Annex I

(FORM B)

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

A. Particulars of the Firm:

Asset Size of the bank as on 31st March of Previous Year	Number of Full-Time partners (FTPs) associated* with the firm for a period of three (3) years	Out of total FTPs, Number of FCA Partners associated with the firm for a period of three (3) years	Number of Full Time Partners/ Paid CAs with CISA/ISA Qualification	Number of Years of Audit Experience#	Number of Professional staff

*Exclusively associated in case of Small Finance Bank 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, Small Finance Bank, Payment Bank, Local Area Bank, All India Financial Institution (AIFI), RBI, Non-Banking Financial Company, or Urban Co-operative Bank 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 Small Finance Banks. 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 Small Finance Banks regarding eligibility of audit firm proposed to be appointed as Statutory Central Auditor (SCA) / Statutory Auditor (SA)

1. The bank 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 bank 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 bank 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 bank as SCA / SA / SBA.

4. The bank has verified the said firm's compliance with all eligibility norms prescribed by RBI for appointment of SCAs / SAs of Small Finance Banks.

Signature
(Name and Designation)
Date:

Annex III

Indicative Format / Coverage in the Long Form Audit Report (LFAR) by the Statutory Branch Auditors (SBAs)

Name of Bank:

Name of Branch:

Branch Code:

Zone / Circle Code:

Financial Year:

I.	**ASSETS**		
1.	**Cash**		
(a)	Does the system ensure that cash maintained is in effective joint custody of two or more officials, as per the instructions of the controlling authorities of the bank?	:	
(b)	Have the cash balances at the branch / ATMs been checked at periodic intervals as per the procedure prescribed by the controlling authorities of the bank?	:	
(c)	(i) Does the branch generally maintain / carry cash balances, which vary significantly from the limits fixed by the controlling authorities of the bank?	:	
	(ii) Does the figure of the balance in the branch books in respect of cash with its ATMs tally with the amounts of balances with the respective ATMs, based on the year end scrolls generated by the ATMs? If there is any difference, same should be reported.	:	
(d)	Whether the insurance cover available with the branch adequately meets the requirement to cover the cash-in hand and cash-in transit?	:	
2.	**Balances with Reserve Bank of India, State Bank of India and other banks (For branches with Treasury Operations)**		
(a)	Were balance confirmation certificates obtained in respect of outstanding balances as at the year-end and whether the aforesaid balances have been reconciled? Nature and extent of differences should be reported.	:	
(b)	Observations on the reconciliation statements may be reported in the following manner:	:	

	(i) Cash transactions remaining un-responded (give details)	:	
	(ii) Revenue items requiring adjustments / write-off (give details)	:	
	(iii) Other credit and debit entries originated in the statements provided by RBI / other banks, remaining un-responded for more than 15 days:	:	
	(iv) Where the branch maintains an account with RBI, the following additional matter may be reported: Entries originated prior to, but communicated/ recorded after the year end in relation to currency chest operations at the branch / other link branches, involving deposits into / withdrawals from the currency chest attached to such branches (Give details)	:	
(c)	In case, any matter deserves special attention of the management, the same may be reported.	:	
3.	**Money at Call and Short Notice**		
(a)	Has the branch kept money-at-call and short notice during the year?	:	
(b)	Has the year-end balance been duly confirmed and reconciled?	:	
(c)	Has interest accrued up to the year-end been properly recorded?	:	
(d)	Whether instructions / guidelines, if any, laid down by the controlling authorities of the bank have been complied with?	:	
4.	**Investments (for branches outside India)**		
(a)	In respect of purchase and sale of investments, has the branch acted within its delegated authority, having regard to the instructions / guidelines in this behalf issued by the controlling authorities of the bank?	:	
(b)	Have the investments held by the branch whether on its own account or on behalf of the Head Office / other branches been made available for physical verification? Where the investments are not in the possession of the branch, whether evidence with regard to their physical verification have been produced?	:	
(c)	Is the mode of valuation of investments in accordance with RBI guidelines or the norms prescribed by the relevant regulatory authority of the country in which the branch is located whichever are more stringent?	:	

