



Expression of Interest: NHB/AUDIT/EOI/01/2024-25: National Housing Bank

Expression of Interest (EOI)-

**For Selection and onward recommendation of Audit firms to Reserve Bank of India
for their appointment as Statutory Auditors of National Housing Bank (NHB)
for the Year 2024-2025(July-June) and onwards**

**Audit Department
Head Office, National Housing Bank
Core 5-A, 4th Floor, India Habitat Centre, Lodhi Road,
New Delhi - 110003
Phone: 011-39187324, 011-39187366
E-Mail: statutory.audit@nhb.org.in**

GLOSSARY

Abbreviation	Description
NHB	National Housing Bank
HO	Head Office, Delhi
RO	Regional Office
PSU	Public Sector Undertaking
PSB	Public Sector Bank
EOI	Expression of Interest
AIFIs	All India Financial Institutions
NBFCs	Non-Banking Financial Companies
UCBs	Urban Co-operative Banks
SCA	Statutory Central Auditor

Interpretation: All clarifications, amendments, modifications that may be issued in relation to this EOI shall be treated as part and parcel of the EOI and shall together constitute the EOI document.

Invitation for Expression of Interest (EOI)- for Selection and Appointment of Statutory Auditors for National Housing Bank (NHB)

<u>IMPORTANT EOI DETAILS</u>	
Date of providing / uploading EOI documents.	21.10.2024 (Monday)
Date and Time of EOI submission	21.10.2024 (Monday) 11:00 a.m. onwards
Last date and time for submission of Expression of Interest.	04.11.2024 (Monday) Upto 11:59 p.m.
Place of opening of EOI	National Housing Bank, Audit Department Head Office, Core 5-A, 4th floor, India Habitat Centre, Lodhi Road, New Delhi - 110003

Note:- Notice of any changes will be provided through e-mail from designated contact personnel only or publishing on NHB's website.

Invitation for Expression of Interest (EOI)
For Selection and onward recommendation of Audit firms to Reserve Bank of India
for their appointment as Statutory Auditors of National Housing Bank (NHB)
for the Year 2024-2025 (July-June) and onwards

- A. The National Housing Bank (NHB), a statutory institution, is wholly owned by the Government of India, established under the National Housing Bank Act, 1987 ("the Act").
- a. NHB has been established to achieve, inter alia, the following objectives –
- To promote a sound, healthy, viable and cost-effective housing finance system to cater to all segments of the population and to integrate the housing finance system with the overall financial system.
 - To promote a network of dedicated housing finance institutions to adequately serve various regions and different income groups.
 - To augment resources for the sector and channelize them for housing.
 - To make housing credit more affordable.
 - To supervise the activities of housing finance companies based on authority derived under the Act.
 - To encourage augmentation of supply of buildable land for housing and to upgrade the housing stock in the country.
 - To encourage public agencies to emerge as facilitators and suppliers of serviced land, for housing.
- b. The Head Office of NHB is located in New Delhi and has Regional Offices at Delhi, Mumbai, Chennai, Kolkata, Bengaluru, Hyderabad, Bhopal, Ahmedabad, Lucknow, Guwahati, Chandigarh, Bhubaneswar, Raipur, Patna, Jaipur, Ranchi & Thiruvananthapuram.
- B. NHB, invites Expression of Interest (EOI) from reputed eligible practicing Chartered Accountants Firms [*Partnership Firms (Audit Firms)/ Limited Liability Partnership (LLP)*] for selection and appointment as Statutory Auditors (SAs) of NHB for continuous period of three years subject to satisfactory performance of the Audit Firms/LLP and satisfying the eligibility norms each year , {i.e. for the Financial Year 2024-25 (July-June) and onwards}, for onward recommendation to Reserve Bank of India for appointment. The appointment being renewable on yearly basis, based on satisfactory fulfillment of performance and eligibility criteria subject to approval of appointment by Reserve Bank of India.
- C. EOI is to be responded by the Firms/ LLP, which satisfy the Minimum Eligibility Criteria prescribed in this EOI.
- D. Interested and eligible firms/LLP have to submit their data, details,

documents, declarations/undertakings, etc. duly signed by the authorised person in searchable PDF format, only by email, latest by November 04, 2024, till 11:59 p.m. on email ID (**statutory.audit@nhb.org.in**). **Hard copies will be collected subsequently only from eligible firms.** The subject of the email application should be super scribed as "**Application for Expression of Interest (EOI) - for Appointment of Statutory Auditors for National Housing Bank(NHB) for the Year 2024-25 (July-June) and onwards**". The email should also contain name, designation of the authorised person and complete details of the firm/LLP and mobile number of the authorized person of the firm/LLP. *(Any application received outside/beyond the cutoff date & timelines specified shall not be entertained by the NHB).*

- E. The interested and eligible Chartered Accountants Firms/LLP are required to fulfill the eligibility criteria mentioned in RBI Circular dated April 27, 2021, on 'Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)', read with FAQ issued by RBI on June 11, 2021 and NHB's Board Approved Policy (available on the website of the NHB) for Recommendation of Statutory Auditors (SAs) to RBI.
- F. The interested and eligible firms/LLP are required to provide following details & documents in searchable PDF format only (on firm's letter head, duly attested/signed by partner/person authorized by the firm/LLP, however, no digitally signed /image signature on documents will be accepted):
- i. Details of Eligibility Criteria as per **Appendix - 1** alongwith supporting documentary evidences.
 - ii. Profile of the firm/LLP- as per **Annexure-I**.
 - iii. List and Year of audits of the Banks/organizations/ AIFIs, which audit firm is having Experience as Statutory Central Auditor/ Statutory Auditors of PSU Banks/Public Sector Banks or Private/ Commercial Banks/ AIFIs
 - iv. The list and Year (Date of Commencement & Completion of assignment), if your firm has done any Internal Assignment/ Special Assignment, Concurrent Audit, Stock Audit, Forensic Audit, etc. with NHB.
 - v. Latest Constitution Certificate of the Firm/ LLP
 - vi. Contact numbers and name of all the partner/s.
 - vii. KYC documents and supporting documents for authorization of the person authorised by the firm/LLP to sign the documents declarations/undertakings.
 - viii. Undertaking to be furnished by the Firm/LLP that there are no legal suit/ criminal cases pending against Firm/ LLP and its partners or having not been earlier convicted on ground or moral turpitude or for violation of law in force.
 - ix. Address of Delhi/NCR based Head Office (Associate office will not be

considered) of the firm /LLP.

- x. Declaration on Independence and conflict of interest of Audit Firm / LLP.
- xi. **The C&AGs all- India panel of audit firms which are also shortlisted by Reserve Bank of India and are eligible for consideration for appointment as Statutory Central Auditors (SCAs) of Public Sector Banks (PSBs) for FY 2024-2025 shall only submit their applications to the NHB.**
- xii. Details of Scope of Statutory Audit are given in **Appendix - 2.**
- xiii. Details of selection process and scoring pattern are given in **Appendix - 3.**

*****Disclaimer: NHB reserves the right to call for any additional documents/ information apart from the above mentioned, if required. The additional documents/ information called for is required to be submitted within 02 working days. Any document/information received outside/beyond the cutoff timelines specified shall not be entertained by the NHB.***

- G. The Audit Firms/ LLP shall bear all costs associated with or incidental to the preparation and submission of its proposal and NHB shall in no case be held responsible or liable for such costs, regardless of the conduct or outcome of the process including but not limited to cancellation/ abandonment/ annulment of the process.
- H. The firm acknowledges and accepts that the Bank may in its absolute discretion apply selection criteria specified in the document for evaluation of proposals for selecting the eligible auditors.
- I. The firm will, by submitting the EOI, be deemed to have accepted the terms of the EOI, and the Disclaimer.
- J. Firm undertakes and agrees to abide by all the terms and conditions stipulated by NHB in this EOI, including all addendum, corrigendum etc.
- K. The firms/LLP shall not, without NHB's prior written consent, make use of any document or information provided by NHB in EOI or otherwise except for purpose of submission of EOI.
- L. Signing of Contract/Definitive Agreement: The final 02 shortlisted firms/LLP (who will be recommended for appointment to RBI) will sign a Service Level Agreement (SLA) and the Confidentiality cum Non-Disclosure Agreement (NDA) as per the format prescribed by NHB.
- M. Prevention of Corrupt and Fraudulent Practices:
 - As per Central Vigilance Commission (CVC) directives, it is required that every participating Firm/LLP signs an integrity pact as per the **Annexure-II** of this EOI.
 - Every Firm/LLP is expected to observe the highest standard of ethics during the procurement and execution of such contracts in pursuance of the policy: "Corrupt

"Practice" means the offering, giving, receiving or soliciting of anything of value to influence the action of an official in the procurement process or in contract execution and "Fraudulent Practice" means a misrepresentation of facts in order to influence a procurement process or the execution of contract to the detriment of the Bank and includes collusive practice among firms (prior to or after EOI submission) designed to establish bid prices at artificial non-competitive levels and to deprive the Bank of the benefits of free and open competition.

