act, 2013 and meet the criteria for appointment specified in Section 141 of the Act;
- (2) We are not disqualified from being appointed as auditors under the Companies Act, the Chartered Accountant Act, 1949 and the rules or regulations made thereunder as also the extant SEBI guidelines with regard to appointment of Statutory Central Auditors by commercial banks/NBFCs as well as the Statutory Central Auditor Appointment Policy of the Company; our appointment as SCAs will be in line with the Institute of Chartered Accountants of India (ICAI) Code of Ethics/any other such standards adopted and does not give rise to any conflict of interest.
- (3) Our firm is not a member of any network of audit firms nor is any partner of the firm a partner in any other audit firm. *(If appointed, the details thereof may be reported separately).*
- (4) The firm complies with all eligibility norms prescribed by RBI regarding appointment of SCAs of Housing Finance Companies. 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/they are partners/Directors have been declared as wilful defaulter by any bank / financial institution. No partner of our firm is a director in your Company or any group entities nor has the firm or any of its partner has been appointed as a concurrent auditor by the Company.

(5) We confirm that the firm has not been debarred from taking up audit assignments by any regulator / Government agency i.e. we are not underdebarment by any Government Agency, National Financial Reporting Authority (NFRA), (ICAI), RBI or Other Financial Regulators. *(Details of earlier disciplinary proceedings, debarment, etc. if any, by any financial regulator / Government agency – both closed and pending - may be provided separately)*

(6) There are no pending proceedings against the firm or any of its partners with respect to professional matters of conduct under the Chartered Accountants Act, 1949 and the rules and regulations made thereunder.

(7) Our firm has not been associated with your Company as SCAs in the past / our last engagement with your Company as SCAs was during the financial year _____ *(strike out whichever is not applicable).*

(8) Our firm has not provided any audit or services to your Company in the past /our last engagement with your Company was during the financial year_____as _____*(strike out whichever is not applicable).*

(9) Our firm has not been appointed as SCAs by any other commercial bank and/or All India Financial Institution (AIFI) / RBI / NBFC / UCB in the present financial year. *(If appointed, the details thereof may be reported separately).*

(10) Our firm is not providing any audit or any service to any client who are covered under the Large Exposure Framework (LEF) of RBI / The list of entities covered under LEF of RBI, to whom we provide services are enclosed herewith *(strike out whichever is not applicable)*

(11) Certificate of indebtedness as per prescribed proforma is enclosed herewith.

In case our 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.), we will promptly approach the Company with full details. Further, we will take all necessary steps to become eligible within a reasonable time and in any case, will comply with all the norms before commencement of annual statutory audit for financial year ending 31st March and till the completion of annual audit.

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

Signature of the Main
Partner(Name of the
Partner)

Encl: Additional information sought by the
Company

Form B

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

Asset Size of Entity as on 31st March of Previous Year	Number of full time partners associated* with the firm for a period of at least three years ¹	Out of 'A', number of Fellow Chartered Accountant partners associated with the firm for a period of atleast three years	Number of full time partners / paid CAs with CISA/'DIS A qualification ²	Number of years of bank audit experience# of the firm ³	Number of professional staff ⁴
A	B	C	D	E	F
Status of applicant firm with regard to the above -					

*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

Criteria in respect of (1) Full time partners associated with the firm, (2) CISA/DISA Qualification (3) Audit Experience and (4) Professional Staff is given under Para 4 of the Policy.

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. Details of additional criteria

- Details regarding capability and experience in deploying Computer Assisted Audit Tools and Techniques (CAATTs) and Generalized Audit Software (GAS) by the firm which will be utilized to audit the CBS environment of the Company, in order to achieve audit objectives.
- Detailed audit profile – including statutory central or branch audits of Banks, concurrent audit of Banks
- ICAI firm registration certificate stating firm registration number, year of establishment, address etc. RBI Unique Code Number (UCN) may be reported therein.

D. 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:

ANNEXURE-3

FORM A

Information to be submitted by the NBFCs regarding appointment of SCA

The Company has appointed M/s _____, Chartered Accountants (Firm Registration Number _____) as Statutory Central Auditor (SCA) for the financial year _____ for their 1st/2nd/3rd term.