(d)	Whether there are any matured or overdue investments which have not been encashed and / or has not been serviced? If so, give details?	:	
5.	**Advances**		
	General Instructions		
	(i) The answers to the following questions may be based on the auditor's examination of all large advances. For this purpose, large advances are those in respect of which the outstanding amount is in excess of 10 per cent of outstanding aggregate balance of fund based and non-fund based advances of the branch or ₹10 crore, whichever is less. Care- For all accounts above the threshold, the transaction audit / account specific details to be seen and commented, whereas below the threshold, the process needs to be checked and commented upon. Comments of the branch auditor on advances with significant adverse features, which might need the attention of the management / Statutory Central Auditors, should be appended to the LFAR.		
	(ii) The critical comments based on the review of the above and other test check should be given in respective paragraphs of the LFAR as given below.		
(a)	***List of accounts examined for audit***		

Account No.	**Account Name**	**Balance as at year end – Funded**	**Balance as at year end – Non-funded**	**Total**
Total		A	B	C = A + B
Total Outstanding of the branch		X	Y	Z = X + Y
Percentage examined		A as % of X	B as % of Y	C as % of Z

(b)	***Credit Appraisal***		
(i)	In your opinion, has the branch generally complied with the procedures / instructions of the controlling authorities of the bank regarding loan applications, preparation of proposals for grant / renewal of advances, enhancement of limits, etc., including adequate appraisal documentation in respect thereof. What, in your opinion, are the major shortcomings in credit appraisal, etc.	:	

(ii)	Have you come across cases of quick mortality in accounts, where the facility became non-performing within a period of 12 months from the date of first sanction? Details of such accounts may be provided in following manner: • Account No. • Account Name • Balance as at year end	:	
(iii)	Whether the applicable interest rate in borrowal accounts is correctly fed into the system?	:	
(iv)	Whether the interest rate is reviewed periodically as per the guidelines applicable to floating rate loans linked to Marginal Cost of Funds Based Lending Rate (MCLR) / External Benchmark Lending Rate (EBLR)?	:	
(v)	Have you come across cases of frequent renewal/ rollover of short-term loans? If yes, give the details of such accounts.	:	
(vi)	Whether correct and valid credit rating, if available, of the credit facilities of bank's borrowers from RBI accredited Credit Rating Agencies has been fed into the system?	:	
(c)	***Sanctioning / Disbursement***		
(i)	In the cases examined by you, have you come across instances of: (a) Credit facilities having been sanctioned beyond the delegated authority or limit fixed for the branch? (b) Are such cases promptly reported to higher authorities?	:	
(ii)	Whether advances have been disbursed without complying with the terms and conditions of the sanction? If so, give details of such cases.	:	
(iii)	Did the bank provide loans to companies for buy-back of shares/securities?	:	
(d)	***Documentation***		
	In the cases examined by you, have you come across instances of		
(i)	Credit facilities released by the branch without execution of all the necessary documents? If so, give details of such cases.	:	
(ii)	Deficiencies in documentation, including non-registration of charges, non-obtaining of guarantees, etc.? If so, give details of such cases.	:	

(iii)	Advances against lien of deposits have been granted without marking a lien on the bank's deposit receipts and the related accounts in accordance with the guidelines of the controlling authorities of the bank.	:	
(e)	***Review / Monitoring / Supervision***		
(i)	Is the procedure laid down by the controlling authorities of the bank, for periodic review of advances, including periodic balance confirmation / acknowledgement of debts, followed by the branch? Provide analysis of the accounts overdue for review / renewal. What, in your opinion, are major shortcomings in monitoring, etc.	:	
	a) between 3 to 6 months, and	:	
	b) over 6 months	:	
(ii)	a) Are the stock / book debt statements and other periodic operational data and financial statements, etc., received regularly from the borrowers and duly scrutinized? Is suitable action taken on the basis of such scrutiny in appropriate cases? b) Is the DP properly computed? c) Whether the latest audited financial statements are obtained for accounts reviewed / renewed during the year?	:	
(iii)	a) Whether there exists a system of obtaining reports on stock audits periodically? b) If so, whether the branch has complied with such system? c) Details of: ➢ cases where stock audit was required but was not conducted ➢ where stock audit was conducted but no action was taken on adverse features	:	
(iv)	Indicate the cases of advances to non-corporate entities with limits beyond that is set by the bank where the branch has not obtained the duly audited accounts of borrowers.	:	
(v)	Does the branch have on its record, a due diligence report in the form and manner required by the Reserve Bank of India in respect of advances under consortium and multiple banking arrangements. Give the list of accounts where such certificate / report is not obtained or not available on record. (In case, the branch is not the lead bank, copy of certificate / report should be obtained from lead bank for review and record)	:	

