

ધી ભાગ્યોદય કો.ઓપરેટીવ બેંક લિ.

: રજીસ્ટર્ડ એન્ડ એડમીન ઓફિસ :

પહેલો માળ, 1, સૂર્યદીપ બંગલોઝ, નાલંદા કોમ્પ્લેક્ષની સામે,

પ્રેમચંદ્રનગર, સેટેલાઈટ, અમદાવાદ - 380015.

ફોન નં.079-26747001, 26747002

www.bhagyodaya.bank.in

સ્ટેચ્યુટરી ઓડીટરની નિમણુંક અંગેની પોલીસી

આર.બી.આઈ. લાયસન્સ નં.

યુબીડી.જી.1060.પી. (16/12/1993)

આર.બી.આઈ. યુનિફોર્મ કોડ નં.

ભાગ-1 : 8650901 ભાગ-2 : 5700009

ઓડીટ વર્ગ

"અ"

રજીસ્ટ્રેશન નં.

એસઈ-11789 (29/05/1972)

ઈ-મેઈલ એડ્રેસ

ho@bhagyodaya.bank.in

બોર્ડ મીટીંગ તા.29/09/2026

ક્રાવ નં. 15

THE BHAGYODAYA CO-OP. BANK LTD.

(Dipak J. Shah)
General Manager



અનુક્રમણિકા

ક્રમ નં.	પ્રકરણ	વિગત	પાના નંબર
1	-	પ્રસ્તાવના	2
2	1	માર્ગદર્શિકા લાગુ પડવાના માપદંડો	3
3	2	રિઝર્વ બેંક ઓફ ઈન્ડિયાની પૂર્વ મંજૂરી	4
4	3	ઓડિટરોની સંખ્યા તથા આવરી લેવામાં આવતી શાખાઓ	5
5	4	ઓડિટરની લાયકાત	7
6	5	ઓડિટરની સ્વતંત્રતા	8
7	6	ઓડિટરો માટે વ્યાવસાયિક માપદંડો	9
8	7	મુદત તથા રોટેશન	10
9	8	ફી અને મહેનતાણું	11
10	9	અન્ય માહિતી	12
11	-	રીઝર્વ બેંક ઓફ ઈન્ડિયા ડાયરેક્શન નં. RBI/DoS/2026-27/441, DoS.CO.ARG. 35/08.91.001/2026-27 dated 31/07/2026	-

પ્રસ્તાવના

રીઝર્વ બેંક ઓફ ઈન્ડિયાએ તેઓના ડાયરેક્શન નં. RBI/DoS/2026-27/441, DoS.CO.ARG.35/08.91.001/2026-27 dated 31/07/2026 થી સહકારી બેંકોના સ્ટેચ્યુટરી ઓડીટરની નિમણુંક કરવા અંગેની માર્ગદર્શિકા જાહેર કરેલ છે.

જે અનુસંધાને બેંકે આ પોલીસી તૈયાર કરેલ છે. જે ધી ભાગ્યોદય કો.ઓ.બેંક લિ.ની તમામ શાખાઓ માટે લાગુ પડશે.

પ્રકરણ - 1

માર્ગદર્શિકા લાગુ પડવાના માપદંડો

- આ માર્ગદર્શિકા નાણાંકીય વર્ષ 2026-2027 તથા ત્યાર બાદના વર્ષો માટે લાગુ પડશે.
- જે અર્બન કો.ઓપ. બેંકો માટે બીજીવાર જાહેર કરવામાં આવેલ છે.
- અર્બન કો.ઓપ. બેંકોએ સદર માર્ગદર્શિકા તાત્કાલિક અસરથી લાગુ કરવાની રહેશે.

પ્રકરણ - 2

રિઝર્વ બેંક ઓફ ઈન્ડિયાની પૂર્વ મંજૂરી

- અર્બન કો.ઓપ. બેંકોએ સ્ટેચ્યુટરી ઓડિટરની નિમણૂંક તથા ફરી-નિમણૂંક માટે વાર્ષિક ધોરણે રિઝર્વ બેંક ઓફ ઈન્ડિયાના રિજીયોનલ ઓફિસના ડિપાર્ટમેન્ટ ઓફ સુપરવિઝનની પરવાનગી મેળવવાની રહેશે, અને તે માટે દર વર્ષે 31 જુલાઈ સુધીમાં અરજી કરવાની રહેશે.