2. The Company has obtained eligibility certificate from (name and Firm Registration Number of the audit firm) appointed as SCA/SA of the Company for FY along with relevant information in the format as prescribed by RBI.

3. The firm has no past association/association for _____ years with the company as Statutory Central Auditor(SCA)/Statutory Branch Auditor(SBA).

4. The Company has verified the said firm's compliance with all eligibility norms prescribed by RBI for appointment of SCAs of NBFCs.

Signature

(Name and Designation)

Date:

Applicable provisions of law**A. Companies Act, 2013**

Section 139 - No listed Company or a Company as may be prescribed, shall appoint or re-appoint—

- (a) an individual as auditor for more than one term of five consecutive years; and
- (b) an audit firm as auditor for more than two terms of five consecutive years.
- (c) Provided that—(i) an individual auditor who has completed his term under clause (a) shall not be eligible for re-appointment as auditor in the same company for five years from the completion of his term;
(ii) an audit firm which has completed its term under clause (b), shall not be eligible for re-appointment as auditor in the same company for five years from the completion of such term.
- (d) Provided further that as on the date of appointment no audit firm having a common partner or partners to the other audit firm, whose tenure has expired in a company immediately preceding the financial year, shall be appointed as auditor of the same company for a period of five years.

Section 148(8) - Where a company has a branch office, the accounts of that office shall be audited either by the auditor appointed for the company (herein referred to as the company's auditor) under this Act or by any other person qualified for appointment as an auditor of the company under this Act and appointed as such under section 139, or where the branch office is situated in a country outside India, the accounts of the branch office shall be audited either by the company's auditor or by an accountant or by any other person duly qualified to act as an auditor of the accounts of the branch office in accordance with the laws of that country and the duties and powers of the company's auditor with reference to the audit of the branch and the branch auditor, if any, shall be such as may be prescribed:

Provided that the branch auditor shall prepare a report on the accounts of the branch examined by him and send it to the auditor of the company who shall deal with it in his report in such manner as he considers necessary.

B. Companies (Audit and Auditors) Rules 2014

Manner of selection and appointment of auditors is provided under Rule 3 of the Rules and is provided below:

- (a) The Audit Committee shall consider the qualification and experience of proposed auditor to satisfy itself whether the qualification and experience of the proposed auditors is in commensurate with the size and requirements of the company.
- (b) The Audit Committee shall call any relevant information from the proposed auditors as may deemed fit.
- (c) The Audit committee shall recommend to the board the name of the proposed auditors and the board shall consider and recommend the same to the members in AGM for appointment.
- (d) In case if the board disagrees with the recommendation of the Audit committee, it shall refer the recommendation to the committee for reconsideration citing reason for such disagreement.
- (e) If the audit committee, after considering the reason and decide not to reconsider its

original recommendation, the board shall record the reason for its disagreement with committee and send its own recommendation for consideration of the members in AGM and if Board agrees with the recommendation of the audit committees, it shall place the matter for consideration by members in the AGM.

- (f) The auditor appointed in the annual general meeting shall hold office from the conclusion of that meeting till the conclusion of the sixth annual general meeting, with the meeting wherein such appointment has been made being counted as the first meeting.

C. Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

The directions provide for submission of certificates certified by statutory auditors i.e. certification on minimum NOF, completion of the augmentation of capital before reckoning the same etc. and rotation of partners of statutory auditors' audit firm.

Our Company being a Housing Finance Company (HFC) and regulated by National Housing Bank. The provisions of National Housing Bank Act, 1987 were amended w.e.f. August 09, 2019 pursuant to the Finance Act, 2019 thereby shifting the power to govern Housing finance Companies (HFCs) from National Housing Bank (NHB) to the Reserve Bank of India (RBI). RBI vide its letter Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, had issued guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) to NBFCs (including HFCs) which are applicable to our Company also.