(vi)	Has the inspection or physical verification of securities charged to the bank been carried out by the branch as per the procedure laid down by the controlling authorities of the bank? Whether there is a substantial deterioration in value of security during financial year as per latest valuation report in comparison with earlier valuation report on record?	:	
(vii)	In respect of advances examined by you, have you come across cases of deficiencies, including in value of securities and inspection thereof or any other adverse features such as frequent / unauthorized overdrawing beyond limits, inadequate insurance coverage, etc.?	:	
(viii)	Whether the branch has any red-flagged account? If yes, whether any deviations were observed related to compliance of bank's policy related with Red Flag Accounts?	:	
(ix)	Comment on adverse features considered significant in top five standard large advances and which need management's attention.	:	
(x)	In respect of leasing finance activities, has the branch complied with the guidelines issued by the controlling authorities of the bank relating to security creation, asset inspection, insurance, etc.? Has the branch complied with the accounting norms prescribed by the controlling authorities of the bank relating to such leasing activities?	:	
(f)	**Asset Classification, Provisioning of Advances and Resolution of Stressed Assets**		
(i)	a) Has the branch identified and classified advances into standard / special mention accounts/ substandard / doubtful / loss assets through the computer system, without manual intervention? b) Is this identification & classification in line with the norms prescribed by the Reserve Bank of India. c) Whether the branch is following the system of classifying the account into SMA-0, SMA-1, and SMA-2. Whether the auditor disagrees with the branch classification of advances into standard (including SMA-0, SMA-1, SMA-2) / sub-standard / doubtful / loss assets, the details of such advances with reasons should be given. d) Also indicate whether required changes have been incorporated/ suggested in the Memorandum of Changes. e) List the accounts (with outstanding in excess of ₹10 crore) which have either been downgraded or upgraded with regard to their	:	

	classification as Non-Performing Asset or Standard Asset during the year and the reason thereof. f) Whether RBI guidelines on income recognition and provisioning have been followed.			
(ii)	a) Whether the branch has reported accounts restructured or rephased during the year to Controlling Authority of the bank? b) Whether RBI Guidelines for restructuring on all such cases have been followed. c) Whether the branch complies with the regulatory stance for resolution of stressed assets, including the compliance with board approved policies in this regard, tracking / reporting of defaults for resolution purposes among others?	:		
(iii)	a) Whether the upgradation in non-performing advances is in line with the norms of Reserve Bank of India. b) Where the auditor disagrees with upgradation of accounts? If yes, give reasons thereof.	:		
(iv)	Have you come across cases where the relevant Controlling Authority of the bank has authorized legal action for recovery of advances or recalling of advances, but no such action was taken by the branch? If so, give details of such cases.	:		
(v)	Whether there are any accounts wherein process under IBC is mandated but not initiated by the branch? Whether there are any borrowers at the branch against whom the process of IBC is initiated by any of the creditors including bank? If yes, provide the list of such accounts and comment on the adequacy of provision made thereto?	:		
(vi)	a) Have appropriate claims for credit guarantee (ECGC and others), if any, been duly lodged and settled? b) Give details of claims rejected? (As per the given table) c) Whether the rejection is appropriately considered while determining the provisioning requirements	:		
	Particulars		**Number**	**Amount**
	Claim at the beginning of the year	:		
	Further claim lodged during the year	:		
	Total A	:		
	Amounts representing	:		
	(i) Claims accepted / settled	:		
	(ii) Claims rejected	:		
	Total B	:		
	Balance as at year end (A-B)	:		