પ્રકરણ - ૩

ઓડિટરોની સંખ્યા તથા આવરી લેવામાં આવતી શાખાઓ

- જે બેંકોની એસેટ્સ ₹15,000/- કરોડ કે તેથી વધુ હોય તે બેંકોએ ઓછામાં ઓછી બે ઓડિટ ફર્મ કે જે ફર્મ પાર્ટનરશીપ ફર્મ અથવા એલ.એલ.પી. ફર્મ હોય તથા તેઓના પાર્ટનરો અન્ય ફર્મમાં પાર્ટનર ન હોય તથા કોઈપણ જાતનું હિત ધરાવતા ન હોય તેવી ફર્મ પાસે જોઈન્ટ ઓડિટ કરાવવાનું રહેશે.
- જે બેંકોની એસેટ્સ ₹15,000/- કરોડ થી ઓછી હોય તે બેંકોએ ઓછામાં ઓછી એક ઓડિટ ફર્મ કે જે ફર્મ પાર્ટનરશીપ ફર્મ અથવા એલ.એલ.પી. ફર્મ હોય તેવી ફર્મ પાસે ઓડિટ કરાવવાનું રહેશે.
- બેંકો એ બોર્ડ ઓફ ડિરેક્ટર્સ ધ્વારા પ્રમાણિત પોલીસી મુજબ તથા બેંકના કદ, બેંકની એસેટ્સ, નાણાંકિય વ્યવહારો, કોમ્પ્યુટરાઈઝેશનના લેવલ, નાણાંકિય રિપોર્ટના જોખમોને અનુસાર સ્ટેચ્યુટરી ઓડિટરોની સંખ્યા નક્કી કરવી જોઈએ.

આ અંગે રિઝર્વ બેંક ધ્વારા આપવામાં આવેલ માર્ગદર્શિકા નીચે મુજબ છે.

અનુ.	બેંકની એસેટ સાઈઝ	સ્ટે. ઓડિટરની મહત્તમ સંખ્યા
(1)	₹5,00,000 કરોડ સુધી	4
(2)	₹5,00,000 કરોડ થી ₹10,00,000 કરોડ સુધી	6
(3)	₹10,00,000 કરોડ થી ₹20,00,000 કરોડ સુધી	8
(4)	₹20,00,000 કરોડ થી વધુ	12

- સ્ટેચ્યુટરી ઓડિટર ધ્વારા જે બેંકોની શાખાઓ 100 થી ઓછી હોય તેવી બેંકોની ટોપ 20 કે ટોપ 20% બ્રાંચો કે જેમાં 15% ગ્રોસ ધિરાણો આવરી લેવાતા હોય તેવી બ્રાંચોએ વિઝિટ કરીને ઓડિટ કામગીરી કરવી જોઈએ.

પ્રકરણ - 4**ઓડિટરની લાયકાત**

સ્ટેચ્યુટરી ઓડિટરની લાયકાત માટે રીઝર્વ બેંક ઓફ ઈન્ડિયાના ડાયરેક્શન નં.

RBI/DoS/2026-27/441, DoS.CO.ARG.35/08.91.001/2026 -

27 dated 31/07/2026 નો સંદર્ભ લેવાનો રહેશે.

