

GEM AROMATICS LLC**CIN: 0450440340****Special Purpose Balance Sheet as at March 31, 2025**

(in Rupees million except as indicated otherwise)

Particulars	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
(A) Non-current assets			
(a) Income tax assets (net)		-	-
Total non-current assets		-	-
(B) Current assets			
(a) Inventories	(3)	82.55	54.39
(b) Financial assets			
(i) Trade receivables	(4)	217.90	95.43
(ii) Cash and cash equivalents	(5)	6.92	1.45
(c) Other assets	(6)	1.23	1.00
Total current assets		308.60	152.27
Total assets		308.60	152.27
EQUITY AND LIABILITIES			
(A) Equity			
(a) Share capital	(7)	3.80	3.80
(b) Other equity	(8)	112.95	71.26
Total equity		116.75	75.06
(B) Liabilities			
(I) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	(9)		
1. Dues of micro enterprises and small enterprises		-	-
2. Dues of creditors other than micro enterprises and small enterp		187.40	72.57
(b) Current tax liabilities (net of advance tax)		4.45	4.63
Total current liabilities		191.85	77.21
Total Equity and Liabilities		308.60	152.27

Significant accounting policies

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The accompanying notes from 1 to 26 form an integral part of the financial statements

As per our report of even date attached.

For TDK & Co.*Chartered Accountants*

Firm's Registration Number: 109804W

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TILAKCHAND SHAH

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CA Neelanj Shah

Partner

Membership Number: 121057

Date : 30-May-2025

For and on behalf of the Board of Managers of

Gem Aromatics LLC

CIN: 0450440340

**YASH
PAREKH****Yash V. Parekh**

Manager

Place : New Jersey, USA

Date : 30-May-2025

Digitally signed by YASH PAREKH
DN: cn=Yash V. Parekh, o=Gem Aromatics LLC, email=Yash.Parekh@gemaromatics.com, c=US
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Date: 2025.05.30 11:11:24 EDT
Full PDF Editor Version: 2024.1.0**Nitesh Shah****Nitesh Shah**

Additional Manager

Place : Oregon, USA

Date : 30-May-2025

Special Purpose profit and loss account for the year ended March 31, 2025

Date : 30-May-2025

CIN: 0450440340

Special Purpose Statement of Cash flows for the year ended March 31, 2025

(in Rupees million except as indicated otherwise)

Particulars	Year Ended March 31, 2025	Year ended March 31, 2024
(A) Cashflows from operating activities		
Profit/(loss) before tax	58.20	25.54
Adjustments for:		
Non-Cash Items	-	-
Operating cash flow before working capital changes	58.20	25.54
Adjustment for changes in working capital:		
(Increase) / Decrease in inventories	(28.16)	(5.57)
(Increase) / Decrease in trade receivables	(122.47)	111.26
(Increase) / Decrease in other assets	(0.23)	(0.31)
Increase / (Decrease) in trade payables	114.83	(138.65)
Increase / (Decrease) in current tax liabilities	-	
Cash generated from operations	22.15	(7.72)
Taxes paid (net of refunds)	(17.64)	(3.81)
Net cashflows from operating activities	4.51	(11.53)
(B) Cashflows from investing activities		
Net cashflows from investing activities	-	-
(C) Cashflows from financing activities		
Net cashflows from financing activities	-	-
Net (decrease)/increase in cash and cash equivalents	4.51	(11.53)
Cash and cash equivalents as on April 01,2024	1.45	5.41
Effect of exchange rate	0.95	7.57
Cash and cash equivalents as on March 31, 2025	6.92	1.45
Cash and cash equivalents comprise of:		
Balance with banks:		
In current accounts	6.92	1.45
Total cash and cash equivalents	6.92	1.45

Notes :

The cashflow statement has been prepared under the indirect method as set out in Indian Accounting standard (Ind AS 7) Statement of cash flows' as specified under section 133 of the Companies Act, 2013.

As per our report of even date attached.

For TDK & Co.

