

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**RAJYA SABHA**  
**UNSTARRED QUESTION NO-1360**

ANSWERED ON TUESDAY, MARCH 11, 2025/PHALGUNA 20, 1946 (SAKA)

**CENTRAL AUDITORS ALLOWED FOR PUBLIC SECTOR BANKS**

1360. SMT. SULATA DEO

Will the Minister of FINANCE be pleased to state:-

- (a) whether RBI issued a circular on April 27th, 2021, specifying the maximum number of Statutory Central Auditors allowed for Public Sector Banks (PSBs), the details of the manner involving RBI in determining these limits; and
- (b) whether RBI has analysed the reason by the Banks for not appointing the maximum number of auditors (SCA) by the banks, the details thereof?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) and (b): The Reserve Bank of India (RBI) on 27.4.2021 has issued Guidelines for Appointment of Statutory Central Auditors (SCAs) / Statutory Auditors (SAs), applicable, *inter alia*, to commercial banks, including public sector banks (PSBs), which also provide the maximum number of SCAs/SAs to be appointed by regulated entities. RBI has apprised that the maximum number have been prescribed to ensure that the number of SCAs appointed by the PSBs are adequate, commensurate with the asset size and extent of operations of PSBs, with a view to ensure that audits are conducted in a timely and effective manner.

RBI has further apprised that the actual number of SCAs to be appointed by banks are decided by the respective bank's Board, taking into account the relevant factors such as the size and spread of assets, accounting and administrative units, complexity of transactions, level of computerization, availability of other independent audit inputs, identified risks in financial reporting, *etc.*

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