



भारतीय रिज़र्व बैंक  
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April 27, 2021

**Issue of Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including Housing Finance Companies)**

The Reserve Bank of India had announced in the '[Statement on Developmental and Regulatory Policies](#)' issued as part of the [Monetary Policy Statement dated December 4, 2020](#) that with a view to improve the quality of financial reporting of Supervised Entities (SEs), harmonised guidelines on appointment of Statutory Auditors of Commercial Banks (excluding RRBs), Primary (Urban) Co-operative Banks (UCBs) and Non-Banking Finance Companies (NBFCs) will be issued.

2. Accordingly, a Circular on '[Guidelines for Appointment of Statutory Central Auditors \(SCAs\)/ Statutory Auditors \(SAs\) of Commercial Banks \(excluding RRBs\), UCBs and NBFCs \(including HFCs\)](#)' has been issued today. These Guidelines provide necessary instructions for appointment of SCAs/SAs, the number of auditors, their eligibility criteria, tenure and rotation, etc. while ensuring the independence of auditors. The Guidelines shall become applicable from FY 2021-22 and onwards. However, UCBs and NBFCs shall have the flexibility to adopt these guidelines from H2 of FY 2021-22 so that there is no disruption.

3. The revised Guidelines being issued will ensure that Statutory Auditors are appointed in a timely, transparent and effective manner. This is expected to improve the quality of financial reporting by the aforesaid Entities and also improve the audit quality.

Press Release: 2021-2022/115

(Yogesh Dayal)  
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