Chartered Accountants

Firm's Registration Number: 109804W

Digitally signed by NEELANJ

TILAKCHAND SHAH

Date: 2025.05.30 17:13:27

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CA Neelanj Shah

Partner

Membership Number: 121057

Date : 30-May-2025

For and on behalf of the Board of Managers of

Gem Aromatics LLC

CIN: 0450440340

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Yash V. Parekh

Manager

Place : New Jersey, USA

Date : 30-May-2025

Nitesh Shah
Nitesh Shah

Nitesh Shah

Additional Manager

Place : Oregon, USA

Date : 30-May-2025

Special Purpose Statement of Changes in Equity for the year ended March 31, 2025

Particulars	Amount (In Rupees Million)
Change in Equity during the Year	
Balance as at April 01, 2023	3.80
Changes in equity share capital during the Year	-
Balance as at March 31, 2024	3.80
Changes in equity share capital during the year	-
Balance as at March 31, 2025	3.80

Particulars	Reserve and Surplus		Total other equity
	Other Comprehensive Income	Retained earnings	
Balance as at April 1, 2023	(17.04)	63.50	46.46
Add/Less: During the year	7.57	-	7.57
Profit for the year	-	17.23	17.23
Balance as at March 31, 2024	(9.47)	80.73	71.26
Balance as at April 1, 2024	(9.47)	80.73	71.26
Add/Less: During the Year	0.95	-	0.95
Profit for the Year	-	40.74	40.74
Balance as at March 31, 2025	(8.52)	121.46	112.95

Date : 30-May-2025

GEM AROMATICS LLC

CIN: 0450440340

Special Purpose Interim Notes to the financial statements as at March 31, 2025

1 Corporate information

Gem Aromatics LLC is a Limited Liability Company incorporated in United States of America on November 19, 2019 under the laws of Delaware. It is wholly owned subsidiary of Gem Aromatics Limited (formerly known as Gem Aromatics Pvt. Ltd.). The registered address of the company is 208 - West State Street Trenton, New Jersey 08608-1002. The Company is primarily engaged in the business of general trading of essential oils and aroma chemicals.

Significant accounting policies

2 Basis of preparation

The special purpose financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The special purpose financial statements of the Company have been prepared and presented in accordance with the group accounting policies as adopted in the Restated financial information statements for the year ended March 31, 2021 by the group company Gem Aromatics Limited (formerly known as Gem Aromatics Pvt. Ltd.) and presentation requirements of Division II of Schedule III to the India Companies Act, 2013, with effect from April 01, 2021.

The special purpose financial statements have been prepared on an accrual basis under the historical cost convention basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments). The financial statements are presented in Indian Rupees "INR" which is Company's presentation currency. All values are rounded off to nearest Millions, except when otherwise indicated.

These special purpose financial statements have been prepared by the Management of the for the purpose of inclusion in the Draft red herring prospectus ("DRHP" or "offer document") to be filed by the Gem Aromatics Limited (formerly known as Gem Aromatics Pvt. Ltd.) ("Parent Company") with the Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering.

2.01 Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes its purchase price including non-refundable taxes and duties, directly attributable costs of bringing the asset to its present location and condition.

Subsequent costs are included in the asset's carrying amount or Recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates.

Depreciation

Depreciation on property, plant and equipment is provided on written down method, which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

Depreciation commences when the assets are ready for their intended use. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount. These are included in the statement of profit and loss.

The estimated useful lives are as follows :

Assets	Useful life (years)
Building	30
Plant and Machinery	15
Electric	15
Office equipment	10
Furniture's and Fixtures	10
Vehicles	8
Computers	6
Land	-

2.02 Impairment of property, plant and equipment and intangible assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company ' each class of the property, plant and equipment or intangible assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

2.03 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

The operating cycle is the time between acquisition of assets for processing and their realisation in cash and cash equivalents. The Company 's normal operating cycle is twelve months.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.04 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the special purpose financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For financial assets and liabilities maturing within one year from the balance sheet date and which are not carried at fair value, the carrying amount approximates fair value to due to short term maturity of these instruments.

The Company recognises the transfer between the levels of fair value hierarchy at the end of the reporting period during which the changes has occurred.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summaries accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Quantitative disclosures of fair value measurement hierarchy (Note 16)
- Financial instruments (including those carried at amortised cost) (Note 16)

2.05 Revenue from contract with customers

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring services to a customer. The Company identifies the performance obligations in its contracts with customers and recognises revenue as and when the performance obligations are satisfied.