- The Bank reserves the right to reject a proposal for award if it determines that the firm recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question.
 - The Bank reserves the right to declare a firm ineligible, either indefinitely or for a stated period of time, to be awarded a contract if at any time it determines that the firm has engaged in corrupt or fraudulent practices in competing or during the past services rendered for or in executing the contract.
- N. The NHB will notify all short-listed firms in writing or by mail or by publishing in its website as soon as practicable about the outcome of the EOI.
- O. NHB, reserves the right to accept or reject, amend/ modify any or all Expression of Interests with or without assigning any reason whatsoever, and without being liable for any loss/injury that the EOI participants might suffer due to such reason and/or to include any addendum to this EOI. All such amendments/modifications shall be binding on EOI Participants (Audit Firms/ LLP).
- P. NHB at its discretion may extend the deadline for the submission of EOI.
- Q. Language of EOI: The EOI prepared by the Audit Firms/ LLP, as well as all correspondence and documents relating to the EOI exchanged by the Audit Firms/ LLP and NHB and supporting documents and printed literature shall be written in English.
- R. Preliminary Examinations: NHB will examine the EOI to determine whether they are complete, the documents have been properly signed; supporting papers/documents enclosed and the EOI are generally in order etc. NHB may, at its sole discretion, waive any minor infirmity, nonconformity or irregularity in a EOI which does not constitute a material deviation, provided such a waiver does not prejudice or affect the relative ranking of any audit Firms/ LLP. The decision of NHB is final towards evaluation of the EOI documents.
- S. Proposal Ownership: The proposal and all supporting documentation submitted by the audit Firms/ LLP shall become the property of NHB unless NHB agrees to the audit Firms/ LLP's specific request/s, in writing that the proposal and documentation be returned or destroyed.
- T. The eligible Audit Firms/ LLP must ensure that all amendments/enhancements (if any) in the EOI document have been considered by them before submitting the EOI. NHB will not have any responsibility in case of any omission by audit Firms/ LLP.
- U. Any statement/declaration made by the firm, if proved wrong or false or incomplete or such as to withhold any information relevant to the assessment of eligibility, at any stage

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of the process or in the event of the EOI having been accepted, at any stage, shall render the EOI liable to be cancelled/rescinded.

- V. NHB reserves the right to ascertain information from the other Banks and institutions to which the Auditor Firm / LLP has rendered their services for execution of similar projects/ assignments.
- W. NHB does not commit or obligates itself to appoint any officials associated with the SCA appointment process or to appoint any particular Audit Firm / LLP as SCA and any such assumptions made by the Audit Firm / LLP would be at their own risk/responsibility. Further, any type of canvassing or recommendations regarding appointment as SCA, if brought by the prospective Audit Firm / LLP, the same shall amount to a disqualification.
- X. The decision of NHB shall be final, conclusive and binding on all the EOI participants (Audit Firms/ LLP) and shall not be questioned/ challenged by the EOI Participants (Audit Firms/ LLP).
- Y. The EOI is not an agreement and is neither an offer nor an invitation to offer by NHB. No contractual obligations whatsoever shall arise from EOI process unless and until a formal letter of appointment is executed by the NHB in favour of the selected Audit Firm / LLP.
- Z. This EOI document is not transferable. The soft copy of the EOI document is available on Bank's website.
- AA. Any query /clarification regarding EOI will be entertained strictly on or before 05 days prior to the last day of submission of EOI (i.e. 04.11.2024) through mail on the email id- **statutory.audit@nhb.org.in**, and if it is not resolved, NHB may call for a meeting and intimation of the meeting shall be shared separately through email. Further, firm may contact on the following numbers on working days and during office hours (i.e. 10.00 A.M. to 6.00 P.M.):

Mr. Atul Pal, Mgr

011-39187324

Ms. Varsha Pandey, AM

011-39187366

Appendix - 1

Definitions:

- a) "AY" means Accounting Year of the Bank currently July-June, "FY" or "Financial Year" wherever mentioned w.r.t NHB may be read as Accounting Year.
- b) "Audit Committee" means the Audit Committee of the Board.
- c) "Board" means Board of Directors of the Bank.
- d) "Statutory Auditors (SAs)" mean auditors appointed as per the policy to conduct statutory audit of the Bank.
- e) "RBI circular" means RBI circular RBI/2021-22/25 Ref No. DOS.CO.ARG/ SEC.01/08.91.001/ 2021-22. dated April 27, 2021
- f) Group entities shall mean two or more entities related to each other through any of the following relationships, viz. Subsidiary – parent (defined in terms of AS 21), Joint venture (defined in terms of AS 27), Associate (defined in terms of AS 23), Promoter-promotee [as provided in the SEBI (Acquisition of Shares and Takeover) Regulations, 1997] for listed companies, a related party (defined in terms of AS 18), Common brand name, and investment in equity shares of 20% and above. [Note: "AS" means Accounting Standard notified under Companies Act, 2013]
- g) "Promoter" has the same meaning as in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and includes a member of the promoter group
- h) Promoter group" includes, inter alia
 - i) a subsidiary or holding company of promoter.
 - ii) any-body corporate in which the promoter holds twenty per cent or more of the equity share capital; and/or anybody corporate which holds twenty per cent or more of the equity share capital of the promoter;
 - iii) any-body corporate in which a group of individuals or companies or combinations thereof acting in concert, which hold twenty per cent or more of the equity share capital in that body corporate and such group of individuals or companies or combinations thereof also holds twenty per cent or more of the equity share capital of the issuer and are also acting in concert.
- i) Potential Conflict of Interest – Potential Conflict of Interest, with reference to a firm that is being considered for appointment as SA, may arise, in any of the following circumstances:
 - i) the firm is engaged with audit/non-audit works for a Group Entity of the Bank, which is not regulated by RBI,
 - ii) the audit firm was engaged with audit/non-audit works for a Group Entity of the Bank, which is not regulated by RBI, and not more than one year has elapsed since the completion/ relinquishment of such engagement,
 - iii) a partner of the firm is a director in any of the Group Entities of the Bank, which are not regulated by RBI

A. Minimum Eligibility Criteria

Name of the Audit Firm/ LLP				
Head Office Address of Audit Firm/LLP LLP				
List of the Branch Offices of Audit Firm/ LLP				
Minimum Number of full-time partners (FTP) associated with the firm for a period of at least 3 years.	Out of the FTP, Minimum number of Fellow Chartered Accountant (FCA) partners associated with the firm for a period of at least 3 years.	Minimum Number of Full-time partners / CAs with CISA / ISA qualification .	Minimum Number of years of Audit Experience as Statutory Central Auditor /Statutory Auditor in PSB or private Banks.	Minimum Number of Professional Audit Staff (excluding Admn. Staff)
5	4	2	15	18

Eligibility Criteria 1: There should be at least one-year continuous association of such 5 partners with the firm as on the date of shortlisting for considering them as full-time partners. Further, at least two partners out of such five partners of the firm shall have continuous association with the firm for at least 10 years. The full-time partner's association with the firm would mean exclusive association. The definition of 'exclusive association' will be based on the following criteria:

- (i) The full-time partner should not be a partner in other firm/s.
- (ii) She / He should not be employed full time / part time elsewhere.
- (iii) She / He should not be practicing in her/his own name or engaged in practice otherwise or engaged in other activity which would be deemed to be in practice under Section 2(2) of the Chartered Accountants Act, 1949.
- (iv) Board/ACB shall examine and ensure that the income of the partner from the firm/LLP is adequate for considering them as full-time exclusively associated partners, which will ensure the capability of the firm for the purpose.