(vii)	In respect of non-performing assets, has the branch obtained valuation reports from approved valuers for the immovables charged to the bank, once in three years, unless the circumstances warrant a shorter duration?	:	
(viii)	In the cases examined by you, has the branch complied with the Recovery Policy prescribed by the controlling authorities of the bank with respect to compromise/settlement and write-off cases? Details of the cases of compromise/settlement and write-off cases involving write-offs/waivers in excess of ₹ 50.00 lakhs may be given.	:	
(ix)	Is the branch prompt in ensuring execution of decrees obtained for recovery from the defaulting borrowers? Give Age-wise analysis of decrees obtained and pending execution.	:	
(x)	Whether in the cases concluded the recoveries have been properly appropriated against the principal / interest as per the policy of the bank?	:	
(xi)	In cases where documents are held at centralized processing centres / office, whether the auditor has received the relevant documents as asked by them on test check basis and satisfied themselves. Report exceptions, if any	:	
(xii)	List the major deficiencies in credit review, monitoring and supervision.	:	
(g)	***Non-Fund Based facilities***		

(i) List of borrowers with details of LCs devolved or guarantees invoked during the year

Sr. No.	Invocation Date	Party Name	Beneficiary Name	Amount	Recovery Date

(ii) List of borrowers where the LCs have been devolved, or guarantees have been invoked but not paid with amount thereof.

Sr. No.	Invocation Date	Party Name	Beneficiary Name	Amount	Reason for non-Payment

(iii) List of instances where interchangeability between fund based and non-fund-based facilities was allowed subsequent to devolvement of LC / invocation of BG.	:	

6.	**Other Assets**		
(a)	**Suspense Accounts / Sundry Assets**		
	(i) Does the system of the bank ensure expeditious clearance of items debited to Suspense Account? Details of outstanding entries in excess of 90 days may be obtained from the branch and the reasons for delay in adjusting the entries may be ascertained. Does your scrutiny of the accounts under various sub-heads reveal balances, which in your opinion are not recoverable and would require a provision/write-off? If so, give details.	:	
	(ii) Does your test check indicate any unusual items in these accounts? If so, report their nature and the amounts involved. Are there any intangible items under this head e.g. losses not provided / pending investigation?	:	
II.	**LIABILITIES**		
1.	**Deposits**		
(a)	Does the bank have a system of identification of dormant/ inoperative accounts and internal controls with regard to operations in such accounts? In the cases examined by you, have you come across instances where the guidelines laid down in this regard have not been followed? If yes, give details thereof.	:	
(b)	After the balance sheet date and till the date of audit, whether there have been any unusual large movements (whether increase or decrease) in the aggregate deposits held at the year-end? If so, obtain the clarifications from the branch and give your comments thereon.	:	
(c)	Whether the scheme of automatic renewal of deposits applies to FCNR(B) deposits? Where such deposits have been renewed, report whether the branch has satisfied itself as to the 'non-resident status' of the depositor and whether the renewal is made as per the applicable regulatory guidelines and the original receipts / soft copy have been dispatched.	:	
(d)	Is the branch complying with the regulations on minimum balance requirement and levy of charges on non-maintenance of minimum balance in individual savings accounts?	:	