Revenue from inter-company arrangement is recognised based on transaction price which is at arm's length based on transfer pricing arrangement.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Interest income:

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Export Incentive / Duty drawback :

Duty drawback income is recognised when right to receive such benefits is established. Further, in cases where there is uncertainty of such benefits, revenue is recognised when benefits are received.

2.06 Inventories

Inventories are valued at the lower of cost and net realisable value.

2.07 Taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Taxable profit may differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

2.08 Foreign Currency translation

Functional and Presentation currency

Items included in the special purpose financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates which is the United States Dollar USD ('the functional currency'). The Financial statements are presented in Indian rupee (INR), which is presentation currency of the Company. Transactions in functional currency is translated into presentation currency at the prevailing exchange rates and are included in other comprehensive income (OCI), net of taxes as exchange difference on the translation of foreign exchange.

Transaction and balances

Transactions in foreign currencies are initially recognised in the special purpose financial statements using exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates prevailing at the reporting date and foreign exchange gain or loss are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.09 Provisions and Contingent Liabilities

Provisions:

A provision is recognized when the company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liabilities:

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

2.10 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are attributable to the acquisition of financial asset. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 2.05 for Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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Special Purpose Interim Notes to the financial statements as at March 31, 2025

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and

A 'financial asset' is measured at amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Company's financial assets at amortised cost includes loans and other financial assets.

A 'financial asset' is measured at FVOCI if both the following conditions are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

- b) The asset's contractual cash flows represent SPPI.

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. This category includes investments in mutual funds. Dividends on such investments are recognised in the statement of profit and loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from a Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset and either
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired, if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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Special Purpose Interim Notes to the financial statements as at March 31, 2025

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

Forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognized in other comprehensive income in cash flow hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognized in the cash flow hedging reserve within equity.

2.11 The Company as a lessee

The Company's lease asset classes primarily consist of leases for factory Plant and Machinery including factory building. The Company assesses whether a contract contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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Special Purpose Interim Notes to the financial statements as at March 31, 2025

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right -of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight -line method from the commencement date over the lease term.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment as to whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company does not have any lease contracts wherein it acts as a lessor.

Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

2.12 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise of cash balances at banks, on hand cash balances and demand deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

In the cash flow statement, cash and cash equivalents includes cash in hand, cash at bank, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

2.13 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period ended March 31, 2025. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting any attributable tax thereto for the year. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.14 Segment Reporting

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the Board evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices. Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

2.15 Significant accounting estimates, judgements and assumptions

The preparation of the Company's special purpose financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the special purpose financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the year in which the estimates are revised and in any future year affected.

In the process of applying the Company's accounting policies, management has made the following judgements which have significant effect on the amounts Recognized in the Standalone financial statements:

a. Useful lives of property, plant and equipment and intangible assets: The Company reviews the useful life of property, plant and equipment and intangibles at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

b. Contingencies: Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigation against company as it is not possible to predict the outcome of pending matters with accuracy.

c. Fair value measurements and valuation processes: Some of the Companies assets and liabilities are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for the fair value measurements. In estimating the fair value of an asset or a liability, the Company used market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engaged third party qualified valuers to perform the valuations in order to determine the fair values based on the appropriate valuation techniques and inputs to fair value measurements such as Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d. Estimation of defined benefit plans :The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligation.

d. Tax expense: Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profit and all tax bases of assets and liabilities, the Group determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognized on closure of assessment or in the period in which they are agreed.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilised.

f. Operating lease commitments - Company as lessor The Company has entered into lease agreement for certain plant and machinery. The Company has determined based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the asset and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

GEM AROMATICS LLC**CIN: 0450440340****Special Purpose Notes to the financial statements as at March 31, 2025**

(in Rupees million except as indicated otherwise)

