

**CERTIFICATE ON BASIS FOR OFFER PRICE**

To,  
The Board of Directors,  
**Gem Aromatics Limited**  
A/410, Kailas Complex,  
Vikhroli Powai Link Road,  
Park Site, Vikhroli(W), Mumbai,  
Maharashtra - 400079

**Motilal Oswal Investment Advisors Limited**  
Motilal Oswal Tower  
Rahimtullah Sayani Road  
Opposite Parel ST Depot, Prabhadevi, Mumbai  
Maharashtra, India 400025

(Motilal Oswal Investment Advisors Limited will be referred as “Book Running Lead Manager” or “BRLM”)

**Sub: Proposed initial public offering of equity shares (Equity Shares) of Face Value Rs. 2 per share by Gem Aromatics Limited comprising a fresh issue of Equity Shares and an offer for sale of the Equity Shares by Selling Shareholders (Offer).**

Dear Sir,

This Certificate is issued in accordance with the terms of our engagement with Gem Aromatics Limited (the “Company”), a company incorporated under the Companies Act, 1956 and having its registered office at A/410, Kailas Complex, Vikhroli Powai Link Road, Park Site, Vikhroli (W), Mumbai, Maharashtra – 400079 to certify the basis for offer price for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023 (the “Relevant Period”).

We have been informed by management of the Company that the Company is in the process of filing Red Herring Prospectus (“RHP”) and Prospectus in relation to the Offer under Chapter II of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”) and relevant provisions of the Companies Act, 2013, as amended (“Companies Act”).

We have audited the consolidated financial statements of the Company for the financial year ended March 31, 2025 prepared in accordance with the Companies Act and the Companies (Indian Accounting Standards) Rules, 2015 (“Ind AS”) (the “Audited Consolidated Financial Statements”) which have been approved by the Board of Directors at their meeting held on May 30, 2025 and on which we have issued our unmodified opinion through our report dated May 30, 2025.

We have carried out a special purpose audit, in accordance with the requirements of Ind AS, the Companies Act, Standards on Auditing specified under Section 143(10) of the Companies Act and the Standard on Auditing 800 (Special Considerations - Audit of Financial Statements Prepared in Accordance with Special Purpose Frameworks), of the consolidated financial statements of the Company for the financial years ended March 31, 2024 and March 31, 2023 which were prepared as per generally accepted accounting principles in India and audited by us (the “Special Purpose Audited Consolidated Financial Statements”) which have been approved by the Board of Directors at their meeting held on December 16, 2024 and on which we have issued our unmodified opinion through our reports dated December 16, 2024.

Subsequently, we have examined the restated consolidated financial statements prepared on the basis of (i) Audited Consolidated Financial Statements and (ii) Special Purpose Audited Consolidated Financial Statements in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) (“Restated Consolidated Financial Statements”).



## Management's Responsibility

The management of the Company is responsible for ensuring that the requirements of the SEBI ICDR Regulations and in specific with the rules and regulations thereof dealing with the computation of accounting and other ratios have been complied with.

The preparation of the enclosed **Annexure A and B** is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other records supporting its contents. This responsibility includes the designing, implementation and maintaining of internal control relevant to the preparation and presentation of the **Annexure A and B** and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

The Company is responsible for preparation of the Restated Consolidated Financial Statements for the purpose of the Offer in accordance with the SEBI ICDR Regulations, as amended and read with the rules, circulars and notifications issued in relation thereto, the Companies Act and the Ind AS.

