AARTI INDUSTRIES LIMITED

Annexure 13

To
Kirtane & Pandit
Chartered Accountants
Statutory Auditors of Company

This has reference to our request for Certification on **Non - applicability of requirements prescribed in Para 9 of Annexure I to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and as per Para 10 of Annexure I of Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 ("SEBI Circulars") in respect of Proposed Scheme of Arrangement,** we confirm following:

UNDERTAKING

Undertaking under Para (I)(A)(10)(c) of Part I of SEBI Circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 (as amended) or Para I(A)(9)(a) of Annexure I of the circular dated March 10, 2017, bearing reference no. CFD/DIL3/CIR/2017/21 ("SEBI Circulars") in respect of the proposed Scheme of Arrangement for Demerger of Pharma Business with its supporting manufacturing units, Strategic Investments, Cash & Cash Equivalents into Aarti Pharmalabs Limited (Formerly Known as Aarti Organics Limited .

1. This is in connection with the proposed Scheme of Arrangement ("Scheme") between _Aarti Industries Limited (Demerged Company) and Aarti Pharmalabs Limited (Formerly Known as Aarti Organics Limited) (Resulting Company) and their respective shareholders under Sections 230-232 and other applicable provisions of the Companies Act, 2013 and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "Scheme") and pursuant to SEBI Circular. Whereas SEBI has mandated in the SEBI Circular all listed Companies to ensure that the Scheme submitted to Hon'ble NCLT for sanction, shall be acted upon in certain cases as mentioned in Para 1(A)(10)(b) of Part I of the SEBI Circular if the votes cast by public shareholders in favour of the scheme are more than the votes cast by the public shareholders against the scheme.

2. The SEBI Circular further provides that in cases where the scheme does not fall within the cases mentioned in Para 1(A)(10)(b) of Part I of the SEBI Circular, the listed entity shall furnish an undertaking certified by the auditor and duly approved by the Board of the Company, clearly stating the reasons for non-applicability of the aforesaid requirement. The Company hereby undertakes that the requirements of Para (I)(A)(10)(b) of Part I of the SEBI Circular pertaining to approval by majority of public shareholders are not applicable to the Company for following reasons:

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A. Paragraph (I)(A)(10)(b)(i)

Where additional shares have been allotted to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter/ Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the listed entity:

Not Applicable: as per the proposed Scheme, there will be no change in the shareholding pattern of the companies involved in the scheme. And no additional shares are proposed to be allotted to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter/ Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of Aarti Industries Limited.

B. Paragraph (1)(A)(10)(b)(ii)

Where the Scheme of Arrangement involves the listed entity and any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group.

Not Applicable: As the proposed Scheme involves Demerged Company and the wholly owned subsidiary of the Demerged Company and does not involves any other entity involving Promoter / Promoter Group, Related Parties of Promoter/ Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of Aarti Industries Limited.

C. Paragraph (1)(A)(10)(b)(iii)

Where the parent listed entity has acquired, either directly or indirectly, the equity shares of the subsidiary from any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the parent listed entity, and if that subsidiary is being merged with the parent listed entity under the Scheme.

Not Applicable: The proposed Scheme does not involve any acquisition by Aarti Industries Limited either, directly or indirectly, the equity shares of the subsidiary from any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of. Also, the proposed Scheme does not involve merger of Aarti Industries Limited with its subsidiary.

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D. Paragraph (I)(A)(10)(b)(iv)

Where the scheme involving merger of an unlisted entity results in reduction in the voting share of pre-scheme public shareholders of listed entity in the transferee / resulting company by more than 5% of the total capital of the merged entity;

Not Applicable: The Scheme does not involve merger of any unlisted entity and any reduction in the voting shares of the pre-scheme public shareholders.

E. Paragraph (I)(A)(10)(b)(v)

Where the scheme involves transfer of whole or substantially the whole of the undertaking of the listed entity and the consideration for such transfer is not in the form of listed equity shares;

For the purpose of this clause, the expression "substantially the whole of the undertaking" in any financial year shall mean twenty per cent or more of value of the company in terms of consolidated net worth or consolidated total income during previous financial year as specified in Section 180(1)(a)(ii) of the Companies Act, 2013.

Not Applicable: The consideration for transfer of Demerged Undertaking is in the form of listed equity shares.

In view of the aforesaid, the requirement stated at Paragraph (I)(A)(10)(b) of the SEBI Circular is not applicable to the proposed Scheme.

