

**STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS  
SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA**

**Date: July 15, 2025**

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”)

**Re: 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,

We, M/s Chhajed & Doshi, the statutory auditor of the Company, hereby report that the enclosed **Annexure B** is in connection with the possible special tax benefits available to (i) the Company and (ii) the shareholders of the Company, under applicable tax laws presently in force in India which are defined in **Annexure A**.

Several of these benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company and its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions prescribed under the relevant statutory provisions, which based on business imperatives the Company and its shareholders face in the future, the Company and its shareholders may or may not choose to fulfil.

The benefits discussed in the enclosed **Annexure B** cover only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company. Further, the benefits discussed in the enclosed **Annexure B** are not exhaustive. **Annexure B** is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

We do not express any opinion or provide any assurance as to whether:

1. The Company and /or its shareholders will continue to obtain these benefits in the future; or
2. The conditions prescribed for availing of the benefits have been/would be met with.
3. the revenue authorities/courts will concur with the views expressed herein.

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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.

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 hereby consent that this certificate either in part or full can be used in , and the Red Herring Prospectus (“RHP”) and the Prospectus (“Prospectus” and together with RHP, the “Offer Documents”) to be filed with the Registrar of Companies, Mumbai at Maharashtra (“RoC”) and submitted to the 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 BRLM in connection with the Offer, provided that the below statement of limitation is included in the Offer Documents.

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.

## LIMITATIONS

Our views expressed in the enclosed **Annexure B** are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the existing provisions of taxation laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the **Annexure B** is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the initial public offer relying on the statement and the **Annexure B**. This statement has been prepared solely in connection with the proposed initial public offering of equity shares of the Company under the ICDR Regulations.

Yours sincerely,

**CHHAJED & DOSHI**  
**Chartered Accountants**  
**ICAI Firm Registration No.: 101794W**

**CA Abhinav Chhajed**  
**Partner**  
**Membership No.: 196452**  
**UDIN: 25196452BMNVZP1474**

**Place: Mumbai**  
**Date: July 15, 2025**

**Cc:**  
**Legal Counsel to the Company**

**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**  
**LIST OF DIRECT AND INDIRECT LAWS**

<b>Sr. No</b>	<b>Details of Tax Laws</b>
<b>1</b>	<b>Income Tax Act, 1961 and Income-tax Rules, 1962 (read with applicable circulars and notifications) as amended by the Finance Act, 2025.</b>
<b>2</b>	<b>Central Goods and Services Tax Act, 2017 including the relevant rules, notifications and circulars issued thereunder</b>  <b>Integrated Goods and Services Tax Act, 2017 including the relevant rules, notifications and circulars issued thereunder</b>  <b>Applicable State/ Union Territory Goods and Services Tax Act, 2017 including the relevant rules, notifications and circulars issued there under</b>
<b>3</b>	<b>The Customs Act, 1962 and the Customs Tariff Act, 1975 including the relevant rules, notifications and circulars issued there under</b>
<b>4</b>	<b>The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023)</b>

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**ANNEXURE B**

**Statement of Tax Benefits**

**STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND THE SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS IN INDIA**

This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the SEBI ICDR Regulations. While the term '*special tax benefits*' has not been defined under the SEBI ICDR Regulations, for the purpose of this Statement, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in this Annexure. Any benefits under the taxation laws other than those specified in this Annexure are considered to be general tax benefits and therefore not covered within the ambit of this Statement. Further, any benefits available under any other laws within or outside India, except for those mentioned in this Annexure have not been reviewed and covered by this statement.

The statement outlined below is based on the provisions of the Taxation Laws relevant to the Financial Year 2025-26.

**INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS OF AN INVESTMENT AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THE SECURITIES, PARTICULARLY IN VIEW OF THE FACT THAT CERTAIN RECENTLY ENACTED LEGISLATION MAY NOT HAVE A DIRECT LEGAL PRECEDENT OR MAY HAVE A DIFFERENT INTERPRETATION ON THE BENEFITS, WHICH AN INVESTOR CAN AVAIL IN THEIR PARTICULAR SITUATION.**

**I. Possible Special Direct tax benefits available to the Company**

The information outlined below is based on the provisions of the Income-tax Act, 1961 ('the Act') presently in force in India as amended by the Finance Act, 2025.