Particulars	As at March 31, 2025	As at March 31, 2024
(3) Inventories		
(Valued at lower of cost and net realisable value)		
Stock in trade	82.55	54.39
Total Inventories	82.55	54.39
(4) Trade receivables		
Unsecured, considered good		
- Third Party	217.90	95.43
- Related parties (Refer note 30)	-	-
Total trade receivables	217.90	95.43
Ageing of Trade receivables		
Undisputed Trade receivables – considered good		
- Not due	166.84	35.45
- Less than 1 year	51.06	59.98
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
Total	217.90	95.43
(5) Cash and cash equivalents		
Balances with banks		
In current accounts	6.92	1.45
Total cash and cash equivalents	6.92	1.45
(6) Other assets		
Current assets		
Prepaid expenses	0.97	0.73
Advances to suppliers	-	-
Other Receivables	0.26	-
Total current assets	1.23	0.73

GEM AROMATICS LLC
CIN: 0450440340
Special Purpose Notes to the financial statements as at March 31, 2025

(in Rupees million except as indicated otherwise)

Particulars	As at	As at
	March 31, 2025	March 31, 2024
(7) Equity share capital		
<i>Authorised</i>		
5,000 equity shares of face value \$ 10 each	3.80	3.80
	3.80	3.80
<i>Issued, subscribed and fully paid-up</i>		
5,000 equity share of face value \$10 each fully paid up	3.80	3.80
	3.80	3.80

(a) Reconciliation of shares outstanding at the beginning and at the end of March 31, 2025

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount (in Rupees Millions)	Number of shares	Amount (in Rupees Millions)
<i>Equity shares</i>				
At the commencement of the Year	5,000	3.80	5,000	3.80
Issued during the Year	-	-	-	-
At the end of the year	5,000	3.80	5,000	3.80

(b) Particulars of shareholders holding more than 5% shares of a class of shares

Particulars	As at March 31, 2025		As at March 31, 2024	
	% of total shares in the class	Number of shares	% of total shares in the class	Number of shares
Equity shares of \$ 10 each fully paid-up held by				
Gem Aromatics Limited - Holding Company	100.0%	5,000	100.0%	5,000
(Formerly known as Gem Aromatics Pvt. Ltd.)				

(c) Details of shares held by promoters
As at March 31, 2025

Promoter Name	No. of shares at the beginning of the year	Change during the Year	No. of shares at the end of the Year	% of Total Shares	% change during the year
Gem Aromatics Limited	5,000	-	5,000	100.00%	-
Total	5,000	-	5,000	100.00%	-

As at March 31, 2024

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Gem Aromatics Limited	5,000	-	5,000	100.00%	-
Total	5,000	-	5,000	100.00%	-

(d) Rights, preferences and restrictions attached to equity shares

Entire equity share capital accounts for one hundred percent (100%) of the membership interest in Gem Aromatics LLC

The Company has one class of equity shares having a par value of \$ 10 per share. In respect of every equity share (whether fully paid or partly paid), voting right shall be in the same proportion as the capital paid up on such equity share bears to the total paid up equity capital of the company. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

GEM AROMATICS LLC**CIN: 0450440340****Special Purpose Notes to the financial statements as at March 31, 2025**

(in Rupees million except as indicated otherwise)

Particulars	As at	As at
	March 31, 2025	March 31, 2024
(8) Other equity		
Other Comprehensive Income	(8.52)	(9.47)
Retained earnings	121.47	80.73
Total other equity	112.95	71.26
Movement of other equity		
Other Comprehensive Income		
At the commencement of the year	(9.47)	(17.04)
Add/(Less): During the year	0.95	7.57
As at March 2025	(8.52)	(9.47)
Retained earnings		
At the commencement of the year	80.73	63.50
Profit for the year	40.74	17.23
Add/Less: Adjustments to opening Reserves	-	-
Add: Accumulated Liability of Gratuity of Earlier Years	-	-
Less: Dividend adjusted for previous year	-	-
Less: Dividend tax adjusted for previous year	-	-
Less: Transferred to General Reserve	-	-
At the end of the year	121.47	80.73
(9) Trade payables		
Current trade payables (Net of Advance received)		
- Dues of micro enterprises and small enterprises	-	-
- Dues of creditors other than micro enterprises and small enterprises	3.92	2.93
- Related parties (Refer note 15)	183.49	69.65
Total current trade payables	187.40	72.57
Ageing of trade payable		
<i>Total outstanding dues of creditors other than micro enterprises and small enterprises</i>		
- Unbilled	1.75	71.89
- Not due	185.13	0.48
- Less than 1 year	0.53	0.21
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
Total Trade payables	187.40	72.57

