

To,

Aarti Surfactants Limited
801, 801/23, GIDC Estate,
Phase III, Vapi, Dist. Valsad,
Gujarat 396195

**Secretarial Compliance Report of Aarti Surfactants Limited
(CIN: L24100GJ2018PLC102891) for the year ended March 31, 2022**

I, Sunil M. Dedhia, Practising Company Secretary, have examined:

- (a) all the documents and records made available to me and explanation provided by **Aarti Surfactants Limited** ("the Listed Entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document / filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2022 ("Review Period") in respect of compliance with the provisions of:
 - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR");
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 which were not applicable during the Review Period;

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- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 which were not applicable during the Review Period;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 which were not applicable during the Review Period;
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 to the extent applicable to the Company vide SEBI Circular No. CIR/ IMD/DF/50/2017 dated May 26, 2017;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 to the extent applicable to the Company;

and circulars/ guidelines issued thereunder and based on the above examination, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Deviations	Observations/Remarks of the Practicing Company Secretary
1	SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended by SEBI Circular No. CFD/DIL3/CIR/2018/2 dated June 3, 2018 read with SEBI Circular No. CIR/ IMD/DF/50/2017 dated May 26, 2017 which inter alia require steps for listing of specified securities are completed and trading in securities commences within sixty days of receipt of the order of the Hon'ble High Court/NCLT, simultaneously on all the Stock Exchanges where the equity shares of the listed entity are/were listed.	listing of 10,82,387 Redeemable Preference Shares (RPS) allotted by the Company on August 20, 2019 pursuant to Composite Scheme of Arrangement (Scheme) involving the Company are not yet listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and delayed beyond the period of prescribed sixty days of receipt of the NCLT order sanctioning the Scheme.	The Company had submitted replies / clarifications to BSE by actively taking efforts to list the RPS. However, listing approval was held up mainly on account of non-receipt of prescribed credit rating of A-- as per the requirements of para 12(A)(iii) of SEBI circulars dated December 22, 2020 read with May 26, 2017 because the Company was newly incorporated and had no past record in spite of clean credit record.

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		<p>Further, earlier Credit rating assigned on January 2, 2020 had been upgraded from BB+ to BBB- as per credit rating assigned on October 7, 2020 and on November 2, 2020. On August 11, 2021 the rating has been further upgraded to BBB.</p> <p>I am given to understand that the Company requested for waiver of the requirement of A-- considering the abovementioned facts. Based on recommendation of BSE, SEBI vide its letter no. SEBI/HO/CFD/DIL2/2022/10832 dated March 15, 2022 granted relaxation from applicability of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules 1957 subject to complying with certain conditions. Based on SEBI approval as aforesaid, BSE vide its letter no. DCS/AMAL/MJ/IP/2288/2021-22 dated April 6, 2022 granted in-principle approval for listing of the said RPS subject, inter alia, to conditions specified by the SEBI. Similar approval from NSE is not yet received by the Company.</p>
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- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my/our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
Not applicable				

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31.03.2021	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	Not applicable	The Company has submitted replies / clarifications to the Stock Exchanges from time to time and that the Company is considering possible options to address the issues on pending listing of 10,82,387 Redeemable Preference Shares issued by the Company on August 20, 2019 pursuant to Composite Scheme of Arrangement (Scheme) involving the Company	The Company submitted replies / clarifications to BSE in respect of difficulty in getting prescribed credit rating as it was newly incorporated with no past credit record.	As mentioned in para (a) above, SEBI has granted relaxation from applicability of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules 1957 subject to complying with certain conditions. Based on SEBI approval, BSE has granted in-principle approval for listing of the said RPS subject, inter alia, to conditions specified by the SEBI. Similar approval from NSE is not yet received by the Company.

Sunil Dedhia
CS Sunil M. Dedhia

(Peer Review Certificate No. 867/2020)

Proprietor, Sunil M. Dedhia & Co.

Company Secretaries

FCS No: 3483 C.P. No. 2031

UDIN: F003483D000391244

Milpitas, CA, USA, Dated May 26, 2022