Eligibility Criteria 2 : CISA/ISA Qualification: There should be at least one-year continuous association of Paid CAs with CISA/ISA qualification with the firm as on the date of shortlisting for considering them as Paid CAs with CISA/ISA qualification for the purpose.

Eligibility Criteria 3: Audit Experience: Audit experience shall mean experience of the audit firm as Statutory Central/Branch Auditor of Commercial Banks (excluding RRBs)/ AIFIs. In case of merger and demerger of audit firms, merger effect will be given after 2 years of merger while demerger will be effected immediately for this purpose.

Eligibility Criteria 4: Professional Staff: Professional staff includes audit and article clerks with knowledge

of book-keeping and accountancy and who are engaged in on-site audits but excludes typists/stenos/computer operators/ secretaries/subordinate staff, etc. There should be at least one-year continuous association of professional staff with the firm as on the date of shortlisting for considering them as professional staff for the purpose.

Eligibility Criteria 5: The C&AG's all-India panel of audit firms eligible for consideration for appointment as SCAs of PSBs for year 2024-25. EOI will be invited from the firms / past auditors of the Bank / firms associated with Bank in past, subject to fulfilling the eligibility criteria.

Eligibility Criteria 6: The audit firm, proposed to be appointed as SAs, should be duly qualified for appointment as auditor of a company in terms of Section 141 of the Companies Act, 2013.

Eligibility Criteria 7: The audit firm should not be under debarment by any Government Agency, National Financial Reporting Authority (NFRA), the Institute of Chartered Accountants of India (ICAI), RBI or Other Financial Regulators.

Eligibility Criteria 8: If any partner of a Chartered Accountant firm is a director in an RBI Regulated group Entity, the said firm shall not be appointed as SA of the bank. For the process of selection of firms for appointment as SAs, appropriate disclosures to be provided by the firm/LLP in this regard, including details of directorships in Group Entities that are not regulated by RBI.

Eligibility Criteria 9: Audit firm/LLP should have its Head Office in New Delhi/NCR.

Eligibility Criteria 10: An audit firm would not be eligible for reappointment in the same Regulated Entity (NHB in this case) for six years (two tenures) after completion of full or part of one term of the audit tenure. In case an audit firm has conducted audit of the Bank for part-tenure (1 year or 2 years) and then not appointed for remainder tenure, they also would not be eligible for reappointment in the Bank for six years from completion of part-tenure.

- **Firms are required to submit duly filled & signed eligibility criteria checklist mentioned as Annexure III.**
- **Firms/LLP making application to the Bank for appointment as Statutory Auditors are advised to refer to RBI's circular Ref No. DOS.CO.ARG/ SEC.01/08.91.001/ 2021-22 dated April 27, 2021. The selection criteria inter alia includes compliance with above referred circular and NHB's policy on "Recommendation of Statutory Auditors (SAs) to RBI".**

Note: An Evaluation Committee will shortlist the firms by evaluating audit firms on the parameters as per eligibility requirements and willingness received from the firms, for making presentation to the ACB of NHB. The Evaluation Committee, based on the scores in the order of highest scores achieved, will shortlist 03 number of audit firms that do not have a potential conflict of interest. Such short-listed audit firms will be asked to make a presentation to ACB, which shall include all aspects of compliance with RBI guidelines. ACB shall further shortlist minimum of 2 audit firms (out of 03 shortlisted earlier by Evaluation Committee) in order of preference indicating their names against the vacancy. However, in case of reappointment of SAs by the Bank, till completion of tenure of continuous term of 3 years, there would not be any requirement of shortlisting and sending names of multiple audit firms to RBI while seeking appointment.

B. Continued Compliance with basic eligibility criteria

In case any audit firm (after appointment) does not comply with any of the eligibility norms (on account of resignation, death etc. of any of the partners, employees, action by Government Agencies, NFRA, ICAI, RBI, other Financial Regulators, etc.), it shall promptly approach the Bank with full details. Further, the audit firm shall take all necessary steps to become eligible within a reasonable time and in any case, the audit firm should be complying with the above norms before commencement of Annual Statutory Audit for Financial Year ending 30th June and till the completion of annual audit.

In case of any extraordinary circumstance after the commencement of audit, like death of one or more partners, employees, etc., which makes the firm ineligible with respect to any of the eligibility norms, the Bank may approach RBI, to allow the concerned audit firm to complete the audit, as a special case.

C. Other Terms and Conditions

1. Independence of Auditors:

1.1 The Audit Committee of the Board (ACB) shall monitor and assess the independence of the auditors and conflict of interest position in terms of relevant regulatory provisions, standards, and best practices. Any concerns in this regard may be flagged by the ACB to the Board of Directors of NHB and concerned Senior Supervisory Manager (SSM)/Regional Office (RO) of RBI.

1.2 Concurrent auditors of the NHB will not be considered for appointment as SAs. The audit of the Bank and any entity with large exposure (As defined in RBI instructions on 'Large Exposures Framework') to the Bank for the same reference year should also be explicitly factored in while assessing independence of the auditor.

1.3 The time gap between any non-audit works (services mentioned at Section 144 of Companies Act, 2013, Internal assignments, special assignments, etc.) by the SAs for the Bank or any audit/non-audit works for its group entities should be at least one year, before or after its appointment as SAs. However, during the tenure as SA, an audit firm may provide such services to the Bank which may not normally result in a conflict of interest, and the Bank will take a decision in this regard, in consultation with the ACB. A conflict would not normally be created in the case of the following special assignments (indicative list):

- (i) Tax audit, GST Audit, tax representation and advice on taxation matters,
- (ii) Audit of interim financial statements.
- (iii) Certificates required to be issued by the statutory auditor in compliance with statutory or regulatory requirements.
- (iv) Reporting on financial information or segments thereof. However, if an audit firm is involved in any non-audit work with the Bank and/or any audit/non-audit work in other RBI Regulated Group Entities and completes or relinquishes the said assignment prior to the date of appointment as SA of the Bank for FY 2024-25, the said audit firm would be eligible for appointment as SA of the Bank for FY 2024-25.

1.4 The restrictions as detailed in para 1.2 and 1.3 above, will also apply to an audit firm under the same network (As defined in Rule 6(3) of the Companies (Audit & Auditors) Rules, 2014) of audit firms or any other audit firm having common partners.

2. Tenure and Rotation

2.1 To protect the independence of the auditors/audit firms, Bank shall recommend the SAs for appointment to RBI for a continuous period of three years, subject to the firms satisfying the eligibility norms each year.

2.2 An audit firm would not be eligible for reappointment for six years (two tenures) after completion of full or part of one term of the audit tenure. In case an audit firm has conducted audit of the Bank for part-tenure (1 year or 2 years) and then not appointed for remainder tenure, they also would not be eligible for reappointment in the Bank for six years from completion of part-tenure.

2.3 An audit firm proposed to be appointed as SA of the Bank, can concurrently take up statutory audit of a maximum of four Commercial Banks [including not more than one PSB or one All India Financial Institution (NABARD, SIDBI, NHB, EXIM Bank & NabFid) or RBI], eight UCBs and eight NBFCs during a particular year. A group of audit firms having common partners and/or under the same network, will be considered as one entity. Shared/Sub-contracted audit by any other/associate audit firm under the same network of audit firms is not permissible. The incoming audit firm shall not be eligible if such audit firm is associated with the outgoing auditor or audit firm under the same network of audit firms.

3. Statutory Auditor – Re-appointment Procedure

Process for reappointment of existing Auditors during the tenure of 3 years: Every year, the Bank shall obtain the willingness from the existing SA for re-appointment by obtaining declaration on compliance of eligibility norms from SA and recommend to RBI. In case such consent is not received from any of the existing SA, Bank shall follow the selection process for onward submission to RBI for appointment of New SA.

