



**GEM AROMATICS
LIMITED**



GEM AROMATICS LTD



Price Band

₹309 to ₹325

Issue Opens

August 19, 2025 to August 21, 2025

Face Value

₹2

Issue Size

₹451.25 Cr

Lot Size

46 Shares

Listing At

NSE, BSE

Gem Aromatics Ltd IPO Info

Issue Size

1,38,84,615 shares / ₹451.25 Cr

Fresh Issue

53,84,615 shares / ₹175.00 Cr

Offer for Sale

85,00,000 shares of ₹2 / ₹276.25 Cr

Retail Quota

Min. 35% of the Issue Size

Retail Min/Max

Rs.14,688 / 1,90,944

Gem Aromatics Ltd IPO Timeline

Tentative Allotment

Fri, Aug 22, 2025

Initiation of Refunds

Mon, Aug 25, 2025

Credit of Shares to Demat

Mon, Aug 25, 2025

Gem Aromatics Ltd. Listing Day

Tue, Aug 26, 2025

Objects of The Offer



Gem Aromatics Limited's IPO comprises a Fresh Issue and an Offer for Sale, with the following objectives:

- **Repayment and/or Pre-payment of Borrowings:** An estimated ₹1,400.00 million from the Net Proceeds of the Fresh Issue will be utilised to partially or fully prepay and/or repay certain outstanding borrowings availed by the company and its subsidiary, Krystal Ingredients Private Limited. These borrowings include term loans and working capital facilities from banks such as HDFC Bank, ICICI Bank, and Axis Bank. The specific loans to be repaid will be selected based on factors like interest rates, onerous terms, operational convenience, and prepayment penalties. The company expects that this repayment will improve its ability to raise resources in the future.
- **General Corporate Purposes:** The balance of the Net Proceeds will be allocated for general corporate purposes, with the utilisation capped at 25% of the Gross Proceeds of the Fresh Issue. The final amount will be determined post Offer Price finalisation.

About The Company and Business Overview

Gem Aromatics Limited is a well-established manufacturer of specialty ingredients in India, with a history spanning over two decades. The company specialises in essential oils, aroma chemicals, and value-added derivatives, offering a diversified product portfolio that serves a wide range of industries, including oral care, cosmetics, nutraceuticals, pharmaceuticals, wellness, pain management, and personal care.

Its offerings span 70 products across four main categories – mint and mint derivatives, clove and clove derivatives, phenol, and other synthetic and natural ingredients such as eucalyptus, eucalyptol, and lemongrass. Mint and mint derivatives form the largest revenue contributor, accounting for over two-thirds of total revenue in recent fiscals, with Gem Aromatics emerging as one of India's largest producers of mint oil and a leading processor of DMO (Dementholized Mint Oil). The company also holds strong market positions in clove derivatives and eucalyptus oil, with market shares of 65% in eugenol and over 58% in eucalyptus oil production in India.



Gem Aromatics has three strategically located manufacturing facilities – in Budaun (Uttar Pradesh), Silvassa (Dadra and Nagar Haveli and Daman and Diu), and Dahej (Gujarat, operated via subsidiary Krystal Ingredients Private Limited) – with a combined installed capacity of 5,346 MTPA as of March 31, 2025. These facilities are complemented by an in-house R&D centre in Maharashtra, staffed with 13 scientists and equipped with a synthetic research lab and pilot plant, enabling the development of green, sustainable manufacturing processes.

The company operates primarily through a B2B model, maintaining long-standing relationships with leading domestic and global brands such as Colgate-Palmolive, Dabur India, Patanjali Ayurved, SH Kelkar, Rossari Biotech, Symrise, dōTERRA, and Ventos. Exports form a significant part of its revenue, with a presence in 22 countries, including the USA, Singapore, China, and Brazil, supported by its US-based subsidiary, Gem Aromatics LLC, which acts as a limited-risk distributor for last-mile delivery.

Led by promoters Vipul Parekh and Kaksha Vipul Parekh, along with Director Yash Vipul Parekh, Gem Aromatics has steadily expanded its product range, customer base, and geographical reach since its inception in 1997. With leadership positions in multiple product segments, vertically integrated operations, and a broad export footprint, the company is positioned as a prominent player in India's essential oils and specialty ingredients market.



