



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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www.rbi.org.in

RBI/2004/161

Ref.DBS.ARS.No. B.C. 09 /08.91.001/2003-04

April 20, 2004

All Scheduled Commercial Banks, LABs and RRBs

Dear Sir,

**Appointment of statutory auditors in banks –
obtention of declaration of indebtedness**

Reserve Bank of India had recently examined the issue relating to denial of statutory branch audit to an audit firm which was a wilful defaulter to a bank other than the one in which it was carrying out statutory audit. It has therefore been decided that banks, before appointing their statutory central / circle / branch auditors, should obtain a declaration in proforma 'A' given in Annexure to the effect that no credit facility (including guaranteeing any facilities availed of by third party) have been availed of by the proprietor / any of the partners of the audit firm / members of his / their families or by firm / company in which he / they are partners / directors from any other bank / financial institution.

2. In case, they have availed of any such facility from other banks / financial institutions the relative declaration should be furnished by the proprietor / main partner of the audit firm in proforma 'B' as detailed in the Annexure. The declaration in question may please be obtained by banks from the



year of audit 2003-04 and onwards. If the audit firms refuse to give such declaration they may not be given statutory audit.

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Annexure

Proforma 'A'

Place
Date

DECLARATION

I _____ the proprietor / main partner of M/s. _____ situated at (complete address) hereby declare that no credit facilities (including guaranteeing any facility availed of by third party) have been availed of by me / any of our partners / members of my / their families or by the firm / company in which I am / they are partners / director from any other bank / financial institution

Signature of
the proprietor /
main partner

Seal of the
proprietary concern /
partnership firm

Proforma 'B'

Place
Date

DECLARATION

I _____ the proprietor / main partner of M/s. _____ situated at (complete address) hereby declare that credit facilities (including guaranteeing any facility availed of by third party) availed of by me / any of our partners / members of my / their families or by the firm / company in which I am / they are partners / directors from -----
-----bank / financial institution (please give the name) have not turned non performing as per the prudential norms prescribed by Reserve Bank of India.

2. In case the above declaration or any part thereof is proved to be incorrect, the bank is free to advise the details thereof to RBI and Institute of Chartered Accountants of India for initiating necessary action against me.

Signature of
the proprietor /
main partner

Seal of the
proprietary concern /
partnership firm

Note: The above declaration must be furnished on the letter head of the proprietary concern / audit firm.