પ્રકરણ - 5

ઓડિટરની સ્વતંત્રતા

- અર્બન કો.ઓપ. બેંકના બોર્ડ ઓફ ડિરેક્ટર્સ દ્વારા ઓડિટરોની સ્વતંત્રતા અંગે ધ્યાન રાખવું જોઈએ અને આ અંગે જો કોઈ અનિયમિતતા જણાય તો રિઝર્વ બેંક ઓફ ઈન્ડિયાનું ધ્યાન દોરવાનું રહેશે.
- જો ઓડિટરને જરૂરી માહિતી ન મળતી હોય અથવા સહકાર ન મળતો હોય તેવા સંજોગોમાં ઓડિટ કમીટી અથવા લોકલ મેનેજમેન્ટ કમીટીનું ધ્યાન દોરવું તથા બોર્ડ ઓફ ડિરેક્ટર્સ અને રિઝર્વ બેંક ઓફ ઈન્ડિયાને તેની જાણ કરવાની રહેશે.
- બેંકના કંકરંટ ઓડિટરની બેંકના સ્ટેચ્યુટરી ઓડિટર તરીકે નિમણૂક થઈ શક્તી નથી.
- સ્ટેચ્યુટરી ઓડિટરની નિમણૂક પહેલાં કે પછી, ઓડિટ ન થયું હોય તેવો સમયગાળો 1 વર્ષથી વધુ ન હોવો જોઈએ.
- ઓડિટના સમય ગાળા દરમ્યાન ઓડિટરે એવી ઓડિટ સેવાઓ આપવી જોઈએ કે જેથી કરીને બેંકનું હિત જળવાઈ રહે. આ અંગે બેંકના બોર્ડ ઓફ ડિરેક્ટર્સ કે ઓડિટ કમીટીના સભ્યો કે લોકલ મેનેજમેન્ટ કમીટી યોગ્ય નિર્ણય લઈ શકશે.
- ઉપર મુજબના નિયમો સમાન કાર્યક્ષેત્ર ધરાવતી તથા કોમન પાર્ટનર ધરાવતી ઓડિટ ફર્મને પણ લાગુ પડશે.

પ્રકરણ - 6

ઓડિટરો માટે વ્યાવસાયિક માપદંડો

- સ્ટેચ્યુટરી ઓડિટરોએ અત્યંત ચુસ્ત વ્યાવસાયિક માપદંડો તેમજ ઉત્તમ ખંતથી ઓડિટ કામગીરી કરવાની રહેશે.
- બેંકના બોર્ડ ઓફ ડિરેક્સર્સ કે ઓડિટ કમીટીના સભ્યો કે લોકલ મેનેજમેન્ટ કમીટી ધ્વારા વાર્ષિક ધોરણે ઓડિટ કામગીરીની સમીક્ષા કરવાની રહેશે. સ્ટેચ્યુટરી ઓડિટ અંગે કોઈપણ જાતની બેદરકારી કે તુટીઓ કે ખામીઓ જણાય તો વાર્ષિક ઓડિટ પતી ગયા પછી બે માસ સુધીમાં બેંકના બોર્ડ ઓફ ડિરેક્સર્સ કે ઓડિટ કમીટીના સભ્યો કે લોકલ મેનેજમેન્ટ કમીટી ધ્વારા પ્રમાણિત થયેલ રિપોર્ટ ઓડિટર ફર્મની સંપૂર્ણ માહિતી સાથે સીનીયર સુપરવાઈઝરી મેનેજર, ડીપાર્ટમેન્ટ ઓફ સુપરવીઝન, રિઝર્વ બેંક ઓફ ઈન્ડિયાને કરવાનો રહેશે.
- ઓડિટ કામગીરીમાં ખામી કે તુટી હોવાને કારણે બેંકના નાણાંકિય રિપોર્ટ ખોટા પડે તથા રિઝર્વ બેંક ઓફ ઈન્ડિયાની બેંકો પ્રત્યે સ્ટેચ્યુટરી ઓડિટરની જવાબદારી અંગેની માર્ગદર્શિકાનું ઉલ્લંઘન થાય તે સંજોગોમાં સઘળી જવાબદારી સ્ટેચ્યુટરી ઓડિટરની રહેશે અને તેની સામે સ્ટેચ્યુટરી કે રેગ્યુલેટરી ફેમવર્કમાં જણાવ્યા મુજબની કાર્યવાહી કરવામાં આવશે.

