

F. No. 7/4/2015-RRB- Vol(II)
Government of India
Ministry of Finance
Department of Financial Services

Jeevan Deep Building, 3rd Floor,
Sansad Marg, New Delhi

Dated the 16 October, 2017

To,

The Chief General Manager,
IDD, NABARD,
Head Office, Mumbai.

Subject: Revision of Remuneration payable to Statutory Auditors of RRBs.

Madam,

I am directed to refer to NABARD's letters NB.HO.IDD/260/RRB-322/2017-18 dated 2nd June 2017 and NB.HO.IDD/468/RRB-322/2017-18 dated 25th July 2017 on the above cited subject and to convey the approval of the Central Government in terms of provisions of section 19(2) of the Regional Rural Bank act, 1976, to the following revision in the remuneration of the Statutory Auditors of RRBs for audit to be conducted in financial year 2018-19 on wards until further revision.

2. **Head Office Audit Fees:**

S.N.	Business levels (Advances+Deposit) of the RRB as a whole	Audit Fee (Rs)
1	below Rs. 500 crore	26560
2	Rs. 500 crore to Rs1500 crore	40625
3	Above Rs. 1500 crore to Rs. 3000 crore	53100
4	Above Rs. 3000 crore to Rs. 4500 crore	67200
5	Above Rs. 4500 crore to Rs 15000 crore	78150
6	Above Rs. 15000 crore to Rs. 25000 crore	90650
7	Above Rs. 25000 crore	105150

3. **Branch Audit Fees:**

S.N.	Quantum of Loans and Advances of the concerned Branch(excluding inter- Branch Advances)	Audit Fee (Rs)
1	Up to Rs. 2.5 crore	5000
2	Above Rs. 2.5 crore to Rs. 5.0 crore	6300
3	Above Rs. 5.0 crore to Rs. 8.0 crore	7900
4	Above Rs. 3.0 crore to Rs. 15.0 crore	9300
5	Above Rs. 15.0 crore to Rs 25.0 crore	11000
6	Above Rs. 25.0 crore to Rs. 40 crore	13000
7	Above Rs. 40 crore	15350

4. Daily conveyance allowance:

S.N.	Particulars	Partners/Proprietors (in Rs)	Qualified Assistants (in Rs)	Unqualified Assistants (in Rs.)
1	Auditors while working away from their headquarters for conducting the bank's Audit(self declaration basis)	240 *	120 *	100 *
2	Local auditors, if the distance between the auditor's Office and bank's Office/Branch is beyond 8kms(self declaration basis)	240 *	120 *	100 *

5. The Travelling and Halting Allowance (TA/HA)/Boarding charges/Loading charges payable to the Statutory Auditors will be as per the norms specified by IBA norms. The category of Officers linked for the purpose of deciding the ceiling limits of such expenses will be as under:

Category of audit officials	Scale and designation of Bank officials (as per IBA), proposed for RRB audit.
Partners / Proprietors of audit firms(Central and Branch audit firms) & CAs,	Scale V / VI- AGM / Dy. Gen. Manager
Qualified Assistants / Associates	Scale III - Senior Manager
Article ship / Assistant	Scale I - Officers

* However, the reimbursement of daily conveyance charges shall not exceed 10% of the audit fees payable to the respective auditors. There will be no distinction between statutory Central auditors and Branch auditors regarding payment of branch audit fees and reimbursement of travelling, halting allowance and daily conveyance charge.

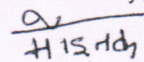
6. With regard to the reimbursement of travelling, halting allowance and daily conveyance charges, the following norms as hitherto may also be continued:

- i. Wherever banks have Guest House or Visiting Officers flats, the same may be utilized to cater to the needs of auditors.
- ii. Banks should call for such details as are necessary for verification of bills in this regard and the statutory central auditors as well as branch auditors shall furnish such details for verification of the actual expenses.
- iii. Where the statutory central auditors have their headquarters at a place different from that where the Head / Central Office of the bank is situated, the TA/HA, if any, should be nominal for the central audit.
- iv. However, to ensure the quality of audit, there should be no restriction on the partners of the firm visiting the Head/Central Office of the Bank as and when they deem it necessary.

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- v. Where the statutory central auditors or branch auditors have an office at the place where the branches/ offices of the bank to be audited are situated, they will not be reimbursed TA/HA. However, daily conveyance may be reimbursed as suggested above.
 - vi. The TA/HA should be kept to the minimum.
 - vii. In case of dispute between the auditors and the bank regarding settlement of their bills, the Chairman of the RRB shall be the final authority to decide the claims. The Chairman has to satisfy himself that the actual expenses have been incurred by a particular auditor and the claims are settled keeping in view the aforesaid guidelines.
7. This issues with the approval of Competent Authority.
 8. The receipt of this letter may kindly be acknowledged.

Yours faithfully,


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16.10.17

(M. Mukherjee)
Deputy Director (RRB)
Tel-No- 011-23748764