RBI guidelines dated April 27, 2021

As per aforesaid RBI guidelines our Company do not have to take prior approval of RBI for appointment of SCAs/SAs. However, our Company need to inform RBI about the appointment of SCAs/SAs for each year by way of a certificate in Form A (Annexure-2) within one month of such appointment.

Appointment / re-appointment of SCAs by the Company will be undertaken on the basis of guidelines issued by RBI from time to time.

SEBI LODR Regulations, 2015 as amended

- Under Sub-clause (2) of Clause A in Part C of Schedule II under Regulation 18(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), the Audit Committee of a listed entity, inter alia, has to make recommendations for the appointment, remuneration and terms of appointment of auditors of a listed entity. Under Sub-clause (7), the Audit Committee is also responsible for reviewing and monitoring the independence and performance of auditors and the effectiveness of the audit process.
- Further, Sub-clause (7A) inserted under Clause A in Part A of Schedule III under Regulation 30(2) of SEBI LODR Regulations requires detailed reasons to be disclosed by the listed entities to the stock exchanges in case of resignation of the auditor of a listed entity as soon as possible but not later than twenty-four hours of receipt of such reasons from the auditor.
- Regulation 36(5) of the SEBI LODR Regulations lays down certain disclosures to be made part of the notice to the shareholders for an AGM, where the statutory auditors are proposed to be appointed/re-appointed, including their terms of appointment.

SEBI Circular CIR/CFD/CMD1/114/2019 dated October 18, 2019

The circular provides for detailed provisions on Resignation of statutory auditors from listed entities and their material subsidiaries w.r.t. limited review / audit report as per SEBI LODR Regulations, which are as under:

A. All listed entities/material subsidiaries shall ensure compliance with the following conditions while appointing/re-appointing an auditor

(i) If the auditor resigns within 45 days from the end of a quarter of a financial year, then the auditor shall, before such resignation, issue the limited review/ audit report for such quarter.

(ii) If the auditor resigns after 45 days from the end of a quarter of a financial year, then the auditor shall, before such resignation, issue the limited review/ audit report for such quarter as well as the next quarter.

(iii) Notwithstanding the above, if the auditor has signed the limited review/ audit report for the first three quarters of a financial year, then the auditor shall, before such resignation, issue the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.

B. Other conditions relating to resignation shall include:

(i) Reporting of concerns with respect to the listed entity/its material subsidiary to the Audit Committee

a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which may hamper the audit process, the auditor shall approach the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.

b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents shall be brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor shall inform the Audit Committee of the details of information / explanation sought and not provided by the management, as applicable.

c. On receipt of such information from the auditor relating to the proposal to resign as mentioned above, the Audit Committee / board of directors, as the case may be, shall deliberate on the matter and communicate its views to the management and the auditor.

(ii) Disclaimer in case of non-receipt of information:

In case the listed entity/ its material subsidiary does not provide information required by the auditor, to that extent, the auditor shall provide an appropriate disclaimer in the audit report, which may be in accordance with the Standards of Auditing as specified by ICAI / NFRA.

The listed entity/ material subsidiary shall ensure that the conditions as mentioned in 6(A) and 6(B) above are included in the terms of appointment of the statutory auditor at the time of appointing/reappointing the auditor. In case the auditor has already been appointed, the terms of appointment shall be suitably modified to give effect to 6(A) and 6(B) above.

The practicing company secretary shall certify compliance by a listed entity with 6(A) and 6(B) above in the annual secretarial compliance report issued in terms of SEBI Circular no. CIR/CFD/CMD1/27/2019 dated February 08, 2019.

C. Obligations of the listed entity and its material subsidiary

(i) Format of information to be obtained from the statutory auditor upon resignation:

Upon resignation, the listed entity / its material subsidiary shall obtain information from the Auditor in the format as specified in Annexure A to this Circular. The listed entity shall ensure disclosure of the same under Sub-clause (7A) of Clause A in Part A of Schedule III under Regulation 30(2) of SEBI LODR Regulations.