પ્રકરણ - 7

મુદત તથા રોટેશન

- સ્ટેચ્યુટરી ઓડિટરની સ્વતંત્રતાને ધ્યાનમાં રાખીને ઓડિટ ફર્મની વાર્ષિક ધોરણે લાયકાત ચકાસી બેંકો ઓડિટર ફર્મની નિમણૂક સતત ત્રણ વર્ષ સુધી રાખી શકશે. જે ઓડિટ ફર્મ પાછલા 1 કે 2 વર્ષની બેંકની ઓડિટ કામગીરી જોતા હોય તેવી ઓડિટ ફર્મ માર્ગદર્શિકા મુજબ લાયકાત ધરાવતી હોય તો બાકીના વર્ષો (3 વર્ષથી વધુ નહિં) માટે બેંકના ઓડિટર તરીકે ચાલુ રહી શકશે.
- બેંક ઓડિટ ફર્મને કોઈ કારણસર બરદખલ કરવા માંગે તો તે માટે રિઝર્વ બેંક ઓફ ઈન્ડિયાના ડિપાર્ટમેન્ટ ઓફ સુપરવિઝનની પૂર્વ મંજૂરી લઈ કરી શકશે જે અંગે નિમણૂક અંગેની માર્ગદર્શિકા મુજબ કામગીરી કરવાની રહેશે.
- કોઈપણ ઓડિટ ફર્મ એક બેંકમાં એક ટર્મ એટલે કે 3 વર્ષ સુધી કે પછી 1 વર્ષ અથવા 2 વર્ષ સુધી ઓડિટ કરેલ હોય તો તે ઓડિટ ફર્મની ફેરનિમણૂક જે તે બેંકના ઓડિટ કર્યા પછી બીજી બે ટર્મ એટલે કે છ વર્ષ સુધી એ જ બેંકમાં ઓડિટ કરી શકશે નહિં. ઓડિટરે ત્રણ વર્ષની એક ટર્મ પૂર્ણ કરેલ હોય કે 1 અથવા 2 વર્ષ સુધી ઓડિટ કરેલ હોય તો પણ તે ઓડિટ ફર્મ બીજી બે ટર્મ એટલે કે 6 વર્ષ સુધી ઓડિટ કરી શકશે નહિં પરંતુ તે ઓડિટ ફર્મ બીજી બેંકના સ્ટેચ્યુટરી ઓડિટ કરી શકશે.
- કોઈપણ એક ઓડિટ ફર્મ એક સાથે મહત્તમ 8 (આઠ) અર્બન કો.ઓપ. બેંકોમાં ઓડિટ કરી શકશે.
- બેંકે નક્કી કરેલ સ્ટેચ્યુટરી ઓડિટર બેંકનું ઓડિટનું કામ બીજા સબ ઓડિટરને આપી શકશે નહીં.

પ્રકરણ - 8

ફી અને મહેનતાણું

- સ્ટેચ્યુટરી ઓડિટરને બેંકના ઓડિટ અંગે આપવાની થતી ફી / મહેનતાણું બેંકની સાર્વજનિક / બેંકનું કામકાજ, બેંકની એકાઉન્ટીંગ પ્રોસીજર, બેંકનું એડમીનીસ્ટ્રેશન તથા બેંકની બ્રાન્ચોને ધ્યાનમાં રાખી યોગ્ય ફી નક્કી કરવાની સત્તા બેંકના બોર્ડ ઓફ ડિરેક્ટર્સની રહેશે.

પ્રકરણ - 9

અન્ય માહિતી

- બેંકે સ્ટેચ્યુટરી ઓડિટરની નીમણુંક માટે રીઝર્વ બેંક ઓફ ઈન્ડિયાના તા.31/07/2026 ના ડાયરેક્શન માં દર્શાવેલ દરેક બાબત, લાયકાત, ઓડિટ કરવાની કાર્યક્ષમતા, ઓડિટનો અનુભવ તથા તેમના સહાયકની સંખ્યા (ઓડિટ સ્ટાફ) વગેરે દર્શાવતી બાબતોની બેંક પોલીસી બેંકની વેબસાઈટ પર મુકવાની રહેશે.
- આ અંગેની જરૂરી માહિતી માટે રીઝર્વ બેંક ઓફ ઈન્ડિયાના ડાયરેક્શન નં. RBI/DoS/2026-27/441, DoS.CO.ARG.35/08.91.001/2026 -27 dated 31/07/2026 નો સંદર્ભ લેવાનો રહેશે.



