

Incorporated in October 1997, Gem Aromatics Ltd. is manufacturer of specialty ingredients including, essential oils, aroma chemicals and Value Added Derivatives in India with a track record of over two decades. The company is led by an experienced management team, including Promoters Vipul Parekh, Kaksha Vipul Parekh, and Yash Vipul Parekh.

Business Overview :

- The company offer a diversified portfolio of products, ranging from the Mother Ingredients to its various Value-Added Derivatives.
- The company offers seventy products, categorized into four distinct groups, which include:
 - Mint and its derivatives (69.12% of FY2025 revenue)
 - Clove and its derivatives (18.9% of FY2025 revenue)
 - Phenol (2.8% of FY2025 revenue)
 - Other synthetic and natural ingredients (7.39% of FY2025 revenue)
- Company's products find application across a broad spectrum of industries, such as, oral care, cosmetics, nutraceuticals, pharmaceuticals, wellness and pain management and personal care.
- Gem Aromatics operate three manufacturing facilities located in Budaun, Uttar Pradesh ("Budaun Facility"), Silvassa, Dadra and Nagar Haveli and Daman and Diu ("Silvassa Facility") and Dahej, Gujarat (Dahej Facility", and together with the Budaun Facility and Silvassa Facility, the "Manufacturing Facilities").
- The company is one of India's leading manufacturers of essential oils and value-added derivatives, specializing in products derived from mint and clove oils, based on both value and volume. Its strong track record, diverse product portfolio, and brand recognition have helped establish leadership positions in essential oil-based products such as mint, clove, and eucalyptus oils. (Source: F&S Report)
- The largest segments in the essential oil category—orange oil, mint oil, clove oil, and eucalyptus oil—reflect key high-demand markets, with Gem Aromatics actively operating in three of these four major categories.
- During FY 2025 in India, it was one of the largest procurers of Piperita oil, and one of the largest processors of DMO, Clove oil, Eugenol and Eucalyptus Oil in terms of volume manufactured. (Source: F&S Report)
- As on FY 2025, company's share of DMO and Eugenol in India was 12% and 65%, respectively, in terms of volume manufactured. (Source: F&S Report)
- Company's in-house manufacturing and R&D capabilities have driven its strong track record of product innovation and consistent quality. With over two decades of experience, it has developed expertise in advanced organic synthesis, applying complex chemistries such as Grignard reactions, amide coupling, Friedel-Crafts, cross-coupling, photochemical reactions, and methoxylation using green chemistry. Additionally, its advanced capabilities include high-pressure reactions, continuous processes, fixed-bed systems, and process automation.
- The company has established long standing relationships with several domestic and global corporate customers such as Colgate-Palmolive (India) Limited, Dabur India Limited, Patanjali Ayurved Limited, SH Kelkar and Company Limited, Rossari Biotech Limited, Symrise Private Limited, dōTERRA, Ventos So Brasil Eireli and Anhui Hautian Spices Co. Ltd. as well as several domestic and global merchant traders.
- In Fiscal 2025, company supplied its products to 225 customers domestically and 44 customers cumulatively across 18 foreign countries globally, covering geographies including the Americas, Asia, Africa and Australia.

NSE SYMBOL	GEMAROMA
SECTOR	CHEMICALS
ISSUE SIZE	Rs. 451.25 Crs
PRICE BAND	Rs. 309 - 325
LOT SIZE (Nos.)	46
FACE VALUE	Rs. 2.00
MARKET CAP	Rs. 1697.71 Crs
RATING	NEUTRAL

TENTATIVE DATES

ISSUE OPEN	19TH AUG 2025
ISSUE CLOSE	21ST AUG 2025
ALLOTMENT	22ND AUG 2025
INITIATION OF REFUNDS	25TH AUG 2025
CREDIT OF SHARES	25TH AUG 2025
LISTING	26TH AUG 2025

- The company sells products directly to customers on a business-to-business basis, with export sales through methods including (i) direct sales, (ii) sales via its subsidiary, Gem Aromatics LLC, in the USA, and (iii) sales through third-party agencies.
- As of Mar 31, 2025, the company had an in-house R&D team of 13 scientists who pivotally implemented state-of-the-art technology that advanced its formulations in Value-Added Derivatives.
- Sourcing quality raw materials is a critical aspect of the business operations. Its raw materials include piperita, arvensis, crude DMO, menthol, clove oil, eugenol, eucalyptus oil, eucalyptol, spearmint oil and basil oil. Most of them are sourced domestically and some are sourced from Madagascar, Indonesia, China, Rawanda and Uganda. Some of the raw materials used in production processes are natural resources and therefore it is subject to the seasonality
- Between Fiscal 2023 and Fiscal 2025, its revenue from operations has grown at a CAGR of 8.9% from Rs. 424.79 Crs in FY 2023 to Rs. 503.95 Crs in FY 2025. PAT grew at a CAGR of 9.3% from Rs. 44.67 Crs in FY 2023 to Rs. 53.38 Crs in FY 2025.