2.	**Other Liabilities – *Bills Payable, Sundry Deposits, etc.***		
(a)	The number of items and the aggregate amount of old outstanding items pending for one years, or more be obtained from the branch and reported under appropriate heads. Give details thereof.	:	Year / Number of Items / Amounts / Remarks
(b)	Does your test check indicate any unusual items or material withdrawals or debits in these accounts? If so, give details thereof.	:	
3.	**Contingent Liabilities**		
	List of major items of the contingent liabilities (other than constituent's liabilities such as guarantees, letter of credit, acceptance, endorsements, etc.) not acknowledged by the branch?	:	
III.	**PROFIT AND LOSS ACCOUNT**		
(a)	Has the test checking of interest / discount / commission / fees etc. revealed excess/short credit of a material amount? If so, give details thereof.	:	
(b)	Has the branch complied with the Income Recognition norms prescribed b RBI? (The Auditor may refer to the instructions of the controlling authorities of the bank regarding charging of interest on non-performing assets).	:	
(c)	Has the test check of interest on deposits revealed any excess/short debit of material amount? If so, give details thereof.	:	
(d)	Does the bank have a system of estimating and providing interest accrued on overdue/matured/ unpaid/ unclaimed term deposits including in respect of deceased depositors?	:	
(e)	Are there any divergent trends in major items of income and expenditure, in comparison with corresponding previous year, which are not satisfactorily explained by the branch? If so, the same may be reported.	:	
IV.	**GENERAL**		
1.	**Gold/ Bullion / Security Items**		
(a)	Does the system ensure that gold/bullion is in effective joint custody of two or more officials, as per the instructions of the controlling authorities of the bank?	:	

(b)	Does the branch maintain adequate records for receipt, issues and balances of gold/bullion and updated regularly? Does the periodic verification reveal any excess/shortage of stocks as compared to book records and if any discrepancies observed have been promptly reported to controlling authorities of the bank?	:	
(c)	Does the system of the Bank ensure adequate internal control over issue and custody of security items (Term Deposit Receipts, Drafts, Pay Orders, Cheque Books, Traveller's Cheques, Gift Cheques, etc.)? Whether the system is being followed by the branch? Have you come across cases of missing/lost items?	:	
2.	**Books and Records**		
(a)	Whether there are any software / systems (manual or otherwise) used at the branch which are not integrated with the CBS? If yes, give details thereof.	:	
(b)	i) In case the branch has been subjected to IS Audit whether there are any adverse features reported and have a direct or indirect bearing on the branch accounts and are pending compliance? If yes give details.	:	
	ii) Whether branch is generating and verifying exception reports at the periodicity as prescribed by the bank.	:	
	iii) Whether the system of bank warrants expeditious compliance of daily exception reports and whether there are any major observations pending such compliance at the year end.	:	
	iv) Whether the bank has laid down procedures for manual intervention to system generated data and proper authentication of the related transactions arising there from along with proper audit trail of manual intervention has been obtained.	:	
	v) Furnish your comments on data integrity (including data entry, checking correctness/integrity of data, no back ended strategies etc.) which is used for MIS at HO / CO level.	:	

3.	**Inter-Branch Accounts**		
	Does the branch expeditiously comply with / respond to the communications from the designated cell / Head Office as regards unmatched transactions? As at the year-end are there any un-responded/un-complied queries or communications beyond 7 days? If so, give details?	:	
4.	**Frauds**		
	Furnish particulars of: (i) Frauds detected / classified but confirmation of reporting to RBI not available on record at branch.	:	
	(ii) Whether any suspected or likely fraud cases are reported by branch to higher office during the year? If yes, provide the details thereof related to status of investigation.	:	
	(iii) In respect of fraud, based on your overall observation, please provide your comments on the potential risk areas which might lead to perpetuation of fraud (e.g. falsification of accounts/false representation by the borrower; misappropriation of funds especially through related party/ shell company transactions; forgery and fabrication of financial documents like invoices, debtor lists, stock statements, trade credit documents, shipping bills, work orders and encumbrance certificates and avail credit; Use of current accounts outside consortium where Trust and Retention Account (TRA) is maintained, to divert funds; List of Debtors/ Creditors were being fabricated and receivables were not followed up/ write off of debt of related parties; Fake export/shipping bill, etc.; Over statement of invoice amounts, stock statements, shipping bills, turnover; fly by night operations including cases where vendors, related/ associate parties, manufacturing units etc. aren't available on the registered addresses; Round Tripping of funds, etc.)	:	
	(iv) Whether the system of Early Warning Framework is working effectively and as required, the early warning signals form the basis for classifying an account as RFA.	:	

