

**CERTIFICATE ON THE OBJECTS OF THE OFFER INCLUDING THE SOURCES AND
DEPLOYMENT OF FUNDS**

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/Madam,

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 that (i) the loans availed by the Company and proposed to repaid through the proceeds of the Offer were utilized by the Company for the purpose they were raised; and (ii) the proposed deployment of funds from the proceeds of the proposed Offer by the Company towards repayment / pre-payment of outstanding loan amount of the Company and its subsidiary i.e., Krystal Ingredients Private Limited.

We have been informed by management of the Company that the Company is in the process of filing a 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 the 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 Chapter II of the SEBI ICDR Regulations have been complied with.

The preparation of the enclosed **Annexure A & B** dealing with one of the objects of Offer 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 & 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 & 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. Reviewing Restated Consolidated Financial Statements for the Relevant Period.
- ii. Reviewing the Board Resolution dated August 11, 2025 pertaining to the objects of the Offer.
- iii. Reviewing of loan agreements, sanction letters approved by the banks/financial institutions, end use certificates and other letters and correspondence between the lenders and the Company.
- iv. Reviewing the documents pertaining to balance confirmations received by the Company from relevant lenders/banks and online screenshots of balance outstanding on the relevant bank portal, wherever available, as on June 30, 2025, as made available to us.
- v. Obtained written management representations from the Company.

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 certify that: -

- i. The details as mentioned in **Annexure A** have been accurately extracted from Board Resolution dated August 05, 2025;
- ii. The details as mentioned in **Annexure B** have been accurately extracted from loan agreements, sanction letters and the books and records of the Company and its subsidiaries; and



- iii. The loans availed by the Company and its subsidiary i.e., Krystal Ingredients Private Limited, as set out at **Annexure B** and proposed to be repaid through the Offer were utilized by the Company and its subsidiary i.e., Krystal Ingredients Private Limited for the purpose for which they were raised.

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 the Securities and Exchange Board of India ("SEBI"), 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 the 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.

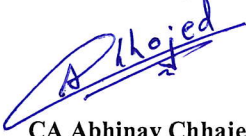
Yours faithfully,

For and on behalf of

CHHAJED & DOSHI

Chartered Accountants

ICAI Firm Registration No.: 101794W



CA Abhinav Chhajed

Partner

Membership No.: 196452

UDIN: 25196452BMNWBN4771

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 Managers

Economic Laws Practice

9th floor, Berger Tower

Sector 16B, Noida – 201301

Uttar Pradesh, India

ANNEXURE A

The Company proposes to deploy funds from the proceeds of the proposed Offer towards *inter alia* the following. As on the date of this certificate, the Company has not deployed any funds towards this Object of the Offer.

(in Rs. million)

Sr. No.	Particulars	Total Estimated Cost
1.	Prepayment and/or repayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company and our Subsidiary, Krystal Ingredients Private Limited; and	1,400.00
2.	General corporate purposes*	[•]
Net Proceeds*		[•]

* To be finalised upon determination of Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds from the Fresh Issue.



ANNEXURE B

Set out below are the certain loan details and utilization of outstanding borrowings of the Company, as of June 30, 2025, of which the Company proposes to repay or prepay an amount aggregating to 1,400.00 million in full or in part from the Offer:

Outstanding borrowings of the Company from financial institutions

Sr. No.	Name of the Lender	Date of Original Sanction letter	Date of Latest Sanction letter	Nature of loan	Purpose of the borrowing	As at June 30, 2025 (in Rs. million)		Rate of Interest / Commission	Tenor and repayment schedule	Prepayment terms / penalty	Whether loan is for Capital Expenditure
						Amount Sanctioned (in Rs. million)	Amount Outstanding (in Rs. million)				
1	HDFC BANK	April 28, 2022	August 29, 2024	Working Capital Loan	To meet Working Capital Requirements	400.00	307.25	REPO + Spread per annum presently 8.10% p.a.	365 days with annual roll over	NIL	No
2	AXIS BANK	July 26, 2017	September 27, 2024	Working Capital Loan	To meet Working Capital Requirements	660.00	470.13	REPO + 3.65% for CC & 7.84% for EPC & PSPC	365 days with annual roll over	NIL	No
3	CITI BANK	June 24, 2019	April 15, 2025	Working Capital Loan	To meet Working Capital Requirements	500.00	472.30	1 Month T Bill + 1.50 % p.a. presently 6.80% to 7.00% p.a.	365 days with annual roll over	NIL	No
4	ICICI BANK	August 17, 2023	October 28, 2024	Working Capital Loan	To meet Working Capital Requirements	200.00	192.44	REPO + 1.35% = 6.85% p.a.	365 days with annual roll over	NIL	No
5	DBS BANK	August 21, 2020	October 11, 2024	Working Capital Loan	To meet Working Capital Requirements	200.00	180.82	REPO + 2% = 7.50% p.a.	365 days with annual roll over	NIL	No
Total						1,960.00	1,622.94				

*Company primarily uses packing credit and post shipment credit which is a sub-limit of cash credit and has a tenure of 180 days.



Outstanding borrowings of Krystal Ingredients Private Limited (Subsidiary) from financial institution

Sr. No.	Name of the Lender	Date of Sanction Letter	Nature of loan	Purpose	As at June 30, 2025 (in Rs. million)		Rate of Interest / Commission	Tenor and repayment schedule	Prepayment terms / penalty	Whether loan is for Capital Expenditure
					Amount Sanctioned (in Rs. million)	Amount Outstanding (in Rs. million)				
1	AXIS BANK	September 14, 2023	Term Loan	Plant Setup	683.00	574.40 ⁽²⁾	Repo + 1.75% (presently 8.25% p.a.)	Repayable over a period of 80 months (including 11 months moratorium period).	NIL	Yes
2	AXIS BANK	January 24, 2025	Term Loan	Plant Setup	400.00	399.80	Repo + 1.75% (presently 8.25% p.a.)	Repayable over a period of 67 months (including 12 months moratorium period)	NIL	Yes
Total					1,083.00	974.20				

Notes:

- Sanctioned credit facilities with no outstanding balance as on June 30, 2025 have not been included.
- Repayment debited on July 01, 2025 has been considered as repaid for the outstanding balance reported as on June 30, 2025.