**1. Lower corporate tax rate under section 115BAA of the Act:**

- The section 115BAA of the Act provides an option to a domestic company to pay corporate tax at a reduced rate of 22% (plus applicable surcharge and education cess).
- In case the Company opts for the concessional income tax rate as prescribed under section 115BAA of the Act, it will not be allowed to claim any of the following deductions/ exemptions:
  - Deduction under the provisions of section 10AA of the Act (deduction for units in Special Economic Zone).
  - Deduction under clause (iia) of sub-section (1) of section 32 of the Act (Additional depreciation).
  - Deduction under section 32AD or section 33AB or section 33ABA of the Act (Investment allowance in backward areas, Investment deposit account, site restoration fund).
  - Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 of the Act (Expenditure on scientific research).
  - Deduction under section 35AD or section 35CCC of the Act (Deduction for specified business, agricultural extension project).

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- Deduction under section 35CCD of the Act (Expenditure on skill development).
- Deduction under any provisions of Chapter VI-A other than the deductions under section 80JJAA of the Act (Deduction in respect of employment of new employees) and section 80M of the Act (Deduction in respect of certain inter-corporate dividends).
- No set-off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above.
- No set-off of any loss or allowance for unabsorbed depreciation deemed so under section 72A of the Act, if such loss or depreciation is attributable to any of the deductions referred to in clause.
- The provisions of section 115JB of the Act regarding Minimum Alternate Tax (MAT) are not applicable if the Company opts for the concessional income tax rate as prescribed under section 115BAA of the Act. Further, the Company will not be entitled to claim tax credit relating to MAT.
- The option needs to be exercised for a particular financial year (FY) in the prescribed manner on or before the due date of filing the income-tax return. The option once exercised, shall apply to subsequent FY's and cannot be subsequently withdrawn for the same or any other financial year. If the conditions mentioned in section 115BAA of the Act are not satisfied in any FY, the option exercised shall become invalid in respect of such FY and subsequent FY's, and the other provisions of the Act shall apply as if the option under section 115BAA of the Act had not been exercised.

The Company has opted for the concessional rate of tax in the return of income filed for the previous year ended March 31, 2021 relevant to the assessment year 2021-22 and onwards.

## **2. Deductions from Gross Total Income**

### **Deduction in respect of employment of new employees - section 80JJAA of the Act:**

The Company is entitled to claim a deduction of an amount equal to thirty per cent of additional employee cost incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided under section 80JJAA of the Act, subject to the fulfilment of prescribed conditions therein.

### **Deduction in respect of inter-corporate dividends - section 80M of the Act:**

Section 80M of the Act inter-alia provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, then such domestic company (subject to the provisions of this section) be allowed in computing the total income, a deduction of an amount equal to dividend received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date.

The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.

## **II. Possible Special Indirect tax benefits available to the Company**

The information outlined below is based on Indirect tax regulations as amended from time to time and applicable for the financial year 2025-26.

**1. Benefits under the Central Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 and The Union Territory Goods and Services Tax Act, 2017 (read with relevant rules prescribed thereunder)**

- i. Under the Goods and Services Tax ("GST") regime, all supplies of goods and services which qualify as exports are classified as Zero-rated supplies. Zero rated supplies are eligible for claim of GST refund under any of the two mechanisms, at the option of the Company.  
The Company can either effect zero-rated supplies under Bond/ Letter of Undertaking (LUT) without payment of GST and claim refund of accumulated Input Tax Credit or effect zero-rated supplies on payment of Integrated Goods and Services Tax and claim refund of the tax paid thereof as per provisions of section 54 of Central Goods and Services Tax Act, 2017. Thus, the option of claiming refund of GST on zero rated supplies is available to the Company.
- ii. The rate of Goods and Services Tax has been reduced on all supplies with effect from with effect from 23-10-2017 by virtue of Notification 41/2017 of Integrated Tax (Rate) ("Notification") on supply of taxable goods by a registered supplier to a registered recipient of export ("Merchant Exporter"). The rate shall be charged on such supply at the rate of 0.1% of IGST and if intra state supply rate shall be 0.05% of CGST and SGST each subject to fulfilment of conditions stated in the Notification. Thus, the option of supply of goods to Merchant Exporter at concessional rate is available to the Company.

