

(To be furnished on the letter head of the firm / company)

**ANNEXURE III – LETTER OF UNDERTAKING:**

From	To:
	The General Manager, Karnataka Gramin Bank, Inspection Wing, Head Office, Ballari

1. We have read the bank's terms and conditions for selection/appointment of concurrent auditor and agree to abide by the same. We also undertake to execute the undertaking letter in the prescribed format agreeing to abide by the specific terms and conditions of appointment before taking up the assignment in case the firm is selected for Concurrent/ Continuous Audit.

2. We hereby declare we are qualified under provisions of Section 141 of Companies Act 2013 for appointment as auditors of the Bank. We are not disqualified under Section 141 of the Companies Act, 2013 read with Rule 10 of The Companies (Audit and Auditors) Rules,2014 to accept this appointment.”

3. We hereby declare that all the partners of the firm are full time practicing Chartered Accountants.

4. We hereby declare that individually, no partner is engaged in practice otherwise or in any other activity which would be deemed to be in practice under Section 2(2) of the Chartered Accountants Act 1949.

5. We hereby declare that neither our Firm nor any of the partners have been disqualified/debarred/cautioned by ICAI / IBA / other regulatory bodies during the last 5 years.

6. We hereby declare that the constitution of the firm as on the date shown in this profile / Resume is the same as that of in the Constitution Certificate issued by the ICAI and any changes in the constitution will be intimated to the Bank as and when takes place.

7. We undertake to submit the latest copy of the Registration Certificate issued by the ICAI duly attested (self-attestation is permissible), on receipt of offer letter from the Bank.

8. We hereby declare and confirm that the above particulars are true, complete and correct and no other material information has been withheld.

9. The above particulars / information / details are given on behalf of the applicant, by the undersigned who is authorized to do so.

10. We also undertake to abide by any other Terms & Conditions which the Bank may stipulate in compliance to RBI / Government guidelines or other internal guidelines of the Bank issued from time to time.

11. We also undertake to indemnify the Bank against all actions, omissions, proceedings, claims, suits, damages and any other expenses for causes attributable to the auditor / firm including any loss suffered on account of any breach of the terms and conditions of the offer of the appointment.

12. We understand that at the discretion of the Bank, the services of the auditors shall be terminated / blacklisted with / without due intimation when the performance is found wanting and such Audit firms shall stand de-empaneled. This is without prejudice to referring the issues to the professional body (ICAI and also RBI / IBA ) and also claim damages for such unsatisfactory service, whatsoever by the firm or any of its employees.

13. We undertake to follow the time norms for completing the Audit and submitting the Audit report to the branch / Regional office / Regional Inspectorate. If there is any delay in submission of the report or the report is wanting in material aspect, we are liable to be forfeited 10% of the monthly Audit Fee by the Bank without any further reference to us till the deficiency continues. The decision of the GM, Inspection wing, Head Office, shall be final in this regard.

14. We confirm that Proprietor / Partner of the Audit firm / designated partner of the LLP is not a Director on the Board of the Bank.

15. We confirm that we are not partner / Designated Partner of any Audit firm where a director on the Board of the Bank is a partner.

16. We confirm that no relative or close relative of the Proprietor / Partner of the Audit firm / Designated partner of a LLP are working / have worked in the last 3 years in the branch allotted for empanelment.

17. We do not have statutory audit (Central audit or Branch Audit), credit audit, valuation of fixed / current assets or any other similar assignments with Karnataka Gramin Bank / or /any branch of Karnataka Gramin Bank. We undertake to inform Inspection Wing, if we are appointed as Statutory Auditors of the Bank and to relinquish the Concurrent / Continuous Audit, only after completing the concurrent / Continuous audit and submitting the report upto the month in which the appointment as Statutory Auditor is made.

18. We are aware that if a firm of Chartered Accountants associated with Karnataka Gramin Bank as "statutory auditors" for the prescribed period - not exceeding 4 years is rested - during the rest period (or called cooling period), the Statutory Auditor shall not be considered for appointment as concurrent auditor. We confirm that we have not been appointed as Statutory Auditors of Karnataka Gramin Bank or its branches and also confirm that we/our firm is not in the "Cooling Period" under Statutory Audit.

19. We, the proprietor / firm / any partners of the firm, or any of our clients do not have any credit facilities with the auditee branch, mentioned above, (excepting for credit facilities against our / their own deposits – if any). If such credit facilities are availed, we are aware that the appointment for concurrent / Continuous audit will be terminated with immediate effect.

20. We, the Proprietor / firm / any partners of the firm do not have any disciplinary matters pending with ICAI/RBI/IBA/National Financial Reporting Authority (NFRA) and we have not suffered any disqualification.

21. We confirm that our services have not been terminated or stopped by Karnataka Gramin bank earlier for (i) want of satisfactory performance or (ii) serious acts of commission or omission or (iii) professional misconduct or (iv) any other reason.

22. We are aware and accept that if renewal of empanelment is considered, under exigent conditions, Bank may change the allotment of auditee unit / branch for any administrative reasons.

23. We understand and agree that in the event of merger / closure of the auditee Branch during the period of concurrent / Continuous audit, due to any administrative exigencies, the Bank at its discretion, may allot a new branch in the same city for Concurrent / Continuous audit for the remaining period of concurrent auditor's tenure (i.e. upto 30th June) subject to availability and if new branch is allotted, the Concurrent Auditor has to commence the audit for the month from which the previous concurrent / Continuous audit of the new branch was completed. The fees payable shall be as applicable to the merged / closed Branch in which the concurrent auditor was doing the audit till the merger/closure. If suitable Branch is not available / could not be allotted, it is acceptable to us to forgo the assignment.

24. If any Fraud / Income leakage unearthed in the Branch / Service Unit (Auditee unit) at a later date eventually or during any other audits pertaining , we shall be liable for explanation and action taken.in this regard.

25. In case of any dispute, the decision of the Bank is final and only the appropriate Courts in Ballari shall have the jurisdictional authority.

26. We confirm that we have read and understood all the Terms and Conditions enumerated in the notification published in the Banks Website at the time of initial empanelment, comprehensively, and explicitly undertake to abide by all the Terms and Conditions laid down by the Bank for empanelment of external concurrent Auditors.

27. We accept and confirm that if there is any delay in submission of the report or the report is wanting in material aspect, 10% of the monthly Audit Fee shall be deducted without any further reference to us till the deficiency continues. The decision of the DGM, Zonal Inspectorate shall be final in this regard. The 10% deduction is in the nature of penalty & is not refundable at a later date.

28. We accept that whenever, the assignment is terminated or relinquishment is permitted, the audit remuneration will be paid only up to the end of previous month for which a fully completed report is received.

29. We accept that after termination of the contract / relinquishment of the assignment, we shall not use or keep any of the material information given by the Bank like Manuals, Information Handout etc. or make any representations to public or outsiders as continuing this contract.

**Date:**

**Place:**

**Signature**

**Name of the Auditor .....**

**Membership Number.....**

**Name of the firm.....**