

No. A.3(1)72/2014-IV  
Dated 18<sup>th</sup> August 2021.

ARMS & Associates LLP,  
Company Secretaries,  
24 Ka 1, Jyoti Nagar,  
Jaipur-302005.

**Subject : Appointment of Secretarial Auditor for the year 2020-21.**

Dear Sir,

In pursuance to the provisions of Section 204 (1) of the Companies Act, 2013 read with Rule 9 of Companies (Appointment & Remuneration of Managerial Personnel) 2014, and with reference to your consent letter dated 16<sup>th</sup> August 2021, the management of the Corporation is pleased to appoint you as Secretarial Auditor of the Company for the financial year 2020-21 at a remuneration of Rs.1,18,000/- (Rupees one lac eighteen thousand) only inclusive of GST and other expenses.

The terms and conditions for secretarial audit work are enclosed. You are requested to conduct the secretarial audit as per the relevant provisions of the Companies Act, rules made there under and other applicable Acts, and arrange to furnish the final Audit Report well in time so as to enable the Corporation to hold its Board Meeting/AGM within the stipulated time.

Kindly send acceptance of the above offer at the earliest.

Thanking you,

Yours faithfully,



**(D.K.Sharma)**  
Secretary

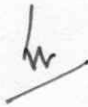
Encl: As above

**TERMS AND CONDITIONS**  
**FOR**  
**SECRETARIAL AUDIT WORK FOR RAJASTHAN STATE**  
**INDUSTRIAL DEVELOPMENT & INVESTMENT CORPORATION**  
**LTD. (RIICO)**

1. **Background & Objectives:**

Rajasthan State Industrial Development and Investment Corporation Limited (RIICO) was originally incorporated on 28th March, 1969 in the name of Rajasthan State Industrial & Mineral Development Corporation Ltd. (RIMDC), under the Companies Act, 1956. With the separation of Mining activities from the fold of RIMDC, a separate Company in the name of Rajasthan State Mineral Development Corporation Limited (RSMDC) was formed for undertaking the mining activities, and accordingly the name of RIMDC was changed to 'Rajasthan State Industrial Development and Investment Corporation Limited (RIICO)', with effect from 1.1.1980. RIICO has been mandated with development of Industrial Infrastructure within the State and to provide financial assistance to Industrial, Infrastructure, Social, Commercial, Institutional Projects etc.

As per the provisions of Section 204 of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, secretarial audit is mandatory for every listed company, every public company having a paid-up share capital of Rupees Fifty Crore or more; or having a turnover of Rupees Two Hundred Fifty Crore or more; every company having outstanding loans or borrowings from banks or public financial institutions of one hundred crore rupees or more. Since the paid up capital of the Company is over Rupees Two Hundred Ten Crore, this Section is applicable on RIICO. The secretarial audit report of the Company has to be annexed with the Board's Report of the Company and the Directors, in their report, have to explain in full any qualification or observation or other remarks made in the secretarial audit report.



2. **Broad Outline:**

- 1) To check & report on various compliances.
- 2) To point out non-compliances and inadequate compliances.
- 3) To protect the interest of the customers, employees, society, etc.
- 4) To avoid any unwarranted legal actions by law enforcing agencies and other persons as well.
- 5) To express an opinion, after satisfying himself, that there exist adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- 6) To verify whether diverse requirements under applicable laws have been complied with.

3. **Scope (Acts/ areas to be covered):**

- 1) The Companies Act, 2013 (the Act) and the Rules made thereunder (including the provisions of the Companies Act, 1956 and the Rules made thereunder, as far as applicable).
- 2) Secretarial Standards issued by the ICSI, divided in two parts: Compulsory and Recommendatory provisions.
- 3) Other major Acts, Regulations and Laws:
  - a. The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder.
  - b. The Depository Act, 1996 and the Regulations and Bye-laws made thereunder.
  - c. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (where applicable).
  - d. The regulations and guidelines made under the Securities and Exchange Board of India Act, 1992 (where applicable).
  - e. Competition laws.
  - f. Environmental laws.
  - g. Corporate and Economic laws.
  - h. Commercial & Fiscal Laws.
  - i. Labour Laws.
  - j. Applicable State laws.
  - k. Compliance of any other laws/regulations as may be applicable specifically to the Company.



- l. Examination and verification of Securities Laws as per listing agreements (if applicable).
- m. Provisions of the Act and Guidelines on corporate governance as applicable to the Company.

The Secretarial auditor shall also help the company in formulating a check list based Compliance Monitoring System (CMS) for RIICO before undertaking the Secretarial Audit.

4) Adherence to Board process and compliance mechanism:

- a. Instances of non-compliance during the defined audit period, in relation to the statutes, rules, regulations, etc. applicable to the Company, continuing non-compliance, if any, and the reasons therefor.
- b. Significant litigation(s) initiated by the Company or filed against the Company with brief details of the cases.
- c. Board structure –
  - Composition of the Board.
  - Is there a stated process to ascertain the suitability of directors?
  - Is there a stated process in place for succession planning?
  - Deficiencies in the Board systems and processes:
    - In convening meetings.
    - In the circulation of agenda (whether the agenda is made available to the Board along with supporting papers/ presentations sufficiently in advance of the meetings).
    - In conducting the meetings (frequency and length).
    - In the decision making process of the Board.
    - Adequacy and integrity of minutes recorded.
    - In the functioning of Board constituted Committees.
- d. The existence and adequacy of internal control systems, procedures and processes, commensurate with the size of the Company and the nature of its business, for ensuring compliance with laws applicable to the Company.
- e. Any material event(s) that have happened, after the end of the financial year but before the date of the report, having a significant impact on any of the above reported items.



f. Whether any event occurred or action was taken in the Company which may have bearing on the Compliances under various laws, regulations, guidelines and standards, etc.

\* If the secretarial auditor is unable to express an opinion on any matter, he should mention that he is unable to express an opinion on that matter and give the reasons therefor.

**4. Periodicity:**

The Secretarial Auditor will submit the soft and hard copies of the report on the compliances under the Companies Act, 2013, the Rules made thereunder (including the provisions of the Companies Act, 1956 and the Rules made thereunder, as far as applicable) and the Secretarial Standards issued by the ICSI on the entire scope as mentioned above in point no. 3. Adverse findings, if any, be communicated to the Board for corrective action. Final report, for being attached to the Board's Report of the Company, along with prescribed forms, be submitted by September 30, 2021.

**5. Methodology:**

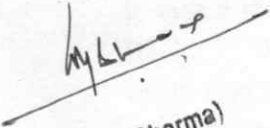
The secretarial auditor shall adopt such methodology as appropriate so as to give a true and fair view in the secretarial audit report and achieve the objectives mentioned above.

**6. Remuneration:**

The amount of remuneration is Rs. 1,18,000/- (Inclusive of all Taxes, GST & expenses.)

**7. Time Period of Assignment:**

The assignment shall be for the financial year 2020-2021.

  
(D. K. Sharma)  
Secretary