## Our Responsibility

At your specific request, we, M/s Chhajed & Doshi, Chartered Accountants, the statutory auditors of the Company, have examined the enclosed **Annexure A and B**. Our responsibility is to provide a reasonable assurance in the form of this certificate for the information mentioned below after undertaking the following procedures:

- i. Reviewed the computation of the weighted average Basic and Diluted Earnings per Share ("EPS") as provided by the Company and traced the year wise values of the Basic and Diluted EPS from the Restated Consolidated Financial Statements for the Relevant Period;
- ii. Reviewed the computation of the weighted average Return on Net worth as provided by the Company;
- iii. Reviewed the computation of the Net Asset Value per equity share as at March 31, 2025 as provided by the Company;
- iv. Traced the amounts from audited consolidated financial results of Clean Science & Technology Limited, Privi Specialty Chemicals Limited, Camlin Fine Sciences Limited, Yasho Industries Limited, S H Kelkar and Company Limited and Oriental Aromatics Limited (collectively referred as "**Listed Peers**") as available on the website of BSE Limited for the financial year ended March 31, 2025.
- v. Recomputed the mathematical accuracy of the amounts total, percentage and ratios for the financial years as indicated in **Annexure A**.
- vi. Obtained and reviewed the management representation letter.
- vii. Performed procedures for **Annexure B** as set out in Schedule 1 to the **Annexure B**.





We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India (“ICAI”). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by the ICAI.

### Opinion

Based on the procedures performed by us, and the information and explanation provided to us along with our examination of the same, we are of the opinion that the accounting and other ratios and information as set out in **Annexure A and B** have been properly computed in accordance with the requirement of SEBI ICDR Regulation.

### Restriction of use

At the specific request of the Company, this certificate is also being addressed to the Book Running Lead Manager to assist them in conducting their due diligence and documenting the affairs of the Company in connection with the proposed Offer.

We confirm that the information in this certificate is true and fair. We hereby consent that this certificate either in part or full can be used in RHP and Prospectus to be filed with the Registrar of Companies, Mumbai at Maharashtra (“RoC”) and submitted to Securities and Exchange Board of India (“SEBI”) and the BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”) and together with the BSE, the “Stock Exchanges” in connection with the Offer, and in any other material used in connection with the Offer and for disclosure on the website of the Company and the Book Running Lead Manager in connection with the Offer. We hereby also consent to the submission and disclosure of this certificate as may be necessary to the SEBI, the RoC, the Stock Exchanges and any other regulatory, statutory, governmental, judicial or competent authorities and, or, for any other litigation purposes (including in connection with any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation related to any matter regarding issuance and listing of the Equity Shares of the Company) or affiliates of Book Running Lead Manager and/or for the records to be maintained by the Book Running Lead Manager, and in accordance with applicable law. We also consent to the inclusion of this certificate as a part of ‘*Material Contracts and Documents for Inspection*’ in connection with the Offer, which will be available for public for inspection from the date of filing of the RHP until the Bid/Offer Closing Date.

As a result, the certificate may not be suitable for any other purpose and, save and except for above, should not be distributed to or used by any third parties without our prior written consent. Accordingly, save and except for above, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come.

We confirm that any changes to the above information that are brought to our attention by the Company will immediately be intimated to the Book Running Lead Manager until the date when the Equity Shares commence trading on the relevant stock exchanges. In the absence of any communication from us, the Company, the BRLM and the legal advisors appointed with respect to Offer may assume that there is no change in respect of the matters covered in this certificate.



This certificate may be relied on by the Book Running Lead Manager, their affiliates and the legal counsel in relation to the Offer and to assist the Book Running Lead Manager in the context of due diligence procedures that the Book Running Lead Manager has to conduct and the documents in relation of their investigation of the affairs of the Company in connection with the Offer.

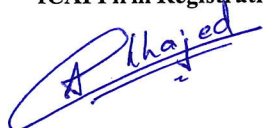
Yours faithfully,

For and on behalf of

**CHHAJED & DOSHI**

Chartered Accountants

ICAI Firm Registration No.: 101794W



CA Abhinav Chhajed

Partner

Membership No.: 049357

UDIN: 25196452BMNWBF4967

Place: Mumbai

Date: 12.08.2025

Cc:

**Legal Counsel to the Offer**

**Saraf and Partners**

2402, Tower 2, One International Center

Senapati Bapat Marg, Prabhadevi West

Mumbai 400013, Maharashtra, India

**Legal Counsel to the Book Running Lead Manager**

**Economic Laws Practice**

9<sup>th</sup> floor, Berger Tower

Sector 16B, Noida – 201301

Uttar Pradesh, India



## ANNEXURE A

### 1. Basic and Diluted Earnings Per Equity Share (EPS), as adjusted for change in capital

Period	Basic EPS (in Rs.)	Diluted EPS (in Rs.)	Weight
Financial year ended March 31, 2025	11.39	11.39	3
Financial year ended March 31, 2024	10.69	10.69	2
Financial year ended March 31, 2023	9.53	9.53	1
Weighted Average for the above three financial years	10.85	10.85	-

#### Notes:

1. *Weighted Average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.*
2. *Basic Earnings per share (₹) is calculated as the restated profit for the year attributable to equity holders of the Company divided by the weighted average number of Equity Shares outstanding during the year.*
3. *Diluted Earnings per share (₹) is calculated as restated profit for the year attributable to equity holders of the Company divided by the weighted average number of Equity Shares outstanding during the year considered for deriving basic earnings per share and the weighted average number of Equity Shares during the year as adjusted for the effects of all dilutive potential Equity Shares during the year.*
4. *EPS has been calculated in accordance with the Indian Accounting Standard 33 - 'Earning per share' notified under the Companies (Indian Accounting Standards) Rules, 2015.*
5. *The figures disclosed above for the financial years ended March 31, 2025, 2024 and 2023 are based on the Restated Consolidated Financial Statements of the Company.*
6. *The face value of Equity Shares of the Company is ₹ 2. Equity Shares of face value of ₹ 10 each were sub-divided into Equity Shares of face value of ₹ 2 each authorized by the Board pursuant to the resolution at its meeting held on July 13, 2023 and the Shareholders pursuant to the special resolution at their meeting held on July 14, 2023. Furthermore, 3,79,28,233 fully paid up equity shares of face value Rs. 2 each has been issued as bonus shares in the ratio of 17:4 by utilising the balance in Securities Premium account pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the company held on July 14, 2023.*

### 2. Industry P/E ratio

Particulars	P/E Ratio
Highest	374.92
Lowest	36.97
Average	112.41

*Note: The industry high and low has been considered from the industry peer data set out in table 6 below. The industry average has been calculated as the arithmetic average P/E of the industry peer set as given below.*





### 3. Return on Net Worth (RoNW):

Period	RoNW* (%)	Weight
Financial year ended March 31, 2025	18.80%	3
Financial year ended March 31, 2024	21.73%	2
Financial year ended March 31, 2023	24.88%	1
Weighted Average for the above three financial years	20.79%	-

Notes:

1. *Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.*
2. *Return on Net Worth (RoNW) (%) = Restated Net profit after tax for the year attributable to the owners of the Company divided by the Restated Net worth at the yearend attributable to the owners of the Company.*
3. *Net worth has been defined as the aggregate value of the paid-up equity share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2025, 2024 and 2023 in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations, as amended.*
4. *The figures disclosed above for the financial years ended March 31, 2025, 2024 and 2023 are based on the Restated Consolidated Financial Information of the Company.*

### 4. Net Asset Value (NAV) per Equity Share:

Net Asset Value per Equity Share	Amount (₹)
As at March 31, 2025	60.61

Notes

1. *Net Asset Value per Equity Share = Restated net worth for the year attributable to owners of the Company/ weighted average number of equity shares for the year.*
2. *The figure disclosed above for the financial year ended March 31, 2025, is based on the Restated Consolidated Financial Information of the Company.*
3. *The face value of Equity Shares of the Company is ₹ 2. Equity Shares of face value of ₹ 10 each were sub-divided into Equity Shares of face value of ₹ 2 each authorized by the Board pursuant to the resolution at its meeting held on July 13, 2023 and the Shareholders pursuant to the special resolution at their meeting held on July 14, 2023. Furthermore, 3,79,28,233 fully paid up equity shares of face value Rs. 2 each has been issued as bonus shares in the ratio of 17:4 by utilising the balance in Securities Premium account pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the company held on July 14, 2023.*