5.	**Implementation of KYC / AML guidelines**		
	Whether the branch has adequate systems and processes, as required, to ensure adherence to KYC / AML guidelines towards prevention of money laundering and terrorist financing?	:	
	Whether the branch followed the KYC / AML guidelines based on the test check carried out by the branch auditors?	:	
6.	**Management Information System**		
(a)	Whether the branch has the proper systems and procedures to ensure data integrity relating to all data inputs which are to be used for MIS at corporate office level and for supervisory reporting purposes. Have you come across any instances where data integrity was compromised?	:	
7.	**Miscellaneous**		
(a)	In framing your audit report / LFAR, have you considered the major adverse comments arising out of the latest reports such as: i) Previous year's Branch Audit Report / LFAR; ii) Internal audit / Snap Audit / concurrent audit report(s); iii) Credit Audit Report; iv) Stock audit Report; v) RBI Inspection Report, if such inspection took place; vi) Income and Expenditure (Revenue) Audit; vii) IS / IT / Computer / Systems Audit; and viii) Any special inspection / investigation report?	:	
(b)	Are there any other matters, which you, as branch auditor, would like to bring to the notice of the management or the Statutory Central Auditors?	:	

Annex IV

Additional Questionnaire Applicable to Specialised Branches

A. For Branches dealing in Foreign Exchange Transactions

1. Are there any material adverse features pointed out in the reports of concurrent auditors, internal auditors, and / or the Reserve Bank of India's inspection report which continue to persist in relation to NRE / NRO / FCNR-B / EEFC / RFC and other similar deposits accounts. If so, furnish the particulars of such adverse features.

2. Whether the branch has followed the instructions and guidelines of the controlling authorities of the bank with regard to the following in relation to the foreign exchange and, if not, state the irregularities.

   (a) Deposits
   (b) Advances
   (c) Export bills
   (d) Bills for collection
   (e) Dealing room operations (where a branch has one)
   (f) Any other area

3. NOSTRO Accounts (Obtain from the branch management, a list of all NOSTRO Accounts maintained / operated by the branch).

   (a) Whether the bank has a system of periodic confirmation / reconciliation of the balances in NOSTRO accounts maintained with each overseas bank / correspondent? Has such confirmation been received, and account reconciled at year end in each case? If not, give details.

   (b) Whether the system of the bank ensures that all entries originated by overseas banks / correspondents, have been duly responded promptly in the respective NOSTRO accounts maintained by the bank?

(c) Are there any dormant / closed NOSTRO accounts in respect of which balances continue to exist in the books of the branch, at year end?

(d) Have the NOSTRO balances been converted at year end at the rates of exchange as prescribed by the controlling authorities?

(e) In case, any matter deserves special attention of the management, the same may be reported

4. Does the branch follow the prescribed procedures in relation to maintenance of Vostro Accounts?

B. For branches dealing in Clearing House Operations, normally referred to as Service Branches

1. Does the branch have a system of periodic review of the outstanding entries in clearing adjustments accounts? In your view, has the system generally been complied with?

2. Whether review of the clearing adjustments accounts (inwards / outwards) reveals any old / large / unusual outstanding entries, which remain unexplained? Give year-wise break-up of outstanding in number and value.

3. Has the branch strictly followed the guidelines of the controlling authority of the bank with respect to operations related to clearing transactions? Comment on the systems and procedures followed by the branch in this regard.

C. For Branches dealing in Recovery of Non-Performing Assets such as Asset Recovery Branches

1. In respect of borrowers with outstanding of ₹10 Crore and above, the information should be obtained from the Branch Management. Comments of the SBAs on advances with significant adverse features and which might need the attention of the management / Statutory Central Auditors should be appended to the LFAR.

2. List the accounts with outstanding in excess of ₹10 Crore, which have been upgraded from Non-Performing to Standard during the year and the reasons

thereof.

Sr. No.	Name of the Unit / Account	Outstanding (in ₹ crore)	IRAC Status as on 31st March [Last Year]	IRAC Status as on 31st March [Current Year]	Reason/s
1					
2					
3					
4					
5					

3. Whether the branch has a system of updating periodically, the information relating to the valuation of security charged to the bank?