**2. Benefits under Customs Act, 1962 in conjunction with the Customs and Central Excise Duties Drawback Rules, 2017 ("Duty Drawback Rules") and Customs Tariff Act, 1975**

Duty Drawback is a scheme administered by Central Board of Indirect Taxes & Customs ("CBIC") to promote exports by providing rebates on the incidence of Customs duties, chargeable on imported material that are used as inputs for goods to be exported.

This scheme ensures that exports are zero-rated and do not carry the burden of taxes. The product exported is eligible for rebate at a percentage mentioned in duty drawback schedule. Exporters can avail of duty drawback only if they meet the procedural requirements outlined in the Duty Drawback Rules, unless exceptions are granted.

The duty drawback rates may be expressed as percentage of free on board ("FOB") value or fixed rate on value or rate per unit quantity of export goods (weight/volume basis).

**3. Benefits under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023)**

**Remission of duties and taxes on Exported Products (RoDTEP)**

Remission of duties and taxes on Exported Products (RoDTEP) scheme incentives are given at a specified rate on the free on board value of the exported goods. The incentives awarded to exporters are issued in the form of duty credit/electronic scrip. These duty credit scrips are freely transferable and can be used for the payment of Custom Duty. The Company is entitled to avail the benefits of remission of duties, taxes and other levies at the Central, State and local level which are borne on the exported goods manufactured in India under RoDTEP scheme.

**III. Special Direct tax benefits available to the Shareholders**

1. Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under section 80M of the Act (as discussed above) would be available on fulfilling the conditions.

2. Further, in case of shareholders who are individuals, hindu undivided family, association of persons, body of individuals, whether incorporated or not and every artificial juridical person, surcharge would be restricted to 15%, irrespective of the amount of dividend.
3. As per section 112A of the Act, long-term capital gains arising from transfer of an equity share shall be taxed at 12.5% plus applicable surcharge and cess (without benefit of indexation) of such capital gains subject to fulfilment of prescribed conditions under the Act as well as per Notification No. 60/2018/F. No.370142/9/2017-TPL dated 1 October 2018. It is worthwhile to note that tax shall be levied where such capital gains exceed Rs. 1,25,000. Further, in respect of non-resident shareholder foreign exchange rate fluctuation as per first proviso to section 48 of the Act shall not be available if capital gains are taxable under section 112 or 112A of the Act.
4. As per section 111A of the Act, short term capital gains arising from transfer of an equity share shall be taxed at 20% plus applicable surcharge and cess subject to fulfilment of prescribed conditions under the Act.
5. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

Except the above and apart from the tax benefits available to each class of shareholders as such, there are no special tax benefits for the shareholders.

#### **IV. Special Indirect tax benefits available to the Shareholders**

There are no special indirect tax benefits available to the shareholders of the Company.

#### **Notes:**

- i. The above statement does not incorporate any provisions introduced or amended by the Finance Bill, 2025 and the proposed new Income Tax Act as it has not yet received legislative approval.
- ii. The above Statement of Tax benefits sets out the special tax benefits available to the Company and its shareholders under the tax laws mentioned above.
- iii. The above Statement covers only above-mentioned tax laws benefits and does not cover any general tax benefits under any other law.
- iv. This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- v. This statement does not discuss any tax consequences under any law for the time being in force, as applicable of any country outside India. The shareholders / investors are advised to consult their own professional advisors regarding possible tax consequences that apply to them in any country other than India.
- vi. The above Statement of possible special tax benefits sets out the provisions of Indian tax laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.