4. Audit Fees and Expenses

Remuneration payable to the SAs, is linked to the basic audit fee payable to the SAs with the balance sheet size of NHB and aligned the same with the basic audit fee of Statutory Central Auditors (SCAs) of Public Sector Banks (PSBs) of similar balance sheet size, as decided by RBI. The details are given in **Appendix – 4**.

5. Professional Standards of SAs

5.1 The SAs shall be strictly guided by the relevant professional standards in discharge of their audit responsibilities with highest diligence.

5.2 The ACB of the Bank shall review the performance of SA on an annual basis. Any serious lapses/negligence in audit responsibilities on conduct issues on part of the SA or any other matter considered as relevant shall be reported to RBI. SA shall have to provide information related to their firm as and when called for by NHB for performance evaluation.

5.3 In the event of lapses in carrying out audit assignments resulting in misstatement of financial statements, and any violations/lapses vis-à-vis the RBI's directions/guidelines regarding the role and responsibilities of the SAs in relation to Bank, the SAs would be liable to be dealt with suitably under the relevant statutory/regulatory framework.

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Requirements from RBI for inclusion in the 'Scope of Audit' of Statutory Auditors (SAs) of National Housing Bank (NHB)

A) Stipulations under Section 40 of the NHB Act, 1987.

- i. The auditors shall be supplied with a copy of the annual balance sheet of the NHB, and it shall be their duty to examine it together with the accounts and vouchers relating thereto and they shall have a list delivered to them of all books kept by NHB and shall at all reasonable times have access to the books, accounts, vouchers and other documents of NHB.
- ii. The auditors may, in relation to the accounts of NHB, examine any director of the Board or any officer or other employee of NHB and shall be entitled to require from the Board or officers or other employees of NHB such information and explanation as they may think necessary for the performance of their duties.
- iii. The auditors shall make a report to the NHB upon the annual balance sheet and accounts examined by them and in every such report, they shall state whether in their opinion the balance sheet is a full and fair balance sheet containing all necessary particulars and properly drawn up so as to exhibit a true and fair view of the state of affairs of the NHB and in case they had called for any explanation or information from the Board or any officer or other employee of the NHB, whether it was given and whether it was satisfactory.

B) Certificates/Reports to be submitted to the SSM Division, RBI - SAs of NHB are required to provide the following certificates/reports and other certifications as per the guidelines issued by RBI from time to time to the Senior Supervisory Manager (SSM), NHB, Department of Supervision (DoS), RBI:

- i. Treasury operations.
- ii. Reconciliation of investments.
- iii. Custody of unused BR forms and their utilization as recommended by Janakiraman Committee.
- iv. Compliance in key areas (conduct of the investment portfolio).
- v. Income recognition, asset classification and provisioning made by the FI.
- vi. Authentication of the FI's calculation of Capital to Risk-weighted Assets Ratio (CRAR) and assessment of capital adequacy in the 'Notes on Accounts' attached to the Balance Sheet.
- vii. Whether NHB complies with the Cyber Security Framework and the Circulars issued by the Cyber Security & IT Risk Group (e-CSITE) of Department of Supervision, RBI and the Financial Institution has attended to all the applicable Advisories/ Alerts issued by the RBI effectively. In this regard, scope, and methodology to be followed are detailed as under.
- viii. Whether NHB has obtained certificate from statutory auditors of Housing Finance Companies (HFCs) regarding utilisation of funds borrowed from NHB, including comments on securitisation, if any, of assets created against NHB borrowings, Liquidity Coverage Ratio (LCR) computation, status of Liquidity Risk Management (LRM) implementation, Loan to Value (LTV) ratio, quality of security charged to NHB, levy of foreclosure charges, interest rate charged to ultimate borrower, ultimate beneficial owner of the entity, proper end-use utilization, etc.
- ix. Certification on System based NPA classification including SMAs.

- x. Certification/Observation on exceptions report, if any exceptions are found.
- xi. Certification on collection of all adverse balance due.
- xii. Checking of exposure calculation.
- xiii. Certification on Status of Charge creation and end-use verification.
- xiv. Certification on Half year returns submission to RBI.
- xv. Checking of Net Overnight Open Position (NOOP) calculation.
- xvi. Preparedness on transition to Basel 3.
- xvii. Further, the SAs are specifically required to report, simultaneously to the Managing Director, NHB, if necessary to Audit committee of the Board (ACB) and to the concerned Senior Supervisory Manager at RBI, any matter suspected to be a fraud or fraudulent activity or any foul play in any transaction. In cases where the amount of fraud involved is ₹100.00 lakh or above, SAs are advised to report such instances directly to the Fraud Monitoring Group, RBI, Central Office, Bengaluru, to the Top Management of NHB and if necessary, to the ACB.

In this regard, scope, and methodology to be followed are as detailed as under:

Scope/Methodology to be followed for Certification related to Cyber Security Framework

- i. Restrict the scope to include only the circulars, advisories and alerts issued by the Cyber Security & IT Risk Group (e-CSITE), Department of Supervision, RBI.
- ii. Assess the level of compliance through:
 - a. Discussion with the FI.
 - b. Review of notes/reports/documents submitted to various committees (Board, Board level and Executive level) of the FI.
 - c. Review of the audit reports – external as well as internal and their compliance level as submitted to the Audit committees (Board/Executive).
 - d. Review of returns submitted by the FI to RBI (Cyber Security & IT Risk Group (e-CSITE), Department of Supervision, RBI).
- iii. The following instructions, as applicable to NHB, may be mandatorily checked and other instructions (not listed below) maybe checked on sample basis.

Circulars: Circular No. , Date & Subject

- 1. DBS.CO/CSITE/BC.11/33.01.0 01/2015-16; June 2, 2016 on Cyber Security Framework in Banks
- 2. Ref. DBS(CO).CSITE/9094/31.01.0 15/2016-17; May 23, 2017 on Risk Governance Framework - Role of the Chief Information Security Officer (CISO)
- 3. DBS. CO. CSITE. No. 3082/31.01.015/ 2017-18; December 15, 2017 on Securing email system – Implementation of DMARC
- 4. DBS.CO.CSITE/4493/31.01.01 5/2017-18; February 20, 2018 on Time-bound implementation and strengthening of SWIFT-related operational controls.
- 5. DBS.CO/CSITE/BC.No. 1/31.01.015/ 2018-19; August 31, 2018 on Certification Programmes in IT and Cyber Security
- 6. DoS.CO.CSITE.SEC.No.1852/ 31.01.015/2020-21; February 18, 2021 on Master Direction on Digital Payment Security Controls
- 7. DoS.CO.CSITEG/SEC.1/31.01.015/2023-24; April 10, 2023 on Master Direction on Outsourcing of Information Technology Services (Applicable from October 1, 2023)

Invitation for Expression of Interest (EOI)- for Selection and Appointment of Statutory Auditors for National Housing Bank (NHB)

Advisories:

Advisory No.	Date	Subject
CO.DOS.CSITEG.SEC.No.2/ 31-01-015/2023-2024	April 10, 2023	Advisory Digest - 2023 <i>(This advisory digest consolidates all the instructions/controls contained in Advisories issued till December 2022. NHB shall ensure sustenance of compliance with the consolidated set of controls prescribed in the said Advisory Digest, of which para 1 to 15 are mandatory set of controls and para 16 is recommendatory and good-to-have controls)</i>
Advisory No. 1 of 2023	March 14, 2023	Misuse of Headers and Content Templates/Spam SMS
Advisory No. 2 of 2023	March 27, 2023	Intimation about password change requirement for Internet Banking applications - For Regulated Entities mandating their customers to change their passwords (login level and/ or transaction level) on a periodic basis
Advisory No. 3 of 2023	April 19, 2023	Phishing Email Attacks
Advisory No. 4 of 2023	June 27, 2023	Recent trends observed in ATM related fraud incidents
Advisory No. 5 of 2023	June 28, 2023	Hacktivist Group Campaign targeting SWIFT
Advisory No. 6 of 2023	August 25, 2023	Recent Ransomware Incidents
Advisory No. 7 of 2023	September 18, 2023	Fraudulent transactions using Mobile Application
Advisory No. 8 of 2023	October 10, 2023	Enhanced Cyber Resilience Measures

In addition to the requirements indicated herein, any items of work may have to be carried out in terms of any other statutory/regulatory requirements of the Bank.