GEM AROMATICS LLC**CIN: 0450440340****Special Purpose Notes to the financial statements as at March 31, 2025**

(in Rupees million except as indicated otherwise)		
Particulars	Year Ended March 31, 2025	Year ended March 31, 2024
(10) Revenue from operations		
Sale of products		
- Domestic sales	894.51	497.29
- Export	-	
	894.51	497.29
b) Other Operating revenues		
- Others	26.58	11.69
	26.58	11.69
Total Revenue from operations	921.09	508.98
(11) Other income		
Refund of Taxes	3.32	0.57
Total other income	3.32	0.57
(12) Purchases		
Purchase of stock in trade	850.91	457.48
Purchases	850.91	457.48
(13) Changes in inventories		
At the beginning of the period		
Stock in Trade (A)	54.39	48.82
At the end of the period		
Stock in Trade (B)	(82.55)	54.39
Change (A-B)	(28.16)	(5.57)
(14) Other expenses		
Freight & Clearance charges	11.70	9.46
Reprocessing Expenses	0.30	-
Legal and professional charges	7.90	9.03
Rates and taxes	16.09	6.18
Inventory holding model charges	-	2.75
Insurance charges	2.11	2.34
Research and Development Expenses	0.42	-
Selling & Distribution expense	-	0.82
Warehouse storage charges	4.16	0.75
Membership and subscription	0.55	0.70
Travelling and conveyance	-	0.02
Bank charges and commission*	0.01	0.01
Miscellaneous expenses	0.22	0.04
Total other expenses	43.46	32.10

* Amount less than 0.01 Million

(15) Related party transactions**(a) Related parties**

Sr. No	Name of the party	Nature of relationship
1	Gem Aromatics Limited (Formerly known as Gem Aromatics Pvt. Ltd.)	Holding Company
2	Doterra Global Limited (formerly known as Lee River Holdings Limited) ("Doterra Group")	Entities in which Managers are Interested

(b) Key managerial personnel

Sr. No	Particulars	Nature of relationship
1	Yash V Parekh	Authorized Representative

(c) Details of transactions with related parties

(in Rupees Million except as indicated otherwise)

Sr. No	Nature of Transaction	Year Ended March 31, 2025	Year ended March 31, 2024
A	Transactions during the period		
1	Purchases		
	Gem Aromatics Limited	844.42	457.20
2	Purchases		
	Doterra Global Limited	0.53	-
3	Inventory Holding Charges		
	Gem Aromatics Private Limited	3.56	2.77
4	Reimbursement of expenses		
	Gem Aromatics Limited	1.94	1.66

Sr. No	Balances	Year Ended March 31, 2025	Year ended March 31, 2024
B	Balances as at		
1	Trade Payables		
	Gem Aromatics Limited	183.49	69.65
2	Reimbursement Payables		
	Gem Aromatics Limited	0.00	-

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances as on March 31, 2025 are unsecured and settlement occurs in cash.

(16) Fair value measurement

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value those include cash and cash equivalents, other bank balances, trade receivables and trade payables.

(a) Financial instruments by category

(in Rupees Million except as indicated otherwise)

At amortised cost	Year Ended March 31, 2025	Year ended March 31, 2024
Assets		
Trade receivables	217.90	95.43
Cash and cash equivalents	6.92	1.45
Total assets	224.82	96.88
Liabilities		
Trade payables	187.40	72.57
Total liabilities	187.40	72.57

Note: Carrying amounts of cash and cash equivalents, bank balances, trade receivables, loans, borrowings, other financial liabilities and trade payables as at period ended March 31, 2025 approximate their fair value due to their short-term nature. Difference between carrying amounts and fair values of other financial assets and other financial liabilities subsequently measured at amortised cost is not significant in each of the periods presented.

