

बैंक ऑफ इंडिया  
Bank of India**HEAD OFFICE-CREDIT MONITORING DEPARTMENT****General eligibility Criteria for CA Firms – considered by Bank for Assigning Stock Audits / Agency for Specialised Monitoring (ASM)**

- I) **The following general criteria are followed by Bank while selecting CA Firms for giving stock Audit Assignments of our Bank:**
- a) CA Firms are Selected from the RBI list of panel Auditors.
  - b) A Partnership firm with a sound track record of at least 5 years.
  - c) The firm should have more than two partners and at least one of them should be FCA.
  - d) The firm should not have conducted statutory audit (Central or Branch) of our Bank in the preceding two financial years or should not have been allotted Statutory Audit for the current financial year and while accepting stock audit allotment, the stock auditor shall provide an undertaking that they will not accept statutory audit of any of the Branches of our Bank for that current financial year.
  - e) Stock Audit firm should not be Concurrent Auditor of any of the Branches of our Bank, at the time of appointment and during the period of conduct of Stock Audit.
  - f) Agencies for Specialised Monitoring (ASMs) who are engaged with our Bank may also be allotted for conducting Stock Audit. However, the overall assignments of Stock / ASM Audit assignments, put together, shall not be more than 3 accounts to any CA Firm, in a Financial Year.
  - g) Further, to any CA Firm, allotment of Stock Audit, shall not be more than-
    - (a) 3 accounts, in a year, to Category-I CA Firms,
    - (b) 2 accounts, in a year, to Category-II / III CA Firms and
    - (c) 1 account, in a year, to Category-IV CA Firms.
  - h) Any of the partners of the firm should not be a Director of our Bank.
  - i) None of the partners of the firm should have been disqualified under section 226 of the Companies Act 1956.
  - j) CA Firms having common partners are considered to be the same Firm for the purpose of allotment of number of stock audits.



**II) The following general criteria are followed by our Bank while selecting CA Firms for allocating the ASM (AGENCY FOR SPECIALISED MONITORING) Audit Assignments:**

Agencies for Specialized Monitoring (ASMs) are entities having professionals with good domain knowledge, experience and skill in different sectors, industries etc. In case of large exposure or exposure to specialized nature, these agencies provide services of inspection, Stock Audit, about status of assets charged to Banks, scrutiny of transactions with all member Banks, cash flow monitoring, end use verification etc.

In compliance of the framework for Engagement of ASM (Advised by IBA) / Bank, the broad eligibility criteria are as under:

- i) The ASM Audit shall invariably be allotted to Category-I CA Firm only.
- ii) The ASM firm shall be from the empanelled list of IBA approved ASMs, conveyed by IBA to member Banks from time to time, for the sector to which the Borrower belongs or in general sector list of IBA.
- iii) Experience of the ASM Assignment in the relevant field / sector in which the Borrower is engaged.
- iv) The ASM Assignment should not be allocated to SCA/SBA of our Bank for present Financial Year and for the last two completed Financial Years (i.e. three years in a row).
- v) ASM Assignment should not be allocated to Concurrent Auditor of our Bank.
- vi) ASM should not be allocated Statutory Auditor of the Borrower Company whose Account is being allocated or Statutory Auditor to any Group / Associates / Subsidiary of the Borrower Company.
- vii) The ASM allocated CA Firm shall not conduct any other audit with other companies in the same Borrower's Group.
- viii) ASM assignment shall not be allotted to a CA firm, having at least 3 accounts for carrying out the ASM/Stock Audit put together, in a financial year.
- ix) IBA vide their letter CIB/PSB/RA/EASE/ASM dated 11.02.2021 has suggested that "Number of assignments to be allowed to an ASM shall be based on their size, capacity, expertise and geographical locations."
- x) None of the Promoters/Director/Partners should be Director in our Bank.



- xi) The CA Firm or its Directors/Partners, intended to be allocated ASM Assignment, shall not have any professional relationship with the Borrower firm and its group company/associates and not to be disqualified under Section 226 of the Company Act.
- xii) The CA Firm or its Directors/Partners, intended to be allocated ASM Assignment, shall not have been blacklisted or their names shall not exist in any caution list of any organisation / disqualified under Section 226 of the Company Act. An undertaking/declaration to be submitted.
- xiii) ASM shall not have any professional / official or other contracts with the Borrower Company/Group/Associate/ subsidiary of the Borrower Company. The CA Firm intended to be allocated ASM Assignment shall also undertake that they will maintain an arm's length relationship with the Borrower Company/Group /Subsidiary of the Borrower Company. An undertaking to this effect will be obtained from the ASM.
- xiv) The CA Firm which is presently engaged cannot bid for the same Account again within next three years for ASM Assignment.
- xv) The CA Firm shall not have been debarred or black listed by any regulatory/statutory authority or agency of Government or PSBs or ICAI or NFRA.
- xvi) The CA Firm shall not have been not eligible or disqualified under IBC code/Company Law or any other statute etc.
- xvii) Technical and Financial Bids will be invited as per IBA /CVC/Bank's guidelines for selection of ASMs from at least 5 to 10 CA Firms of Category-I, having empanelled with IBA and preferably having their Branch/office near to the Borrower's Unit / Office for operational convenience.

Note: The above information is only an indicative list for general information of CA Firms /ASMs, which are followed by Bank while selecting stock Auditors / inviting BIDs from ASM Firms. The above guidelines may be modified as may be deemed fit by the Bank from time to time.

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