Yours faithfully,
For Aarti Industries Limited

Raj Sarraf
Company Secretary
(ICSI M. No. A15526)

AARTI INDUSTRIES LIMITED

Place: Mumbai
Date : August 19, 2021

KIRTANE & PANDIT LLP

CERTIFICATE

The Board of Directors
Aarti Industries Limited
Plot No.801/23, G.I.D.C Estate,
Phase III, Vapi, Dist., Valsad,
Gujarat - 396 195

Sub.: Certificate of Non - applicability of requirements prescribed in Para 9 of Annexure I to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and as per Para 10 of Annexure I of Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 in respect of Proposed Scheme of Arrangement.

We, the Statutory Auditors of Aarti Industries Limited ("The Company") have examined the draft Scheme of Arrangement between Aarti Industries limited (Demerged Company) and Aarti Pharmalabs Limited (Formerly Known as Aarti Organics Limited (Resulting Company) and their respective shareholders (hereinafter referred to as 'draft scheme') in terms of sections 230 to 232 read with applicable provision of Companies Act, 2013 ('the Act')

On the basis of information and explanation given to us, we certify the attached undertaking issued by Aarti Industries Limited on the non-applicability, of the conditions prescribed under paragraph I(A)(9)(a) of Annexure I of the circular dated March 10, 2017, bearing reference no. CFD/DIL3/CIR/2017/21 and also as per paragraph I(A)(10)(a) and I(A)(10)(b) of the master circular dated December 22, 2020, bearing reference no. SEBI/HO/CFD/DIL1/CIR/P/2020/249 issued by SEBI (hereinafter referred to as 'the circulars') for the reasons stated below:

1. The Scheme does not envisage allotment of any additional shares to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company; or
2. The Scheme does not involve any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company;
3. The Scheme does not involve merger of a subsidiary with a parent listed entity equity shares of which the parent listed entity has / had acquired, either directly or indirectly, from any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary / (s) of Promoter / Promoter Group of the Company.
4. The Scheme does not involve a merger of an unlisted entity resulting in reduction in the voting share of pre-scheme public shareholders of listed entity in the transferee / resulting company by more than 5%of the total capital of the merged entity;
5. The Scheme does not involve transfer of whole or substantially the whole of the undertaking of the listed entity and the consideration for such transfer is not in the form of listed equity shares.

AARTI INDUSTRIES LIMITED

KIRTANE & PANDIT LLP FRN 105215W W100005 Chartered Accountants

Management Responsibility

The Preparation of the Undertaking is responsibility of Management of the company including the creation and maintenance of all accounting and other records supporting the context of draft scheme. This responsibility includes design, Implementation, and maintenance of internal control relevant to preparation and presentation of Undertaking. The management is also responsible for ensuring that demerged Company complies with the requirements of circular and the Act, in relation to draft scheme and for providing all the information to the SEBI, the BSE Limited ('the BSE') and National stock Exchange of India Limited ('the NSE').

Auditors' Responsibility

We conducted our examination in accordance with the 'Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. Our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts, or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion. Further our examination did not extend to any aspects of a legal or propriety nature in the aforesaid arrangement /scheme other than the matters referred to in the said certificate.

Restriction of Use

This Certificate has been issued at the request of board of directors of the company solely in connection with requirements of Para 9 and Para 10 of the Circular and for onward submission to BSE and the NSE and should not be used by any other person or for any other purpose. Accordingly, our certificate should not be quoted or referred to in any other document or made available to any person or persons without any prior written consent, except as required under applicable laws. Accordingly, we do not accept or assume any liability or any duty of care of any other purpose or to any other person to whom its certificate is shown or into whose hands it may come without prior consent in writing.

For Kirtane & Pandit LLP,
Chartered Accountants
Firm Registration No.: 105215W/W100057

KIRTANE & PANDIT LLP FRN 105215W/W100057 Chartered Accountants

Milind Bhave
Partner
Membership Number: 047973

UDIN: 21047973AAAADM4710

AARTI INDUSTRIES LIMITED

Place: Mumbai
Date: August 19, 2021

AARTI INDUSTRIES LIMITED

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF THE AARTI INDUSTRIES LIMITED HELD ON THURSDAY, AUGUST 19, 2021 THROUGH VIDEO CONFERENCING.

"**RESOLVED THAT** the undertaking on non-applicability of paragraph I(A)(10)(b) of Part I of the SEBI Circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 (as amended) or Para I(A)(9)(a) of Annexure I of the circular dated March 10, 2017, bearing reference no. CFD/DIL3/CIR/2017/21 (**"SEBI Circular"**) and the draft auditor certificate, certifying the said undertaking, be and is hereby approved."

CERTIFIED TRUE COPY
FOR AARTI INDUSTRIES LIMITED

RAJ SARRAF
COMPANY SECRETARY
(ICSI M. NO. A15526)

AARTI INDUSTRIES LIMITED