(Source— RHP)

STRENGTHS

- A reputable manufacturer of specialty ingredients in India, encompassing essential oils, aroma chemicals, and value-added derivatives.
- Wide product range with continuous product development and R&D capabilities.
- Long-standing relationship with well-established customers in India and globally.
- Strategically located Manufacturing Facilities with a focus on sustainability.
- Experienced Promoters and management team.

(Source— RHP)

OBJECTS OF THE OFFER

- **The Offer for Sale** - Company will not receive any proceeds from the Offer for Sale of shares of Rs. 276.25 crores. The Selling Shareholders will be entitled to their respective portion of the proceeds of the Offer for Sale.
- **Fresh Issue** - The Company will also raise up to Rs. 175.00 crores by offering fresh shares. Company proposes to utilise the Net Proceeds from the Fresh Issue towards funding the following objects:
 - Prepayment and/or repayment, in full or in part, of all or a portion of certain outstanding borrowings availed by the company and its Subsidiary, Krystal Ingredients Pvt Ltd.
 - General corporate purposes.

PEER COMPARISON

	Face Value (Rs.)	CMP In Rs. (18-08-2025)	TTM EPS (Rs.)	BV per share (Rs.)	P/E (X)	P/BV (X)	M. Cap / Sales
Clean Science & Tech	1.00	1163.00	25.27	133.29	46.0	8.7	12.6
Privi Speciality Chemicals	10.00	2460.00	55.69	282.48	44.2	8.7	4.4
Camlin Fine Science	1.00	206.00	3.23	47.81	63.8	4.3	2.3
Yasho industries	10.00	1713.00	9.14	348.85	187.4	4.9	3.0
SH Kelkar & Co	10.00	214.95	9.44	91.89	22.8	2.3	1.3
Oriental Aromatics	5.00	325.75	7.09	197.00	45.9	1.7	1.2
Gem Aromatics	2.00	325.00	10.22	458.98	31.8	0.7	3.4

(**On upper price band & on enhanced equity)

RISKS

- In FY 2025, 56.06% of company's revenue came from its top 10 customers, making them vulnerable to their loss.
- Company's revenue heavily relies on dōTERRA Global Limited who is the top customer of the company, and losing this key customer after 2028 could significantly impact its business.
- Mint and mint derivatives accounted for over 69% of company's revenue in FY 2023-25, making them vulnerable to demand declines in this category.
- Ongoing Supreme Court litigation over its Budaun Facility land could negatively impact its business and finances.
- A Promoter Group entity, Gopinath Dairy Products Pvt Ltd, is under liquidation, with key members identified as wilful defaulters, limiting available disclosure.

(Source— RHP)

PROFIT & LOSS A/C
(In Rs. Crore.)

PARTICULARS	FY 2023	FY 2024	FY 2025
Revenue from operations	424.79	452.45	503.95
Other income	0.30	1.77	1.69
Total Income	425.09	454.23	505.64
Cost of materials consumed	316.51	344.42	364.14
Changes in inventories	0.87	-3.27	11.80
Employee benefits expense	10.81	11.13	12.83
Finance costs	5.64	6.27	8.08
Depreciation and amortization expense	4.76	6.26	7.34
Other expenses	30.42	21.81	26.73
Total Expenses	369.00	386.63	430.93
Profit before tax	56.09	67.59	74.72
Current tax	12.18	18.48	21.45
Deferred tax	-0.76	-0.44	-0.69
Tax relating to prior years	0.00	-0.54	0.58
Total Tax expense	11.42	17.49	21.33
Profit for the year	44.67	50.10	53.38

BALANCE SHEET
(In Rs. Crore.)

PARTICULARS	FY 2023	FY 2024	FY 2025
ASSETS			
Property, plant and equipment	26.33	40.28	43.34
Right-of-use assets	9.41	9.26	11.01
Capital work in progress	10.87	30.36	125.50
Other non-current assets	4.79	8.21	11.88
Total Non-current assets	51.39	88.10	191.73
Inventories	142.51	174.48	166.12
Trade receivables	79.64	45.33	140.99
Cash and cash equivalents	10.57	16.36	2.15
Loans	0.14	0.03	0.10
Other current assets	11.52	44.26	33.42
Total Current assets	244.37	280.46	342.79
Total Assets	295.76	368.57	534.52
EQUITY AND LIABILITIES			
Equity share capital	1.79	9.37	9.37
Other equity	177.75	221.18	274.61
Total Equity	179.53	230.55	283.98
Borrowings	0.28	23.99	68.68
Lease liabilities	0.49	0.29	2.07
Total Non-current liabilities	0.78	24.28	70.75
Borrowings	89.08	87.13	153.69
Lease liabilities	0.35	0.49	0.41
Trade payables	21.14	18.91	23.23
Other current liabilities	4.89	7.21	2.46
Total Current liabilities	115.46	113.74	179.79
Total Equity and Liabilities	295.76	368.57	534.52

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