Brief profile of the Directors

- **Vipul Parekh** is the Whole-Time Director and Chairman and one of the Promoters of the Company. He has been associated with the Company since its incorporation. He has completed his higher secondary education.* Currently, he is also a director on the board of our Subsidiary, Krystal Ingredients Private Limited. He is responsible for project execution, capital expenditure and human resources.
- **Kaksha Vipul Parekh** is the Whole-Time Director and Chief Financial Officer and one of the Promoters of the Company. She has been associated with the Company since its incorporation. She has completed her higher secondary education from the Maharashtra State Board of Secondary and Higher Secondary Education. She is responsible for managing accounts, finance, legal, compliance, export-import and logistics functions of the Company.
- **Yash Vipul Parekh** is our Managing Director and Chief Executive Officer and one of the Promoters of the Company. He holds a bachelor's degree in science, business administration from the State University of New York at Buffalo. He also holds a diploma of International Baccalaureate Organisation from The International School of Bangalore. He has been associated with the Company since April 29, 2011. He is responsible for sales and marketing, procurement, research and development and information technology functions of the Company.
- **Ajay Sahai** is an Independent Director. He holds a bachelor's degree in arts and a master's degree in arts from the University of Allahabad. He also holds a degree of Doctor of Philosophy in Business Management from Amity University, Uttar Pradesh. He has been associated with the Company since September 21, 2023.
- **Shrenik Kishorbhai Vora** is an Independent Director. He holds a bachelor's degree in commerce from University of Bombay. He also holds a certificate of membership from the Institute of Chartered Accountants of India. He has been associated with the Company since September 21, 2023.
- **Vishakha Hari Bhagvat** is an Independent Director. She holds a bachelor's degree in commerce from R.A. Podar College of Commerce and Economics, University of Bombay. She also holds a bachelor's degree in law and a master's degree in laws from the New Law College, University of Bombay. She has been associated with the Company since November 7, 2023.
- **Parag Ratnakar Gogate** is an Independent Director. He holds a bachelor's degree in chemical engineering and master's degree in chemical engineering from the University Department of Chemical Technology, University of Mumbai. A degree of doctor of philosophy (technology) in chemical engineering has been conferred on him from the Institute of Chemical Technology, University of Mumbai. He has been associated with the Company since September 21, 2023.
- **Shubhangi Bhalchandra Umbarkar** is an Independent Director. She holds a master's degree in science (chemistry) and a degree of doctor of philosophy has been conferred on her from Indian Institute of Technology, Bombay. She has been associated with the Company since December 17, 2023.

Financial Ratios

Financial Ratios	ROCE	ROE	P/E	INDUSTRY P/E	EV/EBITDA
Gem Aromatics Limited	16.02	18.80	28.53	112.41	NA
Camlin Fine Sciences Limited	11.00	(15.00)	NA	112.41	20.30
Yasho Industries Limited	7.35	1.71	172.00	112.41	20.60
S H Kelkar and Company Limited	10.30	7.68	23.60	112.41	12.20
Oriental Aromatics Limited	7.89	5.31	46.50	112.41	15.90
Clean Science and Technology Limited	29.20	21.90	42.40	112.41	28.50
Privi Speciality Chemicals Limited	16.40	18.10	45.00	112.41	20.40

Source : RHP



Strengths

- **Established Manufacturer & Market Leadership** – Over two decades of experience in specialty ingredients, with leadership positions in key products like Eugenol (65% market share) and Dementholized Mint Oil (12% market share). Holds over 58% share in India's highly consolidated eucalyptus oil market.
- **Diverse Product Portfolio** – 70 products spanning essential oils, aroma chemicals, and value-added derivatives, catering to industries like oral care, cosmetics, nutraceuticals, pharmaceuticals, wellness, and personal care.
- **Robust R&D Capabilities** – In-house R&D facility with 13 scientists, focusing on new formulations, process improvements, and sustainable manufacturing. Developed green processes like zero-discharge anisole production and advanced forward integration techniques.
- **Strong Customer Relationships** – Long-standing ties with leading domestic and global clients such as Colgate, Dabur, Patanjali, and dōTERRA. Supplies to 225 domestic and 44 international customers across 18 countries.
- **Strategically Located Facilities** – Three manufacturing units in Budaun, Silvassa, and Dahej with a combined capacity of 5,346 MTPA, strategically positioned for raw material sourcing and export logistics.
- **Quality & Compliance** – Multiple quality certifications (ISO, FSSC 22000, GMP, Kosher, Halal) ensuring compliance with global standards.
- **Experienced Leadership** – Led by promoters with decades of industry experience and supported by a professional management team with expertise in finance, law, and chemical engineering.

