

**Acsys Investments Private Limited**

**Policy for appointment of Statutory Auditors**

**Version History**

Policy Approval Date	18 <sup>th</sup> February 2022
Amended in line with changes made by SBR notified on 19 <sup>th</sup> Oct 2023 by RBI	7 <sup>th</sup> Nov 2023

**ABOUT THE COMPANY:**

Acsys Investments Private Limited (Acsys) is a Base Layer Non-Banking Finance Company (NBFC BL) registered with the Reserve Bank of India. Acsys is an Investment Company investing its own funds in mutual funds, equity, NCDs and AIFs. The Company has no borrowings and has no customer interface. The Company does not intend to borrow or have customer interface.

**BACKGROUND:**

RBI vide its circular Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 (“RBI Circular”) has issued guidelines for Appointment of Statutory Auditors (SAs) of Commercial banks, (excluding RRBs), UCBs and NBFCs (including HFCs). The guidelines require NBFC to formulate a policy approved by the Board of Directors to be followed for the appointment of SAs.

**OBJECTIVE:**

The Policy shall act as a guideline for appointment of the Statutory Auditors of the Company.

The Objective of the Policy is to:

1. Determine the number of SAs based on various parameters
2. Criteria for appointment of SAs
3. Procedure to be followed for appointment of SAs.

**APPLICABILITY:**

This Policy will be applicable for appointment of SA by the Company for the financial year 2021-22 and onwards including any amendments, if any made from time to time by the Regulators.

**RBI REPORTING:**

The Company will inform the Chennai Regional Office of RBI (Department of Supervision), with respect to the appointment of SAs for each year by way of a certificate in Form A (as prescribed by RBI) within one month of such appointment.

**NUMBER OF SAs:**

The Company can appoint one partnership firm / limited liability partnership as SA. As the Company does not have any branches, there no requirement to appoint joint SAs as per RBI Circular.

**MINIMUM ELIGIBILITY CRITERIA OF AUDITORS:**

The Company shall appoint the SA’s meeting the criteria as per section 141 of the Companies Act, 2013

**INDEPENDENCE OF AUDITORS:**

1. The Board 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 Board of Directors of the Company to the concerned Senior Supervisory Manager (SSM)/Chennai Regional Office (CRO) of RBI.
2. In case of any concern with the Management of the Company such as non-availability of information/non-cooperation by the Management, which may hamper the audit process, the SAs shall approach the Board of the Company, under intimation to the concerned SSM/RO of RBI.

**TENURE AND ROTATION:**

The Company shall follow the provisions of the Companies Act, 2013 in this regard.

**AUDIT FEES AND EXPENSES:**

The Company shall ensure that the audit fees of the Company shall be reasonable and commensurate with the scope and coverage of audit, size and spread of assets, accounting and administrative units, complexity of transactions, level of computerisation, identified risk in financial reporting etc.

**PROCEDURE FOR APPOINTMENT OF STATUTORY AUDITORS:**

1. The Company shall obtain a certificate from each of the SA proposed to be appointed as SA that it complies with all the eligibility norms prescribed by RBI. Such certificate shall be duly signed by the main partner/s of the audit firm proposed for appointment under the seal of the said audit firm.
2. Board shall recommend the same for the approval of the shareholders. The Shareholders shall appoint the SA except the first SA and the appointment of SA in case of casual vacancy shall be ratified by the shareholders as per the provisions of the Companies Act, 2013.

**REVIEW OF THE POLICY:**

This Policy shall be reviewed as and when deemed necessary and will be submitted to the Board for its approval.

In case there are any regulatory changes requiring modifications to the Policy, the Policy shall stand modified in accordance with regulations.