4. Age-wise analysis of the recovery suits filed and pending for the last three years along with latest status thereof.

Year	No. of Accounts	Amount (in ₹ crore)
Up to n-3		
(n-2)		
(n-1)		
Current Financial Year (n)		

5. Is the branch prompt in ensuring execution of decrees obtained for recovery from the defaulting borrowers? Also, list the time barred decrees, if any, and reasons thereof. Give age-wise analysis of decrees obtained and not executed.

6. List the recoveries and their appropriation against the interest and the principal and the accounts settled / written off / closed during the year as per the bank's policy. Give particulars of recoveries which are pending for appropriation as on year-end with reasons thereof.

7. List the new borrower accounts transferred to the branch during the year. Have all the relevant documents and records relating to these borrower accounts been transferred to the branch? Has the branch obtained confirmation that all the accounts of the borrower (including non-fund-based exposures and deposits pending adjustment / margin deposits) been

transferred to the branch?

Signature of the Branch Auditor

Annex V

Long Form Audit Report (LFAR) for Large / Irregular / Critical Advance Accounts

(Statutory Branch Auditors to obtain from branches dealing in large advances / asset recovery)

Sr.No.	Items / Particulars	Details
1.	Name of the Borrower	
2.	Address	
3.	Nature of business / activity	
4.	Total exposure of the branch to the borrower	
	(a) Fund Based (₹ in crore)	
	(b) Non-Fund Based (₹ in crore)	
5.	Name of Proprietor / Partners / Directors (As Applicable)	
6.	Name of the Chief Executive, if any	
7.	Asset Classification by the branch	
	(a) as on the date of current audit	
	(b) as on the date of previous Balance Sheet	
8.	Asset Classification by the branch auditor	
	(a) as on the date of current audit	
	(b) as on the date of previous Balance Sheet	
9.	Are there any adverse features pointed out in relation to asset classification by RBI inspection or any other audit	
10.	Date on which the asset was first classified as NPA (where applicable)	
11.	Facilities sanctioned	

Date of Sanction	Nature of facilities	Limit (₹ crore)	Prime Security	Collateral Security	Margin (in %)	Balance outstanding at the year-end	
						Current Year	Previous Year

<table>
<tr><td>12.</td><td colspan="5">Whether the facility is a consortium facility or a facility made on multiple bank basis</td><td></td></tr>
<tr><td rowspan="3">13.</td><td colspan="5">If Consortium-</td><td></td></tr>
<tr><td colspan="5">(a) Names of participating banks with their respective shares</td><td></td></tr>
<tr><td colspan="5">(b) Name of the Lead Bank in Consortium</td><td></td></tr>
<tr><td>14.</td><td colspan="5">If on multiple banking basis, names of other banks</td><td></td></tr>
<tr><td>15.</td><td colspan="5">Has the branch classified the facility under the Credit Rating norms in accordance with the guidelines of the controlling authorities of the bank</td><td></td></tr>
<tr><td rowspan="5">16.</td><td colspan="5">(a) Details of verification of primary security and evidence thereof</td><td></td></tr>
<tr><td colspan="5">(b) Details of valuation and evidence thereof</td><td></td></tr>
<tr><td colspan="2">Date of Verification</td><td colspan="2">Nature of Security</td><td>Value</td><td>Valuation done by</td></tr>
<tr><td colspan="2"></td><td colspan="2"></td><td></td><td></td></tr>
<tr><td colspan="6">Insured for ₹ (expiring on_____)</td></tr>
<tr><td rowspan="2">17.</td><td colspan="5">(a) Details of verification of collateral security and evidence thereof</td><td></td></tr>
<tr><td colspan="5">(b) Details of valuation and evidence thereof</td><td></td></tr>
<tr><td rowspan="6">18.</td><td colspan="5">Give details of the Guarantee in respect of the facility</td><td></td></tr>
<tr><td colspan="5">(a) Central Government Guarantee</td><td></td></tr>
<tr><td colspan="5">(b) State Government Guarantee</td><td></td></tr>
<tr><td colspan="5">(c) Bank Guarantee or Financial Institution Guarantee</td><td></td></tr>
<tr><td colspan="5">(d) Corporate / Personal / Other Guarantee</td><td></td></tr>
<tr><td colspan="5">Provide the date, validity and value of the above Guarantees.</td><td></td></tr>
<tr><td rowspan="2">19.</td><td colspan="6">Compliance with the terms and conditions of the sanction</td></tr>
<tr><td colspan="5">Terms and Conditions</td><td>Compliance</td></tr>
<tr><td rowspan="5">(i)</td><td colspan="6">Primary Security</td></tr>
<tr><td>a)</td><td colspan="4">Charge on primary security</td><td></td></tr>
<tr><td>b)</td><td colspan="4">Mortgage of fixed assets</td><td></td></tr>
<tr><td>c)</td><td colspan="4">Registration of charges with Registrar of Companies</td><td></td></tr>
<tr><td>d)</td><td colspan="4">Insurance with date of validity of Policy</td><td></td></tr>
<tr><td rowspan="3">(ii)</td><td colspan="6">Collateral Security</td></tr>
<tr><td>a)</td><td colspan="4">Charge on collateral security</td><td></td></tr>
<tr><td>b)</td><td colspan="4">Mortgage of fixed assets</td><td></td></tr>
</table>