Key Risk Factors

- **High Revenue Concentration** – 56.06% of revenue in FY25 came from top 10 customers; loss of key clients like Colgate, dōTERRA, or Ventos could significantly impact sales.
- **Product Concentration Risk** – Nearly 70% of revenue comes from mint and mint derivatives; demand reduction or regulatory changes could hurt performance.
- **No Long-Term Contracts** – Absence of firm agreements with suppliers and customers limits demand visibility and production planning.
- **Subsidiary Losses** – Krystal Ingredients Pvt. Ltd. has posted losses and negative net worth; underperformance could drain resources.
- **Foreign Market Exposure** – ~50% of revenue from exports exposes the company to currency, regulatory, and geopolitical risks.
- **Geographical Raw Material Dependence** – Heavy reliance on UP and Haryana for mint raw materials; supply disruptions could affect operations.
- **Negative Operating Cash Flows** – ₹ -249.16 million in FY25; persistent cash outflows may hinder growth.
- **High Debt & Covenants** – Borrowings of ₹ 2,598.42 million with restrictive covenants; non-compliance could limit financial flexibility.
- **Seasonality in Operations** – Lower utilisation between April-July affects quarterly performance consistency.
- **Raw Material Shortage Risk** – Natural resource dependency (mint, clove, lemongrass) makes operations vulnerable to seasonal and availability risks.

Statement of Profit and Loss



[All amounts are in Indian Rupees millions, unless otherwise stated]

Particulars	FY25	FY24	FY23
INCOME			
Revenue from operations	5,039.53	4,524.52	4,247.93
Other income	16.87	17.73	3.00
Total Income	5,056.40	4,542.25	4,250.93
EXPENSES			
Cost of materials consumed	3,641.44	3,444.24	3,165.12
Changes in inventories of FG & WIP	118.01	(32.68)	8.71
Employee benefits expense	128.27	111.34	108.07
Finance costs	80.82	62.70	56.40
Depreciation and amortization expense	73.42	62.63	47.57
Other expenses	267.29	218.08	304.17
Total Expenses	4,309.25	3,866.31	3,690.04
Profit before tax (PBT)	747.15	675.94	560.89
Tax expense			
Current tax	214.46	184.77	121.75
Deferred tax	(6.91)	(4.44)	(7.58)
Tax relating to prior years	5.76	(5.43)	-
Total tax expense	213.31	174.90	114.17
Profit for the year (PAT)	533.84	501.04	446.72
Other comprehensive income/(loss)			
Items reclassified to P/L	0.62	8.70	(33.11)
Remeasurement of employee benefit	(0.17)	0.58	0.15
Tax effect on above	0.04	(0.15)	(0.04)
Total OCI	0.49	9.13	(33.00)
Total Comprehensive Income	534.33	510.17	413.72
EPS (₹, Face Value ₹ 2)			
Basic EPS	11.39	10.69	9.53
Diluted EPS	11.39	10.69	9.53

Valuation and Outlook



Gem Aromatics Ltd. IPO is expected to be priced between **₹309 to ₹325** per share. At this price, the company is valued at a Price-to-Earnings (P/E) ratio of **28.53x** due to its continued losses whereas the industry average is **112.41x**

Name of the Company	Face Value (₹per share)	Closing Price on July 13, 2025 (₹)	Total Revenue (₹ Mn)	EPS Basic	EPS Diluted	Return on Net Worth (%)	NAV (₹ per share)	P/E
Gem Aromatics Limited	2.00	NA	5,039.53	11.39	11.39	18.80	60.61	NA
Camlin Fine Sciences Limited	1.00	202.00	16,665.27	(8.03)	(7.95)	(16.01)	46.23	NA
Yasho Industries Limited	10.00	1,744.00	6,685.00	5.32	5.32	1.46	348.09	374.92
S H Kelkar and Company Limited	10.00	222.00	21,234.00	5.40	5.40	5.83	90.66	42.33
Oriental Aromatics Limited	5.00	327.00	9,282.56	10.20	10.20	5.20	196.20	36.97
Clean Science and Technology	1.00	1,186.00	9,666.44	24.88	24.88	18.67	133.29	57.33
Privi Speciality Chemicals Limited	10.00	2,426.00	21,011.91	47.87	47.87	16.95	282.47	45.00

Gem Aromatics Limited enters the capital markets with a strong market position in mint, clove, and eucalyptus-based specialty ingredients, backed by leadership in several niche categories and long-standing relationships with marquee FMCG clients. Its diversified product portfolio, strategic manufacturing locations, and export footprint to 22+ countries provide both revenue stability and growth potential. However, the business remains highly dependent on mint derivatives and a concentrated customer base, posing revenue concentration risks.

Financially, the company has maintained steady revenue growth, but margins are vulnerable to commodity price volatility, raw material seasonality, and competitive pricing pressure. The repayment of debt from IPO proceeds is expected to strengthen the balance sheet, reduce finance costs, and improve return ratios over the medium term. Capacity expansion, R&D-led product diversification, and deeper penetration in high-margin international markets could drive earnings growth, provided execution risks are managed effectively. Overall, while the company has a solid operational foundation and sectoral tailwinds in the personal care and wellness segments, sustained profitability improvement and working capital efficiency will be key determinants of long-term shareholder value.

"Call us on 8448899576" to find out whether or not you should apply.

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