ASSET RECONSTRUCTION COMPANY (INDIA) LIMITED

POLICY FOR APPOINTMENT OF SECRETARIAL AUDITOR

(Reviewed in Board Meeting held on August 21, 2026)

Company Secretarial Group

POLICY FOR APPOINTMENT OF SECRETARIAL AUDITOR

I. OBJECTIVE:

This Policy sets out the framework, criteria, and procedure for the appointment of the Secretarial Auditor of the Company in compliance with the provisions of the Companies Act, 2013 (“the Act”), the rules made thereunder, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”).

The objective of this Policy is to ensure transparency, independence, and objectivity in the process of appointment of the Secretarial Auditor and to ensure compliance with applicable legal and regulatory requirements.

II. APPLICABILITY:

As per Section 204 of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following companies are required to obtain ‘Secretarial Audit Report’:-

- Every public company having a paid-up share capital of Fifty Crore rupees or more; or
- Every public company having a turnover of Two Hundred Fifty Crore rupees or more; or
- Every company having outstanding loans or borrowings from banks or public financial institutions of One Hundred Crore rupees or more

Further, Regulation 24A of the SEBI (LODR) Regulations, 2015 requires every listed entity and its material unlisted subsidiaries incorporated in India to annex a Secretarial Audit Report in such form as specified, with the annual report of the listed entity. This Regulations will be applicable after listing of equity shares of Arcil.

Since the paid-up share capital of Arcil is more than Fifty Crore rupees, it becomes mandatory for Arcil to appoint a Secretarial Auditor pursuant to Section 204 of the Act.

Appointment of the Secretarial Auditor shall be made in accordance with the policy framed hereunder.

III. DEFINITIONS:

"Act" means the Companies Act, 2013;

"Officer" means the Company Secretary of Arcil and such other employee as may be nominated by the CEO & MD of the Company.

"Rules" means the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

"Regulations" means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other circular and regulations issued by SEBI.

IV. ELIGIBILITY CRITERIA:

1. As per the Act, presently, only a member of the Institute of Company Secretaries of India holding valid Certificate of Practice (Company Secretary in Practice - PCS) can conduct Secretarial Audit.

2. Arcil shall consider the following additional criteria for appointment of Secretarial Auditor:

   a) The Secretarial Auditor shall be a firm having atleast two partners in full time practice.
   b) The firm should be in continuous practice for atleast five years.
   c) Atleast one partner should have been in continuous practice for five years.
   d) No disciplinary proceeding against the firm or any of its partners has been taken or is pending before ICSI or any court of law.
   e) The firm should have Head office at MMRDA Region.
   f) The firm should have atleast one qualified Company Secretary as employee continuously for atleast one year.
   g) Experience of handling similar assignment.
   h) The firm should not have any conflict of interest i.e. the firm/its partner/network partners, if any, should not be appointed as a Secretarial Auditor in Companies which are assigned to Arcil during the audit period.

V. SCOPE OF SECRETARIAL AUDIT:

The scope of the Secretarial Audit shall be as prescribed under the Act/ Rules/ Regulations:

Examine the books, papers, minute books, forms and returns filed and other records maintained by the Company and certify that the Company has complied with the statutory provisions of the Act/Rules/Regulations or any other laws as may be applicable specifically to the Company.

VI. POWERS OF THE SECRETARIAL AUDITOR:

The Secretarial Auditor shall have the powers as stipulated in the Act/Rules/Regulations from time to time:

The Secretarial auditor of a company shall have a right of access at all times to the documents of the company, whether kept at the registered office of the company or at any other place and shall be entitled to require from the officers of the company such information and explanation as he may consider necessary for the performance of his duties as secretarial auditor and amongst other matters.

VII. SELECTION PROCESS:

The Company Secretarial Department based on the standing of PCS i.e. capability and reputation to perform the task, will seek applications from firms amongst the eligible PCS (not exceeding 5). The applications will be submitted to the Company Secretary. Thereafter, the same will be examined internally and a rating will be assigned as per the rating matrix to be approved by the CEO & MD from time to time. Thereafter the top three firms will be recommended by the Management to the Audit Committee for its consideration and recommendation to the Board for approval.

VIII. TENURE OF APPOINTMENT:

The tenure of appointment of the Secretarial Auditor would be for a period five years and not more than two consecutive terms of five years each or as may be stipulated under the Act/Rules/Regulations from time to time.

IX. APPOINTMENT/RE-APPOINTMENT OF SECRETARIAL AUDITOR:

A Secretarial Auditor shall be appointed/re-appointed by the Shareholders in the Annual General Meeting on the recommendation of the Board and Audit Committee.

X. REMOVAL/RESIGNATION OF SECRETARIAL AUDITOR:

A Secretarial Auditor may be removed with the approval of the Shareholders in the Annual General Meeting or the right of the Secretarial Auditor to resign from such office of the listed entity in accordance with the provisions of the Act/Rules/Regulations from time to time.

XI. REPORTING

The Secretarial Audit Report shall be submitted to the Board of Directors in Form MR-3 and shall form part of the Board's Report.

XII. REVIEW AND AMENDMENTS:

The Policy may be amended or substituted by the Board as and when required or when there are statutory changes necessitating the change in the Policy. This Policy shall be reviewed by the Board on the recommendation of Audit Committee on an annual basis. Any deviation from the policy shall be approved by the Board of Directors.