भारतीय रिज़र्व बैंक
Reserve Bank of India

RBI/DoS/2026-27/441

DoS.CO.ARG.35/08.91.001/2026-27

July 31, 2026

**Reserve Bank of India (Urban Co-operative Banks - Statutory Audit) Directions,
2026**

Table of Contents

Chapter I - Preliminary	2
A. Short Title and Commencement.....	2
B. Applicability	2
C. Definitions	2
Chapter II - Governance and Oversight.....	5
A. Role of the Board and Senior Management.....	5
Chapter III - Guidelines for Appointment	6
A. Number of Statutory Central Auditors / Statutory Auditors and Branch Coverage	6
B. Eligibility Criteria of Auditors	7
C. Independence of Auditors.....	10
D. Professional Standards.....	12
E. Tenure and Rotation.....	12
F. Audit Fees and Expenses.....	13
G. Appointment Procedure	14
Chapter V - Repeal and Other Provisions	16
A. Repeal and Saving.....	16
B. Application of Other Laws Not Barred.....	16
C. Interpretations.....	17
Annex I	18
Annex II	20



In exercise of powers conferred by Section 30(1A) of the Banking Regulation Act, 1949 ('BR Act') read with Section 56 of the BR Act (AACS), and all other provisions / laws enabling the Reserve Bank of India ('RBI') in this regard, RBI being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Directions hereinafter specified.

Chapter I - Preliminary

A. Short Title and Commencement

1. These Directions shall be called the Reserve Bank of India (Urban Co-operative Banks - Statutory Audit) Directions, 2026.
2. These Directions shall come into effect immediately upon issuance.

B. Applicability

3. These Directions shall be applicable to the Urban Co-operative Bank (hereinafter collectively referred to as 'UCBs' and individually as 'UCB') in respect of appointment / reappointment of their Statutory Central Auditors (SCAs) / Statutory Auditors (SAs).

For the purpose of these Directions, 'Urban Co-operative Banks' mean Primary Co-operative Banks as defined under section 5(ccv) read with Section 56 of Banking Regulation Act, 1949.

For the purpose of these Directions, the term SCAs is applicable to UCBs which appoint separate Statutory Branch Auditors (SBAs) whereas in all other cases, the term SAs shall be applicable.

C. Definitions

4. In these Directions, unless the context states otherwise, the terms herein shall bear the meaning assigned to them below.

(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) '*Central Co-operative Banks (CCBs)*' shall be as defined under Sub-Section (d) of Section 2 of National Bank for Agriculture and Rural Development Act, 1981.
- (4) '*Commercial Banks*' shall mean banking companies (other than Small Finance Banks, Payment Banks and Local Area Banks), corresponding new banks, and the State Bank of India, as defined respectively under clauses (c), (da), and (nc) of Section 5 of the Banking Regulation Act, 1949.
- (5) '*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.
- (6) '*NBFCs (including HFCs)*' shall mean such entities as defined in the Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025.
- (7) '*Public Sector Banks (PSBs)*' (individually as a 'PSB') shall refer to State Bank of India and corresponding new banks collectively.
- (8) '*State Bank of India*' shall mean State Bank of India as defined in Section 5 (nc) of the Banking Regulation Act, 1949.



- (9) '*State Co-operative Banks (StCBs)*' shall be as defined under Sub-Section (u) of Section 2 of National Bank for Agriculture and Rural Development Act, 1981.
5. All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Reserve Bank of India Act, 1934, the Banking Regulation Act, 1949, the Companies Act, 2013, or any statutory modification or re-enactment thereto or other regulations issued by RBI or the Glossary of Terms published by RBI or as used in commercial parlance, as the case may be.



Chapter II - Governance and Oversight

A. Role of the Board and Senior Management

6. The UCB shall decide on the number of SCAs / SAs based on a Board approved policy, *inter alia*, taking into account the relevant factors such as the size and spread of assets, accounting and administrative units, complexity of transactions, level of computerisation, availability of other independent audit inputs, and identified risks in financial reporting.
7. The Board 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 Board to the concerned Senior Supervisory Manager (SSM), Department of Supervision (DoS) RBI.
8. The Board / Audit Committee of the Board (ACB) of the UCB shall review the performance of SCAs / SAs on an annual basis. The UCB shall report any serious lapses or negligence in audit responsibilities or conduct issues on part of the SCAs / SAs or any other matter considered as relevant to DoS, RBI within two months from completion of the annual audit. The UCB shall send such reports with the approval / recommendation of the Board / ACB, along with full details of the audit firm. The Board shall review the performance of SCAs / SAs in case ACB is non-existent in the UCB.
9. The Board / ACB of the UCB shall make recommendations to the competent authority as per the relevant statutory / regulatory instructions for the fixing of audit fees of SCAs / SAs.
10. The UCB 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.



