

**Invitation for Expression of Interest (EOI)**  
**- for Appointment of Statutory Auditors for National Housing Bank (NHB)**

- A. The National Housing Bank (NHB), a statutory institution, is wholly owned by the Government of India, established under the National Housing Bank Act, 1987 (“the Act”).
- a. NHB has been established to achieve, inter alia, the following objectives -
- To promote a sound, healthy, viable and cost-effective housing finance system to cater to all segments of the population and to integrate the housing finance system with the overall financial system.
  - To promote a network of dedicated housing finance institutions to adequately serve various regions and different income groups.
  - To augment resources for the sector and channelize them for housing.
  - To make housing credit more affordable.
  - To supervise the activities of housing finance companies based on authority derived under the Act.
  - To encourage augmentation of supply of buildable land for housing and to upgrade the housing stock in the country.
  - To encourage public agencies to emerge as facilitators and suppliers of serviced land, for housing.
- b. The Head Office of NHB is located in New Delhi and has Regional Offices located at Mumbai, Delhi, Hyderabad, Kolkata & Bengaluru. NHB has Regional Representative Offices located at Ahmedabad, Bhopal, Lucknow, Chennai and Guwahati.
- B. NHB., invites EOI from reputed practicing Chartered Accountants Firms for selection of as Statutory Auditors (SAs) for the Financial Year 2021-22 and for onward recommendation to Reserve Bank of India for appointment and further renewable on yearly basis, based on performance and eligibility criteria subjected to approval of Reserve Bank of India.
- C. Interested and eligible firms may submit their data, details, documents in softcopies latest only by February 25, 2022, till 5:00 pm on email ID ([auditho@nhb.org.in](mailto:auditho@nhb.org.in)). Hardcopies will be collected subsequently post assessing eligibility of firms. The subject of the email application should be super scribed as "Application for Expression of Interest (EOI) - for Appointment of Statutory Auditors for NHB". The email should also contain name and mobile number of the authorized person of the firm. (Any application received outside the cutoff date & timelines shall not be entertained by the Bank)
- D. The interested and eligible Chartered Accountants Firms are required to fulfill the eligibility criteria mentioned in RBI Circular dated April 27, 2021, on

'Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)' and Bank's Policy for Recommendation of Statutory Auditors (SAs) to RBI, available on the website of the Bank.

E. The interested firms are required to provide following details/ documents (self-attested/ attested by partner authorized by the firm, however, no digitally signed documents will be accepted):

1. Details of Eligibility Criteria as per **Appendix - 1**.
2. Profile of the firm.
3. List and year of audit of the Banks/ organization, which audit firm is having Experience as Statutory Central Auditor/ Statutory Auditors of PSU Banks or Private/ Commercial Banks.
4. The list and year (Date of Commencement & Completion of assignment), if your firm has done any Internal Assignment/ Special Assignment, Concurrent Audit, Stock Audit, Forensic Audit, etc. with NHB.
5. Latest Constitution Certificate of the Firms.
6. Contact number and name of the partner/s.
7. Undertaking to be furnished by the Firm that there are no legal suit/ criminal cases pending against Firms and its partners or having not been earlier convicted on ground or moral turpitude or for violation of law in force.
8. Address of Delhi/NCR based Head Office (Associate office will not be considered).
9. Declaration on Independence and conflict of interest of Audit Firm.
10. The CA&Gs all- India panel of audit firms which are also shortlisted by Reserve Bank of India and are eligible for consideration of appointment as SCAs of PSBs for FY 2021-22 shall only submit their applications to the Bank.
11. Details of Scope of Statutory Audit are given in **Appendix - 2**.
12. Details of selection process and scoring pattern are given in **Appendix - 3**.

**Disclaimer: Bank can ask for additional documents/ information apart from the above mentioned, if required.**

F. NHB., reserves the right to accept or reject any or all Expression of Interests with or without assigning any reason whatsoever.

G. Any query will be entertained strictly on or before 5 days prior to the last day of submission of EOI through mail on the [auditho@nhb.org.in](mailto:auditho@nhb.org.in), and if it is not resolved through mail, you may contact on the following numbers during office hours (i.e. 10.00 AM to 5.00 PM):

Mr. Rounak Agrawal

011-39187259

Mr. Ashish Jain

011-39187107

**Definitions:**

- a) "AY" means Accounting Year of the Bank currently July-June, "FY" or "Financial Year" wherever mentioned w.r.t NHB may be read as Accounting Year.
- b) "Audit Committee" means the Audit Committee of the Board.
- c) "Board" means Board of Directors of the Bank.
- d) "Statutory Auditors (SAs)" mean auditors appointed as per the policy to conduct statutory audit of the Bank.
- e) "RBI circular" means RBI circular RBI/2021-22/25 Ref No. DOS.CO.ARG/ SEC.01/08.91.001/2021-22. dated April 27, 2021
- f) 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 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% and above. [Note: "AS" means Accounting Standard notified under Companies Act, 2013]
- g) "Promoter" has the same meaning as in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and includes a member of the promoter group
- h) Promoter group" includes, inter alia
  - i) a subsidiary or holding company of promoter.
  - ii) any-body corporate in which the promoter holds twenty per cent or more of the equity share capital; and/or anybody corporate which holds twenty per cent or more of the equity share capital of the promoter;
  - iii) any-body corporate in which a group of individuals or companies or combinations thereof acting in concert, which hold twenty per cent or more of the equity share capital in that body corporate and such group of individuals or companies or combinations thereof also holds twenty per cent or more of the equity share capital of the issuer and are also acting in concert.
- i) Potential Conflict of Interest – Potential Conflict of Interest, with reference to a firm that is being considered for appointment as SA, may arise, in any of the following circumstances:
  - i) the firm is engaged with audit/non-audit works for a Group Entity of the Bank, which is not regulated by RBI,
  - ii) the audit firm was engaged with audit/non-audit works for a Group Entity of the Bank, which is not regulated by RBI, and not more than one year has elapsed since the completion/relinquishment of such engagement,
  - iii) a partner of the firm is a director in any of the Group Entities of the Bank, which are not regulated by RBI

## A. Eligibility Criteria

Name of the Audit Firm				
Head Office Address of Audit Firm				
List of the Branch Offices of Audit Firm				
Number of full-time partners (FTP) associated with the firm for a period of at least 3 years.	Out of the FTP, number of Fellow Chartered Accountant (FCA) partners associated with the firm for a period of at least 3 years.	Number of Full-time partners / CAs with CISA / ISA qualification.	Number of years of Audit Experience as Statutory Central Auditor / Statutory Auditor in PSB or private Banks.	Number of Professional Audit Staff (excluding Admn. Staff)
<b>5</b>	<b>4</b>	<b>2</b>	<b>15</b>	<b>18</b>

**Eligibility Criteria 1:** There should be at least one-year continuous association of such 5 partners with the firm as on the date of shortlisting for considering them as full-time partners. Further, at least two partners out of such five 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:

- (i) The full-time partner should not be a partner in other firm/s.
- (ii) She / He should not be employed full time / part time elsewhere.
- (iii) 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.
- (iv) 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.

**Eligibility Criteria 2 :** CISA/ISA Qualification: There should be at least one-year continuous association of Paid CAs with CISA/ISA qualification with the firm as on the date of shortlisting for considering them as Paid CAs with CISA/ISA qualification for the purpose.

**Eligibility Criteria 3:** Audit Experience: Audit experience shall mean experience of the audit firm as Statutory Central/Branch Auditor of Commercial Banks (excluding RRBs)/ AIFIs. In case of merger and demerger of audit firms, merger effect will be given after 2 years of merger while demerger will be effected immediately for this purpose.

**Eligibility Criteria 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.

**Eligibility Criteria 5:** The C&AG's all-India panel of audit firms eligible for consideration for appointment as SCAs of PSBs for respective year. EOI will be invited from the firms / past auditors of the Bank / firms associated with Bank in past, subject to fulfilling the eligibility criteria. An Evaluation Committee will shortlist the firms by evaluating audit firms on the parameters as per eligibility requirements and willingness received from the firms, for making presentation to the ACB. The Evaluation Committee, based on the scores in the order of highest scores achieved, will shortlist 03 number of audit firms that do not have a potential conflict of interest. Such short-listed audit firms will be asked to make a presentation to ACB, which shall include all aspects of compliance with RBI guidelines. ACB shall further shortlist minimum of 2 audit firms (out of 03 shortlisted earlier by Evaluation Committee) in order of preference indicating their names against the vacancy. However, in case of reappointment of SAs by the Bank, till completion of tenure of continuous term of 3 years, there would not be any requirement of shortlisting and sending names of multiple audit firms to RBI while seeking appointment.

**Eligibility Criteria 6:** The audit firm, proposed to be appointed as SAs, should be duly qualified for appointment as auditor of a company in terms of Section 141 of the Companies Act, 2013.

**Eligibility Criteria 7:** 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.

**Eligibility Criteria 8:** If any partner of a Chartered Accountant firm is a director in an RBI Regulated group Entity, the said firm shall not be appointed as SA of the bank. Bank shall, as part of the process for selection of firms for appointment as SAs, obtain appropriate disclosures in this regard, including details of directorships in Group Entities that are not regulated by RBI.

**Eligibility Criteria 9:** Audit firm should have its Head Office in New Delhi/NCR.

**Eligibility Criteria 10:** An audit firm would not be eligible for reappointment in the same Regulated Entity for six years (two tenures) after completion of full or part of one term of the audit tenure. Firms making application to the Bank for appointment as Statutory Auditors are advised to refer to RBI's circular Ref No. DOS.CO.ARG/ SEC.01/08.91.001/ 2021-22. dated April 27, 2021. The selection criteria inter alia include compliance with above referred circular.

## **B. 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 Bank with full details. Further, the audit firm shall take all necessary steps to become eligible within a reasonable time and in any case, the audit firm should be complying with the above norms before commencement of Annual Statutory Audit for Financial Year ending 30th June and till the completion of annual audit.

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

## **C. Other Terms and Conditions**

### **1. Independence of Auditors:**

1.1 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.

1.2 Concurrent auditors of the Bank will not be considered for appointment as SAs. The audit of the Bank and any entity with large exposure (As defined in RBI instructions on 'Large Exposures Framework') to the Bank for the same reference year should also be explicitly factored in while assessing independence of the auditor.

1.3 The time gap between any non-audit works (services mentioned at Section 144 of Companies Act, 2013, Internal assignments, special assignments, etc.) by the SAs for the Bank or any audit/non-audit works for its group entities should be at least one year, before or after its appointment as SAs. However, during the tenure as SA, an audit firm may provide such services to the Bank which may not normally result in a conflict of interest, and the Bank will take a decision in this regard, in consultation with the ACB. A conflict would not normally be created in the case of the following special assignments (indicative list):

- (i) Tax audit, GST 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. However, if an audit firm is involved in any non-audit work with the Bank and/or any audit/non-audit work in other RBI Regulated Group Entities and completes or relinquishes the said assignment prior to the date of appointment as SA of the Bank for FY 2021-22, the said audit firm would be eligible for appointment as SA of the Bank for FY 2021-22.

1.4 The restrictions as detailed in para 8.2 and 8.3 above, will 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.

## **2. Tenure and Rotation**

2.1 To protect the independence of the auditors/audit firms, Bank shall recommend the SAs for appointment to RBI for a continuous period of three years, subject to the firms satisfying the eligibility norms each year.

2.2 An audit firm would not be eligible for reappointment 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 Bank 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 Bank for six years from completion of part-tenure.

2.3 An audit firm proposed to be appointed as SA of the Bank, 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, A group of audit firms having common partners and/or under the same network, will be considered as one entity. 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.

## **3. Statutory Auditor - Re-appointment Procedure**

Process for reappointment of existing Auditors during the tenure of 3 years: Every year, the Bank shall obtain the willingness from the existing SA for re-appointment by obtaining declaration on compliance of eligibility norms from SA and recommend to RBI. In case such consent is not received from any of the existing SA, Bank shall follow the selection process for onward submission to RBI for appointment of New SA.

## **4. Audit Fees and Expenses**

Remuneration payable to the SAs, is linked the basic audit fee payable to the SAs with the balance sheet size of NHB and aligned the same with the basic audit fee of Statutory Central Auditors (SCAs) of Public Sector Banks (PSBs) of similar balance sheet size. The details are given in **Annexure - 4**.

## **5. Professional Standards of SAs**

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

5.2 The ACB of the Bank shall review the performance of SA on an annual basis. Any serious lapses/negligence in audit responsibilities on conduct issues on part of the SA or any other matter considered as relevant shall be reported to RBI. SA shall have to provide information related to their firm as and when called for by NHB for performance evaluation.

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

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**Requirements from RBI for inclusion in the 'Scope of Audit' of Statutory Auditors (SAs) of National Housing Bank (NHB)**

A) Stipulations under Section 40 of the NHB Act, 1987.

- i. The auditors shall be supplied with a copy of the annual balance sheet of the NHB, and it shall be their duty to examine it together with the accounts and vouchers relating thereto and they shall have a list delivered to them of all books kept by NHB and shall at all reasonable times have access to the books, accounts, vouchers and other documents of NHB.
- ii. The auditors may, in relation to the accounts of NHB, examine any director of the Board or any officer or other employee of NHB and shall be entitled to require from the Board or officers or other employees of NHB such information and explanation as they may think necessary for the performance of their duties.
- iii. The auditors shall make a report to the NHB upon the annual balance sheet and accounts examined by them and in every such report, they shall state whether in their opinion the balance sheet is a full and fair balance sheet containing all necessary particulars and properly drawn properly drawn up so as to exhibit a true and fair view of the state of affairs of the NHB and in case they had called for any explanation or information from the Board or any officer or other employee of the NHB, whether it was given and whether it was satisfactory.

B) **Certificates to be submitted to the SSM Division, RBI** - SAs of NHB are required to provide the following certificates and other certifications as per the guidelines issued by RBI from time to time to the Senior Supervisory Manager (SSM), NHB, Department of Supervision (DoS), RBI:

- i. Treasury operations.
- ii. Reconciliation of investments.
- iii. Custody of unused BR forms and their utilization as recommended by Janakiraman Committee.
- iv. Compliance in key areas (conduct of the investment portfolio).
- v. Income recognition, asset classification and provisioning made by the FI.
- vi. Authentication of the FI's calculation of Capital to Risk-weighted Assets Ratio (CRAR) and assessment of capital adequacy in the 'Notes on Accounts' attached to the Balance Sheet.
- vii. Whether NHB complies with the Cyber Security Framework and the Circulars issued by the Cyber Security & IT Risk Group (e-CSITE) of Department of Supervision, RBI and the Financial Institution has attended to all the applicable Advisories/ Alerts issued by the RBI effectively.
- viii. Whether NHB has obtained certificate from statutory auditors of Housing Finance Companies (HFCs) regarding utilisation of funds borrowed from NHB, including comments on securitisation, if any, of assets created against NHB borrowings, Liquidity Coverage Ratio (LCR) computation, status of Liquidity Risk Management (LRM) implementation, Loan to Value (LTV) ratio, quality of security charged to NHB, levy of foreclosure charges, interest rate charged to ultimate borrower, ultimate beneficial owner of the entity, proper end-use

utilization, etc.

- ix. Certification on System based NPA classification including SMAs.
- x. Certification/Observation on exceptions report, if any exceptions are found.
- xi. Certification on collection of all adverse balance due.
- xii. Checking of exposure calculation.
- xiii. Certification on Status of Charge creation and end-use verification.
- xiv. Certification on Half year returns submission to RBI.
- xv. Checking of Net Overnight Open Position (NOOP) calculation.
- xvi. Preparedness on transition to Basel 3.
- xvii. Further, the SAs are specifically required to report, simultaneously to the Managing Director, NHB, if necessary to Audit committee of the Board (ACB) and to the concerned Senior Supervisory Manager at RBI, any matter suspected to be a fraud or fraudulent activity or any foul play in any transaction. In cases where the amount of fraud involved is ₹100.00 lakh or above, SAs are advised to report such instances directly to the Fraud Monitoring Group, RBI, Central Office, Bengaluru, to the Top Management of NHB and if necessary, to the ACB.

**In this regard, scope, and methodology to be followed are as detailed as under:**

Scope/Methodology to be followed for Certification related to Cyber Security Framework

- i. Restrict the scope to include only the circulars, advisories and alerts issued by the Cyber Security & IT Risk Group (e-CSITE), Department of Supervision, RBI.
- ii. Assess the level of compliance through:
  - a. Discussion with the FI.
  - b. Review of notes/reports/documents submitted to various committees (Board, Board level and Executive level) of the FI.
  - c. Review of the audit reports – external as well as internal and their compliance level as submitted to the Audit committees (Board/Executive).
  - d. Review of returns submitted by the FI to RBI (Cyber Security & IT Risk Group (e-CSITE), Department of Supervision, RBI).
- iii. The following instructions, as applicable to NHB, may be mandatorily checked and other instructions (not listed below) maybe checked on sample basis.

**Circulars: Circular No. Date Subject**

1. DBS.CO/CSITE/BC.11/33.01.0 01/2015-16; June 2, 2016 on Cyber Security Framework in Banks
2. Ref. DBS(CO).CSITE/9094/31.01.0 15/2016-17; May 23, 2017 on Risk Governance Framework - Role of the Chief Information Security Officer (CISO)
3. DBS. CO. CSITE. No. 3082/31.01.015/ 2017-18; December 15, 2017 on Securing email system – Implementation of DMARC
4. DBS.CO.CSITE/4493/31.01.01 5/2017-18; February 20, 2018 on Time-bound implementation and strengthening of SWIFT-related operational controls.
5. DBS.CO/CSITE/BC.No. 1/31.01.015/ 2018-19; August 31, 2018 on Certification Programmes in IT and Cyber Security

6. DoS.CO.CSITE.SEC.No.1852/ 31.01.015/2020-21; February 18, 2021 on Master Direction on Digital Payment Security Controls

**Advisories:**

1. Advisory No: 11/2017 July 5, 2017 Data leakage Vulnerabilities from Web applications
2. Advisory No: 4/2018 June 15, 2018 Parameter manipulation / Web parameter tampering attack - Security requirements in the e-commerce transactions
3. Advisory No:6/2018 August 13, 2018 Securing Card Transactions – Setting of Robust Risk Based Transaction Limit and Monitoring
4. Advisory No:12/2018 December 27, 2018 Securing banks’ network from malware attack/intrusions
5. Advisory No: 1/2019 January 10, 2019 Securing Mobile Banking Applications including UPI ecosystem Advisory No: 3/2019 April 02, 2019 Misuse of Cards: Exponential Rise in Multiple Calls Initiated at Phone Banking for PIN Verification
6. Advisory No: 4/2019 May 09, 2019 Strengthening the Controls of Payment Ecosystem between Sponsor Banks and SCBs/UCBs as a Corporate Customer (Advisory for SCBs acting as Sponsor Banks)
7. Advisory No: 5/2019 June 19, 2019 Strengthening Controls on the Payment System Infrastructure and other General Control Measures
8. Advisory\_COVID19 March 13, 2020 COVID related general guidance/instructions
9. Advisory 2\_COVID-19 March 23, 2020 COVID related general guidance/instructions
10. Advisory 3\_COVID-19 April 03, 2020 COVID related general guidance/instructions
11. Advisory No. 3/ 2020 May 13, 2020 Securing the ecosystem from ransomwares and malwares Advisory No: 5/2020 June 18, 2020 DDoS Attack on Critical Servers of Banking/ Financial Sector Organisations.
12. Advisory No: 6/2020 June 19, 2020 COVID 19-related Targeted Attack Campaign by Hacker groups
13. Advisory No: 2/2021 May 14, 2021 COVID related general guidance/instructions

In addition to the requirements indicated herein, if any items of work to be carried out in terms of any other statutory/regulatory requirements of the Bank.

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Number of full-time partners (FTP) associated with the firm for a period of at least 3 years.		Out of the FTP, number of Fellow Chartered Accountant (FCA) partners associated with the firm for a period of at least 3 years.		Number of Full-time partners / CAs with CISA / ISA qualification.			Number of years of Audit Experience as Statutory Central Auditor/St atutory Auditor in PSB or private Banks.		Number of Professional Audit Staff (excluding Admn. Staff)		Number of years of Audit Experience as Statutory AIFIs (EXIM Bank, NABARD, NHB and SIDBI) or RBI		Max. Marks
No of Partners	Marks to be Awarded	No of Partners	Marks to be Awarded	No of Partners	Marks to be Awarded	Years of Experience	Marks to be Awarded	No of Professionals	Marks to be Awarded	No. of AIFIs in last 10 years	Marks to be awarded		
(1)		(2)		(3)			(4)		(5)		(6)		(7)
5	10	4	10	2	10	15	10	18	10	<1	0	80	
6	11	5	11	3	11	20	11	25	11	1-2	3		
7	12	6	12	4	12	25	12	30	12				
8	13	7	13	5	13	30	13	35	13				
9	14	8	14	6	14	35	14	40	14	3 and above	5		
Above 9	15	Above 8	15	Above 7	15	Above 35	15	Above 40	15				

**Note:**

- Top 10 Audit firms in order of the marks obtained as indicated in the table above will be shortlisted for making a presentation to the Bank's Evaluation Committee for Selection of Statutory Auditors.
- 20 marks will be awarded based on the interaction and presentation by the firm to the Evaluation Committee.
- In case of tie between two firms, the Evaluation Committee will decide the preference of the firms basing on discussions, presentation, experience of the firm, PSU/Bank audit experience, etc. PSU/Bank includes All India Financial Institution (NABARD, SIDBI, NHB, EXIM Bank) or RBI.
- The Evaluation of applications will be based on scores awarded on parameters as in the above table and including presentation/interaction of the firm. Firms absent from presentation/interactions shall not be considered for shortlisting. The parameters on which the presentation is to be made shall be informed to the selected firms.

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1. In terms of the RBI's Circular DBS. ARS. No. BC. 08/ 08.92.001/ 2012-13 dated June 25, 2013 on 'Remuneration payable to the Statutory Central and Branch Auditors of Public Sector Banks from the year 2012-13 and onwards', the remuneration payable to Statutory Auditors for the AY 2021-22 will be as given below:

SNo	Particulars	*Fee payable
1.	Remuneration for Central Audit work of the bank	Depending upon Balance Sheet Size as on June 30 or close of respective Accounting Year for NHB –
	a) Basic audit fees for statutory audit.	(i) Upto ₹ 50,000 Cr to 1,00,000 Cr- ₹ 7,83,200/- (ii) Above ₹ 1,00,000 Cr and Upto ₹ 2,00,000 Cr - ₹ 8,42,600/-
	b) Fees for quarterly/half yearly limited review	20% of the Basic Audit fee
	c) Remuneration for Branch audit work of the Bank	Branch audit fee for Mumbai Regional Office only at ₹ 25,000/-

\*Note: In the absence of clarification, remuneration has been considered as exclusive of applicable taxes

2. With regard to fees for tax audit, 35% of basic audit fees applicable for FY 2021-22 be fixed as tax audit fees for the FY 2020-21. Tax audit refers to Income Tax audit/GST audit. Fees will be paid separately for each audit.
3. Fees for consolidation/certification in respect of subsidiary/ associates, Fees for additional certification, remuneration will @ 12% of the basic audit fees for certifications/validations.
4. With regard to fees for additional certifications as required by SEBI, ₹ 25,000/- per certificate/report/etc. shall be paid to the Auditors. Further, in case of any other similar requirements in future, the same amount shall be paid.

SNo	Name of the Certificate	Agency to be submitted	Scope of the certificate
01.	Financial Information For Review Of Single Order Limit for TREP	The Clearing Corporation Of India (CCIL)	Certification regarding Net Tier – I Capital/Tangible Net Worth/AUM And Liquid Fund Composition – CCIL Requirement
02.	UFCE Certificate	Lending Banks of STL and Term Loan as per RBI guidelines	Verifying and confirming the amount of hedging and unhedged foreign currency
03.	Statutory Annual Certificate for derivatives	Lending Banks of STL and Term Loan as per RBI guidelines	Confirming that hedging contracts outstanding with the Banks did not exceed the value of the underlying exposure during FY 2019-20
04.	Compliance Certificate / Financial Covenants	AFD (Agence Française de Développement)	Confirmation that NHB is in compliance with the financial ratios set out at clause 11.15 of the agreement with AFD.
05.	Asset cover for secured tax free bonds	SEBI	Confirmation that NHB has sufficient Asset Cover for its Secured Bonds.
06.	Statement on impact of audit qualification.	SEBI	SEBI LODR requirement

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