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Appendix - 3

Number of full-time partners (FTP) associated with the firm for a period of at least 3 years.		Out of the FTP, number of Fellow Chartered Accountant (FCA) partners associated with the firm for a period of at least 3 years.		Number of Full-time partners / CAs with CISA / ISA qualification.		Number of years of Audit Experience as Statutory Central Auditor/St atutory Auditor in PSB or private Banks		Number of Professional Audit Staff (excluding Admn. Staff)		Number of years of Audit Experience as Statutory Auditors in AIFIs (EXIM Bank, NABARD, NHB and SIDBI, NABFID) or RBI		Max. Marks	
No. of Part ners	Marks to be Awar ded	No. of Part ners	Marks to be Awar ded	No. of Part ners	Marks to be Awar ded	Years of Experi ence	Marks to be Awar ded	No. of Profe ssion als	Marks to be Awar ded	No. of AIFIs in last 10 years	Marks to be award ed.		
(1)		(2)		(3)			(4)		(5)		(6)		(7)
5	10	4	10	2	10	15	10	18	08	<1	0	80	
6	11	5	11	3	11	20	11	25	09	1-2	5		
7	12	6	12	4	12	25	12	30	10				
8	13	7	13	5	13	30	13	35	11				
9	14	8	14	6	14	35	14	40	12	3 and above	7		
Above 9	15	Above 8	15	Above 7	15	Above 35	15	Above 40	13				

Note:

- Top 10 Audit firms in order of the marks obtained as indicated in the table above will be shortlisted for making a presentation to the Bank's Evaluation Committee for Selection of Statutory Auditors.
- 20 marks will be awarded based on the interaction and presentation by the firm to the Evaluation Committee.
- In case of tie between two firms, the Evaluation Committee will decide the preference of the firms basing on discussions, presentation, experience of the firm, PSU/Bank audit experience, etc. PSU/Bank including AIFIs (NABARD, SIDBI, NHB, EXIM Bank & NabFid) or RBI.
- The Evaluation of applications will be based on scores awarded on parameters as given in the above table and including presentation/interaction with the firm. Firms absent from presentation/interactions shall not be considered for shortlisting. The parameters on which the presentation is to be made and the date and time of making the presentation shall be informed to the selected firms.

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Appendix - 4

1. In terms of the RBI's Circular DBS. ARS. No. BC. 08/ 08.92.001/ 2012-13 dated June 25, 2013 on 'Remuneration payable to the Statutory Central and Branch Auditors of Public Sector Banks from the year 2012-13 and onwards', the remuneration payable to Statutory Auditors for the AY 2024-25 (*as fixed by RBI and with approval of the ACB & the Board of NHB*) will be as given below:

SNo	Particulars	*Fee payable
1.	Remuneration for Central Audit work of the bank a) Basic audit fees for statutory audit. b) Remuneration for Branch audit work of the Bank	Depending upon Balance Sheet Size as on June 30 or close of respective Accounting Year for NHB – Above ₹ 1,00,000 Crore and Upto ₹ 2,00,000 Crore - ₹ 8,42,600/- Branch audit fee for Mumbai Regional Office as decided by RBI/ACB/Board. For all other items of work [such as consolidation / certification in respect of subsidiary / associates, additional certifications required by RBI / SEBI, quarterly / half yearly limited review of accounts, Tax Audit, etc.] carried out by SA, NHB shall decide fees, with the approval of its Board / Audit Committee of the Board (ACB).

**Note: In the absence of clarification, remuneration is considered as exclusive of applicable taxes*

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Profile of the firm

Please provide following information about the firm (Attach separate sheet if required) **(use capital letters only) : -**

S. No.	Information	Particulars / Response
1.	Name of the firm	
2.	Date of Incorporation/constitution	
3.	Type of Firm partnership/LLP]	
4.	Registration No. and date of registration. Registration Certificate/ constitution certificate to be enclosed .	
5.	Address of Registered Office with contact numbers [phone]	
6.	PAN No.	
7.	GSTIN.	
8.	Contact Details of Personnel authorized to make commitments to NHB	
9.	Name	
10.	Designation	
11.	Mail ID	
12.	Firm Head Office and Addresses Contact Person(s) Phone E-mail Website	
13.	Number & details of full-time partners	Total no. of Partners- Total no. of full-time partners-
14.	No. of professional staff(excluding admin staff) having relevant experience in the field of audit	
15.	Details of offices if any (No. of offices with the name of the city/town	
16.	Details of assignment with other accredited agencies/ FIs/Banks/other regulatory bodies as on date, mentioning the nature of assignment: (summary of work profile)	
17.	Any pending or past litigation? If yes please give details	Yes/No/Comments (if option is 'Yes')

Invitation for Expression of Interest (EOI)- for Selection and Appointment of Statutory Auditors for National Housing Bank (NHB)

18.	<p>Net worth of the Firm of last three years.</p> <p>Paid up Capital ;</p> <p>Income/Revenue ;</p> <p>Borrowings ;</p> <p>Net worth ;</p> <p>PAT ;</p> <p>(Please enclose copies of past three years audited financial statements/ annual reports or copies of provisional financial statements in the absence of audited accounts)</p>			
19.	<p>Please mention turnover and Net Profit/Loss for last three years.</p>	Year	Turnover	Net Profit/Loss(-)

Audited/CA certificate of Balance sheet and Profit & Loss accounts for last 3 years to be submitted.

Authorized Signatories

(Name & Designation, seal of the firm)

Date:

Annexure II

EOI No. _____

Date: _____

Pre Contract Integrity Pact

(To be executed on a non-judicial stamp paper of Rs.100/-)

This pre-contract Agreement (hereinafter called "**this Integrity Pact**") between, the National Housing Bank, a body corporate established under the provisions of the National Housing Bank Act, 1987 having its Head Office at Core 5A, India Habitat Centre, Lodhi Road, New Delhi-110003 represented through Shri/Ms _____, (Designation _____) (hereinafter called "NHB", which expression shall mean and include, unless the context otherwise requires, its successors in office and assigns) of the First Part

AND

M/s _____ represented by Shri _____, (Designation _____) (hereinafter called the "Bidder" which expression shall mean and include, unless the context otherwise requires, his successors and permitted assigns) of the Second Part.

(The party of the First Part and the party of the Second Part are hereinafter collectively referred to as the "Parties" and individually as the "Party")

WHEREAS NHB proposes to procure _____ (name of the items/services) as mentioned in the EOI No. _____ ("EOI") and the Firm/LLP is willing to offer/has offered _____ (name of the items/services) as desired by NHB in terms of the EOI;

WHEREAS the Bidder is a private company/public company/Government undertaking/LLP/partnership/registered export agency, constituted in accordance with the relevant law in the matter and NHB is a body corporate established under the Act of Parliament;

WHEREAS to avoid all forms of corruption by following a system that is fair, transparent and free from any influence/prejudiced dealings prior to, during and subsequent to the currency of the contract to be entered into with a view to:-

- (i) enabling NHB to obtain the desired said stores/equipment/services at a competitive price in conformity with the defined specifications by avoiding the high cost and the distortionary impact of corruption on public procurement and
- (ii) enabling Bidders to abstain from bribing or indulging in any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also abstain from bribing and other corrupt practices and NHB will commit to prevent corruption, in any form, by its officials by following transparent procedures.

WHEREAS the Parties are required to execute this Integrity Pact as a prequalification for the Bidder to participate in the bidding process;

AND WHEREAS the Parties hereby agree to enter into this Integrity Pact on the terms and conditions mentioned hereinafter.