GEM AROMATICS LLC**CIN: 0450440340****Special Purpose Notes to the financial statements as at March 31, 2025****(17) Ratios**

Ratio	Numerator	Denominator	Year Ended March 31, 2025	Year ended March 31, 2024
Current ratio	Current Assets	Current Liabilities	1.61	1.97
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	43.47%	39.58%
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	5.88	3.37
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	6.55	3.22
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	7.89	6.78
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	4.53%	4.87%
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	49.85%	34.03%

GEM AROMATICS LLC**CIN: 0450440340****Special Purpose Notes to the financial statements as at March 31, 2025****(18) Earnings per share**

Particulars	Year Ended March 31, 2025	Year ended March 31, 2024
Profit attributable to the equity holders of the Company (Rs in Millions)	41.68	24.80
Weighted average number of equity shares for EPS (in nos)	5,000	5,000
Weighted average number of equity shares for Diluted EPS (in nos)	5,000	5,000
Earnings per share (In Rupees)		
- Basic (INR)	8,336.97	4,960.48
- Diluted (INR)	8,336.97	4,960.48
Face value per equity share (\$)	\$10.00	\$10.00

(19) Income tax expense

This note provides analysis of Company's income tax expense, amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates in relation to the Company's tax position.

(a) Income tax expense is as follows:

(in Rupees Million except as indicated otherwise)

Particulars	Year Ended March 31, 2025	Year ended March 31, 2024
(a) Profit and loss		
Current tax	17.46	8.31
Tax expense relating to prior years	-	-
Deferred tax	-	-
Total tax expense	17.46	8.31
Income tax expense	17.46	8.31

(b) Reconciliation of tax expense and the accounting profit computed by applying income tax rate:

(in Rupees Million except as indicated otherwise)

Particulars	Year Ended March 31, 2025	Year ended March 31, 2024
Profit before tax	58.20	25.54
Tax rate	30.00%	30.00%
Computed tax expense	17.46	7.66
Expenses not deductible for tax purpose	-	-
Tax expense relating to prior years	-	-
Impact due to change in tax rate	-	-
Others	-	0.65
Income tax expense	17.46	8.31

(20) Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker for assessing the Company's performance and allocating the resources based on an analysis of various performance indicators by business segments and geographic segments.

The Company is engaged into business of essential oils and aroma chemicals which is single reportable business segment and has its sales only in the US. Hence the Company's special purpose financial statements reflect the position for both reportable segment and geographical segment. Accordingly, no separate disclosure is required

GEM AROMATICS LLC

CIN: 0450440340

Special Purpose Notes to the financial statements as at March 31, 2025**(21) Other Statutory Information**

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the period.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(22) Commitments and contingent liabilities

There are no contingent liabilities and commitments as of March 31, 2025.

(23) Capital management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through available cash and cash equivalents.

(24) There are no material subsequent events which have occurred between the reporting date as on March 31, 2025 and adoption of financial statement by Board of Managers as on May 30, 2025 which has a material impact on the financial condition of the company.

(25) The special purpose financial statements were authorised for issue by the Company's Board of managers May 30, 2025.

(26) This special purpose financial statements for the Year ended March 31, 2025 has been prepared in accordance with Ind AS. For the period upto and including period ended March 31, 2024, the company prepared its special purpose financial statements in accordance with the accounting standards generally accepted in the place of its operation i.e. United States of America Generally Accepted Accounting Principles (US GAAP) and the same has been later translated after giving effect to and necessary adjustments to comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

Accordingly, the Company has prepared this special purpose financial statements which comply with Ind AS applicable for the period ended March 31, 2025 as described in the summary of significant accounting policies.

The transition from US GAAP to Ind AS did not have a material impact on the special purpose financial statements.

For TDK & Co.

Chartered Accountants

Firm's Registration Number: 109804W

Digitally signed by NEELANJ

TILAKCHAND SHAH

Date: 2025.05.30 17:14:09

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CA Neelanj Shah

Partner

Membership Number: 121057

Date : 30-May-2025

For and on behalf of the Board of Managers of

Gem Aromatics LLC

CIN: 0450440340

YASH
PAREKH

Digitally signed by YASH PAREKH
DN: cn=Y, o=Gem Aromatics LLC, email=Y.PAREKH@GEMAROMATICS.COM, c=IN
Date: 2025.05.30 11:57:47Z
Full PDF Editor Version: 2024.10

Yash V. Parekh

Manager

Place : New Jersey, USA

Date : 30-May-2025

Nitesh Shah

Nitesh Shah

Additional Manager

Place : Oregon, USA

Date : 30-May-2025