Chapter III - Guidelines for Appointment

A. Number of Statutory Central Auditors / Statutory Auditors and Branch Coverage

11. The UCBs with asset size of ₹15,00,000 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. For the purpose of the Directions, asset size means total assets. All other UCBs should appoint a minimum of one audit firm for conducting statutory audit. The UCB shall ensure that the joint auditors of the UCB 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. Further, the UCB shall finalise the work allocation among SCAs / SAs, before the commencement of the statutory audit, in consultation with their SCAs / SAs.
12. Considering the above factors and the requirements of the UCB, the Board shall decide the actual number of SCAs / SAs to be appointed, subject to the following limits:

Sr. No.	Asset Size of the UCB	Maximum Number of SCAs / SAs
1.	Up to ₹5,00,000 crore	4
2.	Above ₹5,00,000 crore and up to ₹10,00,000 crore	6
3.	Above ₹10,00,000 crore and up to ₹20,00,000 crore	8
4.	Above ₹20,00,000 crore	12

The above limits have been prescribed to ensure that the number of SCAs / SAs appointed by the banks are adequate, commensurate with the asset size and extent of operations of the UCBs, with a view to ensure that audits are conducted in a timely and effective manner.

13. The SCAs / SAs shall visit and audit at least the top 20 branches / the top 20 per cent of the branches of the UCB (in case of UCBs having less than 100 branches), to be selected in order of the level of outstanding advances, in such



a manner as to cover a minimum of 15 per cent of total gross advances of the UCB.

B. Eligibility Criteria of Auditors

14. The UCB shall appoint audit firm(s) as its SCA(s) / SA(s) fulfilling the eligibility norms as prescribed below:

Asset Size of UCB as on 31 st March of Previous Year	Minimum No. of Full-Time partners (FTPs) associated with the Audit Firm for a Period of at least three (3) years Note 1	Out of total FTPs, Minimum Number 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 Note 2	Minimum No. of years of Audit Experience of the firm Note 3	Minimum No. of Professional Staff Note 4
Above ₹15,000 crore	5	4	2	15	18
Above ₹1,000 crore and up to ₹15,000 crore	3	2	1	8	12
Up to ₹1,000 crore	2	1	1*	6	8

* Not mandatory for UCBs with asset size of up to ₹1,000 crore

Note 1: There shall be at least one-year continuous association of partners with the audit firm as on the date of shortlisting by UCBs for considering them as full-time partners. Further, for appointment as SCAs / SAs of UCBs with an asset size above ₹1,000 crore, at least two partners of the firm shall have continuous association with the firm for at least 10 years. For UCBs, with an asset size above



₹1,000 crore, 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 Board / ACB shall examine and ensure that the income of the partner from the firm / Limited Liability Partnership (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: Certified Information Systems Auditor (CISA) / Information Systems Audit (ISA) Qualification

For UCBs with asset size upto ₹1,000 crore, there is no minimum requirement in this regard. However, they may give priority to firms with full time partners or full time CAs having CISA / ISA qualification. There shall be at least one-year continuous association of Paid CAs with CISA / ISA qualification with the firm as on the date of shortlisting by UCBs for considering them as Paid CAs with CISA / ISA qualification for the purpose.

Note 3: Audit Experience

Audit experience shall mean experience of the audit firm as Statutory Central / Branch Auditor of Commercial Banks, Small Finance Banks, Payment Banks, Local Area Banks, AIFIs, UCBs and NBFCs. 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.

**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 shortlisting by UCB for considering them as professional staff for the purpose.

15. Additional Consideration

- (1) The audit firm proposed to be appointed as SCAs / SAs for the UCB, 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 UCB 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 audit firm is a director in any UCB, the said firm shall not be appointed as SCAs / SAs of any of the group entities of that UCB.