NOW IT IS THEREFORE AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. Commitments of NHB

- 1.1** NHB undertakes that no official of NHB, connected directly or indirectly with the contract, will demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the Bidder, either for themselves or for any person, organization or third party related to the contract in exchange for an advantage in the bidding process, Bid evaluation, contracting or implementation process related to the contract.
- 1.2** NHB will, during the pre-contract stage, treat all Bidders alike and will provide to all Bidders the same information and will not provide any such information to any particular Bidder which could afford an advantage to that particular Bidder in comparison to other Bidders.
- 1.3** All the officials of NHB will report to the appropriate Government office any attempted or completed breaches of the above commitments as well as any substantial suspicion of such a breach.
- 2.** In case any such preceding misconduct on the part of such official(s) is reported by the Bidder to NHB with full and verifiable facts and the same is prima facie found to be correct by NHB, necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings may be initiated by NHB and such a person shall be debarred from further dealings related to the contract process. In such a case while an enquiry is being conducted by NHB the proceeding under the contract would not be stalled.

3. Commitments of Bidders

- 3.1** Compliance of the Instructions of GOI/Guidelines of CVC/Others: The Bidder undertakes that in case of its selection as the successful Bidder, it shall perform its duties under the Contract in strict compliance of the relevant and extant instructions of Government of India, GFR issued by Ministry of Finance, Guidelines of CVC and provisions of the Procurement Manual/relevant instructions of NHB, as applicable to the subject matter.
- 3.2** The Bidder represents that it has the expertise to undertake the assignment/contract and also has the capability to deliver efficiently and effectively the goods/advice/services to NHB under the contract in terms of the RFP.
- 3.3** The Bidder commits itself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of its Bid or during any pre-contract or post-contract stage in order to secure the contract or in furtherance to secure it and in particular commit itself to the following:-
 - (a) The Bidder will not offer, directly or through intermediaries, any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of NHB, connected directly or indirectly with the Bidding process, or to any person, organization or third party related to the contract in exchange for any advantage in the Bidding, evaluation, contracting and implementation of the contract.
 - (b) The Bidder has not given, offered or promised to give, directly or indirectly any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of NHB or otherwise in procuring the Contract or forbearing to do or having done any act in relation to the obtaining or execution of the contract or any other contract with the Government for showing or forbearing to show favour or disfavor to any person in relation to the contract or any other contract with the Government.
 - (c)* The Bidder shall disclose the name and address of its agents and representatives including its foreign principals or associates. In case of Foreign Bidder, it shall disclose name and address of its agents and representatives in India.

- (d)* The Bidder shall disclose the payments to be made by it to agents/brokers or any other intermediary, in connection with this Bid/contract.
- (e)* The Bidder has not engaged any individual or firm or company whether Indian or foreign to intercede, facilitate or in any way to recommend to NHB or any of its functionaries, whether officially or unofficially to the award of the contract to the Bidder, nor has any amount been paid, promised or intended to be paid to any such individual, firm or company in respect or any such intercession, facilitation or recommendation.
- (f) The Bidder, either while presenting the Bid or during pre-contract negotiations or before signing the contract, shall disclose any payments he has made, is committed to or intends to make to officials of NHB or their family members, agents, brokers or any other intermediaries in connection with the contract and the details of services agreed upon for such payments.
- (g) The Bidder will not collude with other parties interested in the contract to impair the transparency, fairness and progress of the bidding process, Bid evaluation, contracting and implementation of the contract.
- (h) The Bidder will not accept any advantage in exchange for any corrupt practice, unfair means and illegal activities.
- (i) The Bidder shall not use improperly, for purposes of competition or personal gain or pass on to others, any information provided by NHB as part of the business relationship, regarding plans, technical proposals and business details, including information contained in any electronic data carrier and shall not commit any offence under Prevention of Corruption Act, 1988 and Bharatiya Nyaya Sanhita 2023. The Bidder also undertakes to exercise due and adequate care lest any such information is divulged.
- (j) The Bidder commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable facts.
- (k) The Bidder shall not instigate or cause to instigate any third person to commit any of the actions mentioned above.
- (l) If the Bidder or any employee of the Bidder or any person acting on behalf of the Bidder, either directly or indirectly is a relative of any of the officers of NHB or alternatively, if any relative of an officer of NHB has financial interest/stake in the Bidders firm, the same shall be disclosed by the Bidder at the time of filing of tender.
The term 'relative' for this purpose would be as defined in Section 2 of the Companies Act 2013.
- (m) The Bidder shall not lend to or borrow any money from or enter into any monetary dealings or transactions, directly or indirectly, with any employee of NHB.
- (n) The Bidders shall disclose any transgressions with any other company that may impinge on the anti-corruption principle.
- (o) The Bidder has not entered into any undisclosed agreement or understanding with other Bidders with respect of prices, specifications, certifications, subsidiary contracts, etc.

3.4 The Bidder undertakes and affirms that it shall take all measures necessary to prevent any possible conflict of interest and in particular commit itself to the following:

- (a) The Bidder shall avoid any conflict of interest while discharging contractual obligations and bring, beforehand, any possible instance of conflict of interest to the knowledge of NHB, while rendering any advice or service.
- (b) The Bidder shall act/perform, at all times, in the interest of NHB and render any advice/service with highest standard of professional integrity.
- (c) The Bidder undertakes that in case of its selection as the successful Bidder, it shall provide professional, objective, and impartial advice and at all times and shall hold NHB's interests paramount, without any consideration for future work, and that in providing advice it shall avoid conflicts with other assignments and its own interests.
- (d) The Bidder declares/affirms that it has not been hired by NHB for any assignment that

would be in conflict with its prior or current obligations to other employers/buyers, or that may place it in a position of being unable to carry out the assignment/contract in the best interest of NHB. Without limitation on the generality of the foregoing, the Bidder further declares/affirms as set forth below:

- (i) **Conflict between consulting activities and procurement of goods, works or non-consulting services (i.e. services other than consulting services)** - The Bidder has not been engaged by NHB to provide goods, works, or non-consulting services for a project, or any affiliate that directly or indirectly controls, is controlled by, or is under common control with the Bidder. The Bidder is fully aware that it shall be disqualified from providing consulting services resulting from or directly related to those goods, works, or non-consulting services. Further, the Bidder is also aware of the fact that in case it has been hired to provide consulting services for the preparation or implementation of a project, or any affiliate that directly or indirectly controls, is controlled by, or is under common control with the firm, shall be disqualified from subsequently providing goods, works, or services (other than consulting services) resulting from or directly related to the consulting services for such preparation or implementation.

This provision does not apply to the various firms (consultants, contractors, or suppliers) which together are performing the Bidder's obligations under a turnkey or design and build contract.

- (ii) **Conflict among consulting assignments** - The Bidder understands that neither Bidder (including their personnel and sub-consultants), nor any affiliate that directly or indirectly controls, is controlled by, or is under common control with the firm, shall be hired for the assignment that, by its nature, may be in conflict with another assignment of the Bidder. *As an example, Bidders assisting NHB in the privatization of public assets shall neither purchase, nor advise purchasers of, such assets. Similarly, Bidders hired to prepare Terms of Reference (TOR) for an assignment shall not be hired for the assignment in question.*
- (iii) **Relationship with NHB's staff** - The Bidder is aware that the contract may not be awarded to the Bidder in case it is observed that it, including its experts and other personnel, and sub-consultants, if permitted, has/have a close business or family relationship with a professional staff of NHB (or of the project implementing agency) who are directly or indirectly involved in any part of: (i) the preparation of the TOR for the assignment, (ii) the selection process for the contract; or (iii) the supervision of such contract, unless the conflict stemming from this relationship has been resolved in a manner acceptable to NHB throughout the selection process and the execution of the contract.
- (iv) **A Bidder shall submit only one proposal either individually or as a joint venture partner in another proposal:** If the Bidder, including a joint venture partner, submits or participates in more than one proposal, all such proposals shall be disqualified. This does not, however, preclude a consulting firm to participate as a sub-consultant, or an individual to participate as a team member, in more than one proposal when circumstances justify and if permitted by the RFP.

In case of a joint venture, all partners of the joint venture shall sign this Integrity Pact.