## 5. Listed Peers

Name of the Company	Face Value (₹ per share)	Closing share price on July 11, 2025	Total Revenue (in ₹ million)	EPS		RONW	NAV (₹ per share)	P/E
				(₹ per share)				
				Basic	Diluted			
Gem Aromatics Limited*	2	NA	5,039.53	11.39	11.39	18.80%	60.61	NA <sup>s</sup>
Clean Science & Technology Limited	1	1,426.25	9,666.44	24.88	24.88	18.67%	133.29	57.33
Privi Speciality Chemicals Limited	10	2,417.75	21,011.91	47.87	47.87	16.95%	282.47	50.51
Camlin Fine Sciences Limited	1	294.65	16,665.27	(8.03)	(7.95)	(16.01)%	46.23	NM <sup>#</sup>
Yasho Industries Limited	10	1,994.55	6,685.00	5.32	5.32	1.46%	348.09	374.92
S H Kelkar and Company Limited	10	228.60	21,234.00	5.40	5.40	5.83%	90.66	42.33
Oriental Aromatics Limited	5	377.05	9,282.56	10.20	10.20	5.20%	196.20	36.97

\*Financial information for Gem Aromatics Limited is derived from the Restated Consolidated Financial Statements for the year ended March 31, 2025.

<sup>#</sup> Not meaningful since EPS is negative

<sup>s</sup>To be included post finalization of the Offer Price.

### Notes:

1. All the financial information for Listed Peers mentioned above is on Consolidated basis and is sourced from the audited consolidated financial results as available on BSE Limited for the financial year ending March 31, 2025.
2. P/E ratio is calculated based on market price of equity shares on closing of July 11, 2025 on BSE Limited divided by diluted EPS for year ended March 31, 2025
3. Basic and Diluted EPS as reported in the audited consolidated financial results of the Listed Peers as available on BSE Limited for the financial year ending March 31, 2025.
4. Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company divided by net worth at the year ended March 31, 2025 attributable to the owners of the Company.
5. Net asset value per equity share is computed as net worth attributable to owners of the Company divided by weighted average number of shares outstanding during the year.
6. Net worth has been defined as the aggregate value of the paid-up equity share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2025 in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations, as amended





## ANNEXURE B

### Weighted average cost of acquisition (WACA), Floor Price and Cap

In this regard, we confirm the following:

**I. For the purpose of the Issue price, Floor Price or Price Band, please note the following:**

**A. The price per share of the Company based on the primary/ new issue of shares (equity/ convertible securities)**

The details of the Equity Shares or convertible securities, excluding shares issued under the ESOP Scheme and issuance of bonus shares, during the 18 months preceding the date of this certificate, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Issue capital before such transaction(s) and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuance") are as follows:

Date of allotment	Name of allottee	No. of shares of transacted (Adjusted for bonus issue)	Face value (₹)	Issue price per share (₹) (Adjusted for bonus issue)	Nature of allotment	Nature of consideration	Total consideration (in ₹ million)	Price per security (₹)
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Except as stated above, it is confirmed that there have been no Primary Issuances, in the 18 months prior to the date of this certificate.

**B. The price per share of the Company based on secondary sale/ acquisitions of shares (equity/ convertible securities)**

The details of secondary sale/ acquisitions of Equity Shares or any convertible securities ("Security(ies)"), where the Promoters, members of the promoter group, or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-Issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions"), are as below:

Date of transfer	Name of transferor	Name of transferee	No. of securities	Face value (₹)	Nature of consideration	Total consideration (in ₹ million)	Price per security (₹)
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Except as stated above, it is confirmed that there are no Secondary Transactions in the 18 months prior to the date of this certificate.