(ii) Co-operation by listed entity and its material subsidiary

During the period from when the auditor proposes to resign till the auditor submits the report for such quarter / financial year as specified above, the listed entity and its material subsidiaries shall continue to provide all such documents/information as may be necessary for the audit / limited review.

(iii) Disclosure of Audit Committee's views to the Stock Exchanges

Upon resignation of the auditor, the Audit Committee shall deliberate upon all the concerns raised by the auditor with respect to its resignation as soon as possible, but not later than the date of the next Audit Committee meeting and communicate its views to the management. The listed entity shall ensure the disclosure of the Audit Committee's views to the stock exchanges as soon as possible but not later than twenty-four hours after the date of such Audit Committee meeting.

In case the auditor is rendered disqualified due to operation of any condition mentioned in Section 141 of the Companies Act, 2013, then the provisions of this Circular shall not apply.

APPLICATION FORM FOR EMPANELMENT OF AUDITORS FOR STATUTORY AUDIT OF BRANCHES**I. GENERAL INFORMATION:**

1. Name of the Firm					
2. Complete postal/communication address of the Firm / Limited Liability Partnerships (LLPs)					
3. Office telephone Number/Numbers		Std Code Telephone Number			
		Mobile No.			
4. Office FAX Number					
5. E-mail address					
6. Constitution					
7. Date of formation/establishment of the Firm					
8. Branch Office of the firm					
9. Registration Number of the Firm with date with Institute of Chartered Accountants of India (ICAI)		Regn. Number		Date of registration	
10. Registration Number of the Firm with date (unique code number) with Reserve Bank of India)					
11. GST Registration Number					
12. Peer Review Details					
13. Permanent Account Number (PAN) of the firm (Mandatory)					
14. Number of full time partner					
15. Name, qualification, membership Number, year and other details (FCA ,CISA/DISA qualification to be mentioned)					
Name of the Partner	Contact Number (including mobile no.)	Educational Qualification (FCA/CISA/DISA qualification to be mentioned)	Membership Number/Year	No of years associated with the firm	Brief profile
1.					
2.					
3.					

16. 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.	
17. 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.	
18. Whether the firm has been debarred from taking up audit assignments by any regulator/Government agency /ICAI /NFRA/RBI ? If yes, details thereof.	
19. Details of disciplinary proceedings etc, against the firm by any Financial Regulator/Government agency /ICAI /NFRA/RBI during last three years ,both closed and pending.	
20. Whether any of the partners of the firm is a director in any of our group entities ?	
21. Details of audit staff employed & Qualified Chartered Accountants	
Particulars	Total
Qualified/Semi qualified Chartered Accountants	
Retired/ex-Company officers	
Article/audit clerks	
Other assistants with knowledge of book-keeping and accountancy	
Total	

II. PAST EXPERIENCE OF THE FIRM / COMPANY (Relating to various Company audits):

A. Central Statutory Auditors (Commercial Banks (excluding RRBs)/ UCBs/ NBFCs/ AIFIs.)			
Name of the Company	No of years in completed years	During the Period	
B. Statutory Branch Auditors (Commercial Banks (excluding RRBs)/ UCBs/ NBFCs/ AIFIs.)			
Name of the Company	Branches	No of years in completed years	During the Period
C. Internal /Concurrent Auditors (Commercial Banks (excluding RRBs)/ UCBs/ NBFCs/ AIFIs.)			
Name of the Company	Branches	No of years in completed years	During the Period
D. Income/Revenue Auditors			

Name of the Company	Branches	No of years in completed years	During the Period
E. System /IS Auditors			
Name of the Company	Branches	No of years in completed years	During the Period
F. Listed Companies			
Name of the Company		No of years in completed years	During the Period
G. Details of audit assignment currently on hand	COMPANY		Type of audit
H. Number of years of experience in IND AS			
I. Number of years of experience in handling Income Tax Matters			
J. Number of years of experience in GST			
K. Experience in deploying Computer Assisted Audit Tools and Techniques (CAATTs) and Generalized Audit Software (GAS)			
L. Has the firm taken up any non-audit work u/s 144 of Companies Act of Can Fin Homes Limited/any group entities. If Yes, kindly provide details of nature of work, period of engagement and company/branch.			
M. Has the Firm previously audited Can Fin Homes Limited, if yes provide details of branch and period which you audited.			
N. Any other relevant details / particulars of the firm			
O. Declaration:			
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			

III. CHOICE OF BRANCH :

Name of the branch	(1)	(2)	(3)	(4)
Distance to the branch from your office in Kms.				