4. Previous Transgression

- 4.1 The Bidder declares that no previous transgression occurred in the last 3 (three) years reckoned backward from the date of submission of bid, with any other company in any country in respect of any corrupt practices envisaged hereunder or with any Public Sector Enterprise in India or

any Government Department in India that could justify Bidder's exclusion from the tender process. The transgression(s) for which cognizance was taken even before the said period of 3 (three) years, but are pending conclusion shall also be reported by the bidder to NHB. Further, the Bidder shall disclose immediately instances of transgression, if any, that may have occurred and taken cognizance of elsewhere and of which the Bidder has come to know, during the execution of the contract .

- 4.2** The Bidder agrees that if it makes incorrect statement on this subject, Bidder can be disqualified from the tender process or the contract, if already awarded can be terminated for such reason.

5. Accountability

- 5.1** The Bidder undertakes that in case of its selection as the successful Bidder and assignment of the contract to the Bidder, it shall be accountable for the advice/supply made/to be made and/or for any service rendered/to be rendered by it to NHB, keeping in view norms of ethical business, professionalism and the fact that such advice / services to be rendered by it for a consideration.
- 5.2** The Bidder shall be accountable in case of improper discharge of contractual obligations and/or any deviant conduct by the Bidder.

6. Personal Liability

The Bidder understands that in case of its selection as the successful Bidder, the Bidder is expected to carry out its assignment with due diligence and in accordance with prevailing standards of the profession. The Bidder shall be liable to NHB for any violation of this Integrity Pact as per the Applicable Laws, besides being liable to NHB as may be provided under the service level agreement/contract to be executed.

7. Transparency and Competitiveness

The Bidder undertakes that in case of its selection as the successful Bidder, it shall keep in view transparency, competitiveness, economy, efficiency and equal opportunity to all prospective tenderers/Bidders, while rendering any advice/service to NHB, in regard with matters related to selection of technology and determination of design and specifications of the subject matter, Bid eligibility criteria and Bid evaluation criteria, mode of tendering, tender notification, etc.

8. Co-operation in the Processes:

The Bidder shall cooperate fully with any legitimately provided/constituted investigative body, conducting inquiry into processing or execution of the consultancy contract/any other matter related with discharge of contractual obligations by the Bidder.

9. Sanctions for Violations

- 9.1** Any breach of the aforesaid provisions by the Bidder or any one employed by it or acting on its behalf (whether with or without the knowledge of the Bidder) shall entitle NHB to take all or any one of the following actions, whenever required:
- (i) To immediately call off the pre contract negotiations without assigning any reason or giving any compensation to the Bidder. However, the proceedings with the other Bidder(S) would continue.
 - (ii) The Earnest Money Deposit (in pre-contract stage) and / or Security Deposit /Performance Bond/PBG (after the contract is signed) shall stand forfeited either fully

or partially, as decided by NHB and NHB shall not be required to assign any reason therefor.

- (iii) To immediately cancel the contract, if already signed, without giving any compensation to the Bidder.
 - (iv) To recover all sums already paid by NHB, and in case of an Indian Bidder with interest thereon at 2% higher than the prevailing Prime Lending Rate of State Bank of India, while in case of a Bidder from a country other than India with interest thereon at 2% higher than the LIBOR. If any outstanding payment is due to the Bidder from NHB in connection with any other contract, such outstanding payment could also be utilized and appropriated by NHB to recover the aforesaid sum and interest.
 - (v) To encash the advance bank guarantee and performance bond/warranty bond, if furnished by the Bidder, in order to recover the payments already made by NHB, along with interest.
 - (vi) To cancel all or any other contracts with the Bidder. The Bidder shall be liable to pay compensation for any loss or damage to NHB resulting from such cancellation /rescission and NHB shall be entitled to deduct the amount so payable from the money(s) due to the Bidder.
 - (vii) To debar the Bidder from participating in future Bidding process of NHB for a minimum period of three years which may be further extended at the discretion of NHB.
 - (viii) To recover all sums paid in violation of this Integrity Pact by Bidder(S) to any middleman or agent or broker with a view to securing the contract.
 - (ix) In cases where irrevocable Letters of Credit have been received in respect of any contract signed by NHB with the Bidder, the same shall not be opened.
 - (x) Forfeiture of Performance Bond/PBG in case of a decision by NHB to forfeit the same without assigning any reason for imposing sanction for violation of this Integrity Pact.
- 9.2** NHB will also be entitled to take all or any the actions mentioned at para 9.1(i) to (x) of this Integrity Pact on commission by the Bidder or any one employed by it or acting on its behalf (whether with or without the knowledge of the Bidder), of an offence under the Bharatiya Nyaya Sanhita, 2023 or Prevention of Corruption Act, 1988 or any other statute enacted for prevention of corruption.
- 9.3** The decision of NHB to the effect that a breach of the provisions of this Integrity Pact has been committed by the Bidder shall be final and conclusive on the Bidder. However the Bidder can approach the Independent Monitor(s) appointed for the purposes of this Integrity Pact.

10. Fall Clause:

The Bidder undertakes that it has not supplied/is not supplying similar goods/product/systems or subsystems/ services at a price lower than that offered in the present Bid in respect of any other Ministry/Department of the Government of India or PSU/Public Sector Bank and if it is found at any stage that similar goods/product/systems/services was supplied by the Bidder to any other Ministry/Department of the Government of India or a PSU at a lower price, then that very price, with due allowance for elapsed time, will be applicable to the present case and the difference in the cost would be refunded by the Bidder to NHB, if the contract has already been concluded.

11. Disqualification & Forfeiture of EMD/PBG etc

The Bidder(s) agree(s) that:

- (a) Prior to award of contract or during execution of the contract, if the Bidder (s) has/have committed any transgression/breach of this Integrity Pact, NHB is entitled to disqualify

the Bidder(s) from the tendering process/terminate the contract.

- (b) If NHB disqualifies the Bidders(s) from the tendering process prior to award of contract under clause (a) above, NHB is entitled to demand and recover the damages equivalent to the EMD and in such event, the EMD shall be forfeited.
- (c) After selection of the successful Bidder and/or during execution of the contract, any breach/violation by the successful Bidder of this Integrity Pact under clause (a) above shall entail forfeiture of performance bond/Performance Bank Guarantee (PBG).
- (a) It is agreed that the decision of NHB regarding forfeiture of EMD/performance bonds/PBG shall be final and binding.

12. Independent External Monitors:

- 12.1 NHB has appointed Shri Jojneswar Sharma, email id - sharmajoj@gmail.com and Shri Rajendra Srivastava- E-mail: aaremes@yahoo.com as independent external monitors (hereinafter referred to as "the Monitors") for this Integrity Pact in consultation with the Central Vigilance Commission.
- 12.2 The task of the Monitors shall be to review independently and objectively whether and to what extent the Parties comply with the obligations under this Integrity Pact.
- 12.3 The Monitors shall not be subject to instructions by the representatives of the Parties and perform their functions neutrally and independently.
- 12.4 Both the Parties accept that the Monitors have the right to access all the documents relating to the project procurement including minutes of meeting.
- 12.5 As soon as the Monitor notices or has reason to believe a violation of this Integrity Pact, he will so inform the Authority designated by NHB.
- 12.6 The Bidder accepts that the Monitor has the right to access without restriction to all project documentation of NHB including that provided by the Bidder. The Bidder will also grant the Monitor upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to sub-contractors. The Monitor shall be under contractual obligation to treat the information and documents (s) of the Bidder/sub-contractor with confidentiality.
- 12.7 NHB will provide to the Monitor sufficient information about all meetings among the Parties related to the project provided such meeting could have an impact on the contractual relations between the Parties. The Parties will offer to the Monitor the option to participate in such meeting.
- 12.8 The Monitor will submit a written report to the designated Authority of NHB within 8 to 10 weeks from the date of reference or intimation to him by NHB/Bidder and, should the occasion arise, submit proposals for correcting problematic situations.
- 12.9 In the event of any dispute between NHB and the Bidder, the same will be first referred to the panel of IEMs with the consent of both the parties for mediation, and the IEMs will try to resolve the dispute in a time bound manner. The fee and expenses incurred for holding meetings of IEMs for dispute resolution shall be shared equally by NHB and the Bidder. In case, the dispute remains unsolved even after mediation by the panel of IEMs, NHB may take further action as per the terms and conditions of the contract.