	c)	Registration of charges with Registrar of Companies	
	d)	Insurance with date of validity of Policy	
(iii)	Guarantees - Existence and execution of valid Guarantees.		
(iv)	Asset coverage to the branch based upon the arrangement (i.e., consortium or multiple-bank basis)		
(v)	**Others**		
	(a)	Submission of Stock Statements / Quarterly Information Statements and other Information Statements	
	(b)	Last inspection of the unit by the branch officials: Give the date and details of errors / omissions noticed	
	(c)	In case of consortium advances, whether copies of documents executed by the company favoring the consortium are available	
	(d)	Any other area of non-compliance with the terms and conditions of sanction	
20.	Key financial indicators of the borrower for the last two years and projections for the current year (Amount in ₹ crore)		

Indicators	**Audited Year ended 31st March (n-2)**	**Audited Year ended 31st March (n-1)**	**Projections for Current Year (n)**
Turnover			
Increase in turnover over previous year (in %)			
Profit before depreciation, interest and tax			
Less: Interest			
Net Profit before tax			
Less: Depreciation			
Less: Tax			
Net Profit after Depreciation and Tax			
Net Profit to Turnover Ratio			
Capital (Paid-up)			
Reserves			
Net Worth			
Turnover to Capital Employed Ratio (The term capital employed means the sum of net worth and long term liabilities)			
Current Ratio			
Stock Turnover Ratio			

Total Outstanding Liabilities / Total Net Worth Ratio			
In case of listed companies, market value of Share?			
(a) High (b) Low (c) Closing			
Earnings Per Share			
Whether the accounts were audited? If yes, up to what date; and are there any audit qualifications			

21.	**Observations on the operations in the Account**		
Particulars		**Excess over drawing power**	**Excess over limit**
1. No. of occasions on which the balance exceeded the drawing power / sanctioned limit (give details)			
Reasons for excess drawings, if any			
Whether excess drawing were reported to the Controlling Authority and approved			
2. Total summation in the account during the year Less: Interest Balance		**Debit Summation (₹ crore)**	**Credit Summation (₹ crore)**

22.	Adverse observations in other audit reports / Inspection Reports / Concurrent Auditor's Report / Stock Audit Report / Special Audit Report or RBI inspection with regard to:	
	(a) Documentation	
	(b) Operations	
	(c) Security/Guarantee	
	(d) Others	
23.	Branch Manager's overview of the account and its operations	
24.	(a) In case the borrower has been identified / classified as NPA during the year, whether any unrealised income including income accrued in the previous year has been accounted as income, contrary to the income recognition norms.	
	(b) Whether any action has been initiated towards recovery in respect of accounts identified / classified as NPA.	

Date, Signature and Seal of Branch In-Charge