Date:

Place:

(Signature of the Authorized Signatory with seal)

TERMS AND CONDITIONS FOR APPOINTMENT OF AUDITORS FOR STATUTORY AUDIT OF BRANCHES

I. Conditions for appointment:

- a. Applicant should be either a LLP/Partnership firm with a minimum of 4 partners and at least 2 of them shall be Chartered Accountants.
- b. The audit team should be led by the Chartered Accountant-Partner of the audit firm with experienced assistants as the work may warrant.
- c. The LLP/Audit firm shall submit a copy of the certificate issued by the Institute of Chartered Accountants of India, New Delhi, in respect of its partners.
- d. At least one partner of the firm shall have CISA/DISA qualification.
- e. Auditors should not have been disqualified under Section 141 of the Companies Act, 2013 to accept this appointment.
- f. The LLP/Firm/ or any of the partners of the LLP/firm should not have any disciplinary matters pending with ICAI/RBI and they should not have suffered any disqualification.
- g. The LLP/firm should be in practice during the past 15 years for shortlisting for Exceptionally large/ Very large/ large branches, 10 years for Medium branches and 5 years for small/ Very small branches.
- h. The LLP/Firm should have sufficient experience in conducting audits in Companies/ Corporate/banks.
- i. The LLP/firm should be nearer to the proposed auditee branch.
- j. One LLP/firm shall submit one application only.
- k. The Company has the discretion to consider or reject any of the applications based on any of the RBI / Government / Internal guidelines of the Company.
- l. The empanelment and allocation of branches to the auditors will be purely the prerogative of the Company.
- m. The Company has the discretion to allot not more than 4 branches to each of the LLP/audit firm. However, the Company has the discretion to change the allocation of the branches based on any administrative exigencies.
- n. The LLP/firm should give their consent in writing/undertaking letter in the prescribed format agreeing to comply with and bound by the terms and conditions prescribed by the Company.
- o. If there is any change in the constitution of the firm during the period of appointment, it shall be informed to the Company immediately.
- p. The audit firm shall not sub-contract the audit assignment.
- q. The audit firm will not lobby directly or indirectly for considering any credit proposals of their friends/clients to the Company.

II. Term of appointment/office

The term of appointment for Statutory Branch Auditors is for a period of 1 year.

III. Details of Fee payable

Sl.No	Size of the Branch	Branch Audit Fees (Rs.)	Branch Tax Audit Fees (Rs.)	Total Fees per branch (Rs.)
1.	> 400 crs	49,000	14,000	63,000
2.	250 - 400 crs	31,000	9,000	40,000
3.	100-250 crs	24,500	6,500	31,000
4.	50-100 crs	18,500	4,500	23,000
5.	10-50 crs	15,000	4,000	19,000
6.	<10 crs	9,000	3,000	12,000

The out-of-pocket expenses (food, hotel, conveyance, etc) is fixed 20% of their fee as the benchmark, however on exceptional basis considering the distance and time spent by the firm can be paid with the supporting Bills of expenses.

IV. Methodology for selection

(1). Inviting applications

Drawing a cluster of all branches of the Company (not exceeding 4 branches per LLP/audit firms), for conducting branch audit depending upon the location of the branches, size of the branch and proximity of auditors to the respective branches. Draft of application is enclosed.

(2). Publication about appointment and receiving applications

Publication about inviting applications (duly preparing all terms and conditions, draft application form, details of branches, audit fee etc.) for appointment of branch auditors for all branches of the Company would be made on the website of the Company, inviting applications from eligible auditors/audit firms of that region. Interested firm shall submit application in hard copy within 14 days' time from the date of web publication in the prescribed form to Registered Office along with a resume about the firm credentials.

(3). To the extent permissible the audit firms be assigned the branches in the respective areas/ localities where they have established.

(4). For each LLPs/audit firm, a maximum of 4 branches may be allotted.

V. Acceptance of Company's offer

1. The audit firm/LLP which is provisionally selected for appointment will be communicated through e-mail and the acceptance to Company's offer is to be confirmed by the audit firm by way of return e-mail followed by a hard copy of application in the prescribed form along with the supporting documents shown below within 14 days:

2. Self-attested hard copies of the following shall be sent to the Company together with the acceptance letter:

- Certificate of Registration with ICAI.
- Copies of few letters received from Companies assigning the work of Statutory Audit / other audits to audit firm, as reported in the application.
- Letter of acceptance of Terms and Conditions in the prescribed format (Annx.7)
- Copy of CISA/DISA Certificate
- Any other report / enclosures/evidence which audit firm has mentioned in the application.

VI. Appointment/communication about selection

(1). On receipt of the above documents, the Company shall scrutinize the same and verify the correctness of application / annexure and short-list the eligible auditors/audit firms based upon a matrix comprising 5 parameters/criteria viz., (1).proximity to the branch (2).Audit experience (3).standing of the audit firm/LLPs (4).no. of partners in the firm and (5).current assignments on hand, by allotting 10 marks to each of traits, aggregating to 50 marks in total.

(2). Upon receipt of the approval from the Board of Directors necessary appointment orders will be issued to the respective auditors/firms. If, due to unavoidable reasons any auditor is not able to take up the assignment then the next auditor/firm of auditors in the list shall be allotted with the assignment.

(3). The Company shall communicate the provisional selection to such firms along with all terms and conditions (as per Annexure-6) by way of email followed by hard copy and call for letter of acceptance, copies of registration certificate issued by ICAI, proof for experience etc., to the Registered Office, within 14days.

(4). After receipt of item as per (1) above, the Company shall issue final appointment orders to the Audit firm.

(5) If the selected firm of Auditors do not comply with (1) above including submission of letter of acceptance duly signed by them within the prescribed time the appointment made will stand automatically cancelled within 14 days and the Company shall appoint next wait-listed firm as statutory branch auditors.

(6). The selected firms (approved by the Board) for 201 branches will be published in the website of the Company, after the meeting of the Board. In respect of firms, which are not being selected, no communication will be sent by the Company and no separate communication will be sent by the Company and no correspondence will be entertained.

(7). The term of appointment for Statutory Branch Auditors is for a period of 1 year i.e., from the date of conclusion of the 36TH Annual General Meeting held on 19/07/2023 until the conclusion of the next AGM subject to Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Guidelines/Directions issued by the National Housing Bank from time to time.

(8). The Statutory Branch Auditor(s)/firm shall maintain in strict confidence, the information collected during the course of Audit of the Branches and shall not use or disclose to others. The Statutory Branch Auditor / firm shall maintain the confidentiality of the information provided by the Company so as to prevent unauthorised copying, use, distribution, installation or transfer of possession of such information and shall not disclose to persons except to the limited extent of fulfilling the obligations stated herein. Further, the auditor / firm shall maintain the confidentiality of the information even after the termination of the agreement.

(9). The Statutory Branch Auditors will have the same powers and duties in respect of audit of the accounts of the branch office as the Company's auditor has in respect of the same in terms of Section 143 and all other applicable provisions, if any, of the Companies Act, 2013.

VII. Termination / cancellation of appointment

(1). If the selected auditors for statutory audit of branches auditors does not submit the application in the prescribed form together with all the related documents/papers within 7 days, the appointment made will stand automatically cancelled and the Managing Director shall appoint the next firm of qualified Auditors in the wait-list as the statutory branch auditors.

(2) If any of the information / documents furnished by the auditor is found to be incorrect, the Company's offer will automatically stand cancelled without entertaining any further correspondence.