13. Facilitation of Investigation:

In case of any allegation of violation of any provision to this Integrity Pact or payment of commission, NHB or its agencies shall be entitled to examine all the documents including the Books of Accounting of the Bidder and the Bidder shall provide necessary information and documents in English and shall extend all possible help for the purpose of such examination.

14. Part of the Contract:

This Integrity Pact shall form a part of the contract to be executed between NHB & the successful Bidder.

15. Law and Place of Jurisdiction:

This Integrity Pact is subject to Indian Law. Any dispute arising out of this shall be subject the jurisdictions of the Courts at New Delhi.

16. Other Legal Action:

The actions stipulated in this Integrity Pact are without prejudice to any other legal action that may follow in accordance with the provision of the extant law in force relating to any civil or criminal proceedings. However, the Parties shall not approach the Courts of Law while representing the matters to the Monitor/s and shall await the decision of the Monitor/s in the matter.

17. Validity:

17.1 The validity of this Integrity Pact shall be from date of its signing and extend up to 5 years or the complete execution of the contract to the satisfaction of both NHB and the Bidder, including warranty period, whichever is later. In case Bidder is unsuccessful, this Integrity Pact shall expire after six month from the date of the signing of this Integrity Pact.

17.2 Should one or several provisions of this Integrity Pact turn out or be invalid, the remainder of this Integrity Pact shall remain valid. In this case the Parties will strive to come to an agreement to their original intentions.

The Parties hereto sign this Integrity Pact on the day, month and year and at the place mentioned herein below.

For National Housing Bank (Authorised Signatory) Place: Date: <u>Witness</u> 1. _____ _____ (Name & Address) 2. _____ _____ (Name & Address)	For Bidder (Authorised Signatory) Place: Date: <u>Witness</u> 1. _____ _____ (Name & Address) 2. _____ _____ (Name & Address)
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(* provisions of these clauses would need to be amended /deleted in line with the policy of NHB in regard to involvement of Indian agents of foreign suppliers.)

Annexure - III

Eligibility Criteria Checklist

To be submitted on letter head of the Firm

Name of the Firm : _____

Address of the Firm : _____

Name of the Authorized person: _____

Contact details of authorized person: _____

Sr No	Eligibility Criteria	Remarks by firm (Mandator)	Supporting documents required	Remarks by NHB	
01.	The firm is in the C&AG's all-India panel of audit firms eligible for consideration for appointment as SCAs of PSBs for year 2024-25		-		
02.	Audit firm has its Head Office in New Delhi/NCR		Firm certifying the head office address on its Letter head		
03.	Number of full-time partners (FTP) associated with the firm for a period of at least 3 years.		Supporting document -1 Supporting document -2		
04.	No. of FTP of the firm having continuous association with the firm for at least 10 years		Supporting document -3		
05.	Out of the FTP, number of Fellow Chartered Accountant (FCA) partners associated with the firm for a period of at least 3 years.				
06.	Number of Full-time partners with CISA / ISA qualification.		Supporting documents to be provided by the firm		
07.	Number of paid CA s with CISA / ISA qualification. (having at least one-year continuous association with the		Supporting documents to be provided by the firm		

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	firm)				
08.	Number of years of Audit Experience as Statutory Central Auditor /Statutory Auditor in PSB or private Banks/AIFIs.		List and year of All Work orders of firm as Statutory Central Auditor / Statutory Auditor in PSB/ Private Banks /AIFI (NHB, NABARD, SIDBI, EXIM) or RBI, duly highlighting the oldest work orders. (please attach the copy of work orders)		
09.	Number of Professional Audit Staff (having at least one-year continuous association with the firm) (excluding Admin. Staff)		Name, Designation, date of joining, highest qualification on the letter head of the firm		
10.	Firm is duly qualified for appointment as auditor of a company in terms of Section 141 of the Companies Act, 2013		Declaration to be given on the letter head of the firm		
11.	Audit firm is not under debarment by any Government Agency, National Financial Reporting Authority (NFRA), the Institute of Chartered Accountants of India (ICAI), RBI or Other Financial Regulators.		Declaration to be given on the letter head of the firm		
12.	If any partner of the firm		Declaration to		

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	is a director in an RBI Regulated group Entity.		be given on the letter head of the firm. Further the details of directorships of the partners in Group Entities that are Regulated as well as not regulated by RBI also to be provided.		
13.	Whether associated with the NHB during last six years as Statutory auditor.				
14.	Whether associated with the NHB as Concurrent Auditor				
15.	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.		Declaration along with the details to be given on the letter head of the firm.		
16.	Whether the firm has been appointed as SCA/SA by any other Commercial Bank (excluding RRBs) and/or All India Financial Institution (AIFI)/RBI/NBFC/UCB in the present financial year? If yes, details thereof		Declaration along with the details to be given on the letter head of the firm.		
17.	Details of disciplinary proceedings etc. against firm by any Financial Regulator/Government agency during last three years, both closed and pending		Declaration along with the details to be given on the letter head of the firm.		

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18.	<p>firm to confirm compliance on the below mentioned criteria:</p> <p>“One audit firm can concurrently take up statutory audit of a maximum of four Commercial Banks [including not more than one PSB or one All India Financial Institution (NABARD, SIDBI, NHB, EXIM Bank and Nabfid) or RBI], eight UCBs and eight NBFCs during a particular year”</p>		<p>Declaration along with the details to be given on the letter head of the firm.</p> <p>The consent give by the firm will be treated as irrevocable.</p>		
19.	<p>Declaration by partners on the below:</p> <p>“It is certified that neither I nor any of our partners / members of my / their families (<i>family will include besides spouse, only children, parents, brothers, sisters or any of them who are wholly or mainly dependent on the Chartered Accountants</i>) or the firm / company in which I am / they are partners / directors have been declared as willful defaulter by any bank / financial institution.”</p>		<p>Declaration to be given on the letter head of the firm.</p>		

Date:

Name of Authorized person

Signature of Authorized person & Stamp of the firm

Supporting document -1

To be submitted on letter head of the Firm

Declaration regarding full time partners

"We _____(Name of the Firm) do hereby declare that :

(i) Following are the full time partners of the firm:

S.No.	Name of the Partner	PAN of the Partner	Date of Joining the firm	FCA no. (if any)	CISA / ISA qualification. (if any)

(ii) The full-time partner(s) is/are not a partner in other firm/s.

(ii) The full time partner(s) is/are not employed part time /full time elsewhere.

(iii) The full time partner(s) is/are not practicing in her/his own name or engaged in practice otherwise or engaged in other activity which would be deemed to be in practice under Section 2(2) of the Chartered Accountants Act, 1949."

Date:

Name of Authorized person

Signature of Authorized person & Stamp of the firm

Supporting document -2

CA Certificate on Income of the Partners

Certified that income of all the partners of _____ (Name of the Firm) for last three year (i.e. _____) is adequate in terms of firm's income and the shareholding pattern in the firm. Details are as under:

S.No.	Name of the Partner	Shareholding in the firm as per agreement	Income of the partner as per ITR computation (Share in the Net profit + Salary to partner + Interest on Capital)			Income of the firm for last 3 year from Balance sheet/ P & L of the firm as on _____					
			Yr. 1	Yr. 2	Yr. 3	Net profit as per P & L account			Profit before Salary & Interest to partners		
						Yr. 1	Yr. 2	Yr. 3	Yr. 1	Yr. 2	Yr. 3

Date:

Name & Signature:

Membership no.

Stamp

CA Certificate for income of at least 2 full time partners
associated with the firm for last 10 years

On the basis of examination of income tax returns this is certify that the returned income of two partners of _____(Name of the Firm) for last 10 years is given below.

Name of Partner: _____

Year	Assessment Year	Income as per ITR
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Date:

Name & Signature:

Membership no.

Stamp