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 Direction. 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 / SAs 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 / SAs, 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 / SAs for a UCB 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 UCB where the accounting and business data reside in order to achieve audit objectives.
- (6) For audit of UCB, 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.

16. Continued Compliance with Basic Eligibility Criteria

- (1) In case any 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 UCB 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

17. In case of any concern with the management of the UCB such as non-availability of information / non-cooperation by the management, which may hamper the audit process, the SCAs / SAs shall approach the Board / ACB of the UCB, under



intimation to the concerned SSM of RBI. The SCAs / SAs 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.

18. Concurrent auditors of the UCB should not be considered for appointment as SCAs / SAs of the same UCB. The audit of the UCB and any entity with 'Large Exposure' (as defined by the Board) to the UCB 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 UCB from being appointed as SCAs / SAs of the UCB. It only stipulates that this aspect should also be explicitly factored while assessing independence of the SCAs / SAs. In this regard, the Board / ACB shall see that there is no conflict of interest, and the independence of auditors is ensured.

19. Before appointment or after completion of the audit assignment as SCAs / SAs, 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 / SAs for the UCB or any audit / non-audit works for its Group Entities should be at least one year. However, during the tenure as SCA / SA, an audit firm may provide such services to the concerned UCB which may not normally result in a conflict of interest, and UCB shall take its own decision in this regard, in consultation with the Board / ACB. 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 / SA 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 / SAs, it shall be the responsibility of the Board / ACB 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.

20. The restrictions detailed in Paragraphs 18 and 19 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.

D. Professional Standards

21. The SCAs / SAs shall be strictly guided by the relevant professional standards in discharge of their audit responsibilities with highest diligence.
22. In the event of lapses in carrying out audit assignments resulting in the misstatement of a UCB's financial statements, or any violations / lapses vis-à-vis RBI's directions / guidelines regarding the role and responsibilities of the SCAs / SAs in relation to UCB, the SCAs / SAs would be liable to be dealt with suitably under the applicable statutory / regulatory framework.

E. Tenure and Rotation

23. In order to protect the independence of the auditor, the UCB shall appoint the SCAs / SAs for a continuous period of three years, subject to the firms satisfying the eligibility norms each year. The audit firms which have already completed tenure of one year or two years with any UCB 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. Further, the UCB 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 29(1) of these Directions.

24. An audit firm shall not be eligible for reappointment in the same UCB for six years (two tenures) after completion of full or part of one term of the audit tenure. However, audit firms can continue to undertake statutory audit of other entities. In case an audit firm has conducted audit of any UCB 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 UCB for six years from completion of part - tenure.
25. 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 StCBs / 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. For clarity, the limits prescribed for UCBs exclude audit of other co-operative societies by the same audit firm. These limits are applicable in respect of audit of all RBI regulated entities, irrespective of the asset size.
26. 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 / SAs 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.

F. Audit Fees and Expenses

27. The audit fees for SCAs / SAs shall be decided in terms of the relevant statutory / regulatory provisions.



28. The audit fees for SCAs / SAs 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 computerisation, and identified risks in financial reporting.

G. Appointment Procedure

29. The guidelines on minimum procedural requirements are given below:

- (1) The UCB 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 UCB shall apply to DoS, RBI before 31st July of the reference year. For the purpose, all UCBs under Mumbai Region shall approach the Central Office of RBI (Department of Supervision). Other UCBs shall approach the concerned Regional Office of RBI (Department of Supervision), under whose jurisdiction their Head Office is located.
- (2) The UCB shall shortlist minimum of two audit firms for every vacancy of SCAs / SAs so that even if the 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 / SAs does not get delayed. However, in case of reappointment of SCAs / SAs by a UCB 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 for appointment.
- (3) The UCB shall continue to follow the existing procedure followed by them for selection of SCAs / SAs. They shall place the name of shortlisted audit firms, in order of preference, before their Board for selection as SCAs / SAs. Upon selection of SCAs / SAs by the UCB in consultation with their Board and after verifying compliance with the eligibility norms prescribed by RBI, the UCB shall seek RBI's prior approval for appointment of SCAs / SAs.