Letter of Acceptance of Offer from the Audit Firm
(To be furnished on the letter head of the firm)

From:

To:
The CFO
F & A Department
Can Fin Homes Ltd
Registered Office,
Bangalore

**SUB: Appointment/Re-appointment as Auditors for Statutory Audit of branches
- Letter of acceptance of Terms & Conditions.**

REF: Your letter intimating appointment of our firm dated

This bears reference to your above offer letter appointing us as Auditors for Statutory Audit and tax audit of branches for the position as at 31/03/2024 with respect to ____ (number) branches viz., ____

1. We have read the Terms and Conditions for selection/appointment as Auditors for Statutory Audit of branches and agree to abide by the same.
2. We _____ (Name and address) Chartered Accountant/s hereby accept the offer of appointment as Auditors for Statutory Audit of branches of Can Fin Homes Ltd located at _____ Branches based on your Terms and Conditions annexed to the above said offer for appointment.
3. We also hereby declare that no change in the constitution of our firm has taken place since our application for appointment as Auditors as above. We hereby declare that the constitution of the firm as on the date shown in this profile / resume is the same as that of in the constitution certificate issued by the ICAI. We also undertake to inform the Company in advance, wherever there is any change in the constitution of the firm.
4. We undertake that the Audit work assigned to us will be carried out by our own staff and no sub-contract of the work will be given and we/the firm will make necessary alternate arrangements to ensure uninterrupted Audit of the branch in case of any contingencies.
5. We also confirm that we are not disqualified under any other grounds as given in Section 141 or any other applicable provisions, if any, of the Companies Act 2013 for appointing us as Auditors.
6. We declare that we are not partners in any other Audit Firm/s, which are appointed for any other types of assignments in Company.
7. We do hereby declare that to the best of our ability and skill, execute and perform the duties required of us as branch Auditors of the Company.
8. We further declare that we will not communicate or allow to be communicated to any person any information relating to the affairs of Company or the affairs of any person/s having dealing with the Company or allow any such person to inspect or have access to any books or documents belonging to or in the possession of the Company relating to the business of the Company or of the business of any person having any dealing with the Company and maintain utmost confidentiality in all the matters which have come to our notice during the

course of Audit and shall maintain the confidentiality of the information provided by the Company so as to prevent unauthorized copying, use, distribution, installation/transfer of such information and shall not disclose to persons except to the limited extent of fulfilling the obligations stated in the terms and conditions of appointment as branch Auditors. If in the opinion of the Company there is any breach of any of these covenants by us or any of the employees of our firm, the Company is at liberty to initiate any action against the firm and firm is liable for any damages caused to the Company or any of its claims. Further, we shall maintain the confidentiality of the information even after termination of the agreement.

9. In case the above declaration or any part thereof is proved to be incorrect, the Company is free to advise the details thereof to RBI and Institute of Chartered Accountants of India or Ministry of Corporate Affairs (MCA) for initiating necessary action against the firm.
10. We also note that our failure to report serious irregularities to the Company will attract disqualification from being continued as branch Auditors or any other assignments by the Company.
11. We are agreeable to function as branch Statutory Auditors on the remuneration/fee (subject to Statutory deductions) offered by the Company. The Company is at liberty to modify the remuneration/fee at any point without giving any reasons.
12. We undertake to preserve the documents/data obtained in the course of Audit in accordance with legal/regulatory obligations of National Housing Bank (NHB)/the Company.
13. The Company is at liberty to verify/inspect such of our records by the Central Statutory Auditors of the Company/NHB/RBI/other persons authorized by the Company and we shall have no objection in giving access to all such working papers/records and information relevant to the Audit.
14. We agree and undertake that the services rendered by us is liable for periodical review by the Company and in case in the opinion of the Company our services are not satisfactory, the Company is at liberty to alter/modify/vary/change any of the terms and conditions of the appointment after giving due intimation to the firm or summarily terminate the services of the firm if in the opinion of the Company the firm or any of its employees has violated any of the terms of appointment.
15. In case of any dispute, the decision of the Company is final and only the appropriate Court in Bangalore shall have the authority in jurisdictional matter.

Date:

Place:

(Signature of the Authorized Signatory with seal)