Weighted average cost of acquisition

Type of transactions	Weighted average cost of acquisition (₹ per Equity Share)
WACA of Primary Transactions	NA
WACA of Secondary Transactions	NA

- C. Since there are no transactions to report under I(A) and I(B) above, the following are the details basis the last five primary and secondary transactions (secondary transactions where Promoters, Promoter Group, or Shareholder(s) having the right to nominate director(s) to the Board of the Company, are a party to the transaction), in the last three years preceding the date of the Red Herring Prospectus irrespective of the size of transactions:

**Primary transactions:**

The details of primary transactions in the last three years preceding the date of the Red Herring Prospectus are as follows:

Date of transfer	No. of Equity Shares	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of allotment	Nature of consideration	Total Consideration (in ₹ million)
July 14, 2023	37,928,233	2	NA	Bonus Issue	NA	Nil

**Secondary acquisition:**

Except as disclosed below, there have been no secondary transactions in which Promoters, members of the Promoter Group, Selling Shareholders are a party to the transaction, in the last three years preceding the date of the Red Herring Prospectus:

Date of Transfer	Name of Transferee	Name of Transferor	Number of Equity Shares	Face value per equity share (₹)	Price Equity Shares	Nature of transaction	Nature of consideration	Total Consideration (in ₹ million)
July 4, 2023	Vruta Yash Parekh	Yash Parekh	1	10	Nil	Transfer by way of gift	NA	Nil
July 4, 2023	Prisha Yash Parekh	Yash Parekh	1	10	Nil	Transfer by way of gift	NA	Nil
July 4, 2023	Yash Vipul Parekh HUF	Yash Parekh	1	10	Nil	Transfer by way of gift	NA	Nil



Date of Transfer	Name of Transferee	Name of Transferor	Number of Equity Shares	Face value per equity share (₹)	Price Equity Shares	Nature of transaction	Nature of consideration	Total Consideration (in ₹ million)
October 05, 2023	Parekh Family Trust	Vipul Parekh	10,600,000	2	Nil	Transfer by way of gift	NA	Nil
October 16, 2023	Vipul Parekh	Yash Parekh	3,000,000	2	Nil	Transfer by way of gift	NA	Nil
October 17, 2023	Vipul Parekh	Kaksha Vipul Parekh	3,000,000	2	Nil	Transfer by way of gift	NA	Nil

Based on the above transactions, below are the details of the weighted average cost of acquisition:

Transactions	Weighted average cost of acquisition (in ₹)
Weighted average cost of acquisition of primary issue of Equity Shares as per (C) above	Nil
Weighted average cost of acquisition of secondary transactions of Equity Shares as per (C) above	Nil



### Schedule 1

For reviewing the calculation of WACA and identification of underlying transactions as described in Annexure B (I) – (A), (B), (C) and (II), we have performed the following procedures:

- i. obtained the list of Promoters, members of the Promoter Group, and Shareholder(s) having the right to nominate director(s) as defined under SEBI ICDR Regulations from the management of the Company for the purpose of calculation of price per share;
- ii. compared the date of acquisition / sale / transfer; number of equity shares; and acquisition / issue cost per equity share in respect of each of these persons/entities, with the Register of members, minutes of the meetings of the board of directors of the Company , minutes of annual general meeting and extraordinary general meetings, relevant statutory registers including share allotment and share transfer registers, Form PAS-3 pursuant to Section 39(4) of the Companies Act, 2013, as amended, and Rule 12 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended along with extracts of relevant board and shareholder resolutions, Form SH-7 pursuant to Section 64(1) of the Companies Act, 2013, as amended and Rule 15 of the Companies (Share Capital and Debenture) Rules, 2014, relevant filings with the Reserve Bank of India, share transfer forms presented to us;
- iii. verified the details of primary issuance made by the Company relevant allotment forms, statutory registers of the Company filed with the Registrar of Companies;
- iv. reviewed the computation of weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity/ convertible securities), excluding shares issued under an employee stock option plan/employee stock purchase scheme and issuance of bonus shares, during the 18 months preceding the date of this certificate, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.
- v. reviewed the details of secondary acquisition / sale / transfer in respect of Promoters, members of the Promoter Group, and Shareholder(s) having the right to nominate director(s) from share transfer forms;
- vi. reviewed the computation of weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity/convertible securities), where promoters / promoter group entities or shareholder(s) having the right to nominate director(s) in company Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.
- vii. relied on the confirmation provided by Promoters, members of the Promoter Group and Shareholder(s) having the right to nominate director(s); and