- (4) The UCB shall obtain a certificate, along with relevant information as per **Annex I (Form B)**, from the audit firm(s) proposed to be appointed as SCAs / SAs by the UCB, 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 UCB, under the seal of the said audit firm.
- (5) The UCB 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 **Annex II (Form C)**, 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.
- (6) While approaching RBI for its prior approval for appointment of SCAs / SAs, the UCB shall indicate its total asset size as on 31st March of the previous year (audited figures), forward a copy of Board / ACB Resolution recommending names of audit firms for appointment as SCAs / SAs in the order of preference and also furnish information as per **Annex I (Form B)** and **Annex II (Form C)** as mentioned above, to facilitate expeditious approval of appointment / re-appointment of the concerned audit firm.



Chapter V - Repeal and Other Provisions

A. Repeal and Saving

30. With the issue of these Directions, the existing directions, instructions, and guidelines relating to Statutory Audit as applicable to Urban Co-operative Banks stand repealed, as communicated vide circular no. DoS.CO.PPG.66/11.01.005/2026-27 dated July 31, 2026. The directions, instructions and guidelines already repealed vide any of the directions, instructions, and guidelines listed in the above notification shall continue to remain repealed.
31. Notwithstanding such repeal, any action taken or purported to have been taken, or initiated under the repealed directions, instructions, or guidelines shall continue to be governed by the provisions thereof. All approvals or acknowledgments granted under these repealed lists shall be deemed as governed by these Directions. Further, the repeal of these directions, instructions, or guidelines shall not in any way prejudicially affect:
- (1) any right, obligation or liability acquired, accrued, or incurred thereunder;
 - (2) any penalty, forfeiture, or punishment incurred in respect of any contravention committed thereunder;
 - (3) any investigation, legal proceeding, or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture, or punishment as aforesaid; and any such investigation, legal proceedings or remedy may be instituted, continued, or enforced and any such penalty, forfeiture or punishment may be imposed as if those directions, instructions, or guidelines had not been repealed.

B. Application of Other Laws Not Barred

32. The provisions of these Directions shall be in addition to, and not in derogation of the provisions of any other laws, rules, regulations, or directions, for the time being in force.



C. Interpretations

33. For giving effect to the provisions of these Directions or to remove any difficulties in the application or interpretation of the provisions of these Directions, RBI may, if it considers necessary, issue necessary clarifications in respect of any matter covered herein and the interpretation of any provision of these Directions given by RBI shall be final and binding.

(C. Saravanan)
Chief General Manager

**Annex I****FORM B****Eligibility Certificate from (Name and Registration Number of the Audit Firm)****A. Particulars of the Firm:**

Asset Size of the UCB 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 audit 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 UCB 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 including, Small Finance Banks, Payment Banks, Local Area Banks, 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 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 UCB. 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. For the purpose of this declaration, the credit facilities availed by companies where the partner of a firm has been appointed as non-executive director in a professional capacity having no financial interest shall not be included.

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

Signature of the Partner

(Name of the Partner)

Date:



Annex II

FORM C

Certificate to be submitted by the Urban Co-operative Banks regarding eligibility of audit firm proposed to be appointed as Statutory Central Auditor (SCA) / Statutory Auditor (SA)

1. The UCB is desirous of appointing M/s _____, Chartered Accountants (Firm Registration Number _____) as Statutory Central Auditor (SCA) / Statutory Auditor (SA) for the financial year _____ for their 1st / 2nd / 3rd term and therefore has sought the prior approval of RBI as per the section 30(1A) of the Banking Regulation Act, 1949.
2. The UCB has obtained eligibility certificate (copy enclosed) from (name and Firm Registration Number of the audit firm) proposed to be appointed as Statutory Central Auditor (SCA) / Statutory Auditor (SA) of the UCB for FY _____ along with relevant information (copy enclosed), in the format as prescribed by RBI.
3. The firm has no past association / association for _____ years with the UCB as SCA / SA / SBA.
4. The UCB has verified the said firm's compliance with all eligibility norms prescribed by RBI for appointment of SCAs / SAs of UCBs.

Signature
(Name and Designation)
Date: