



Gem Aromatics Limited

(Formerly Known as Gem Aromatics Pvt. Ltd.)

Manufacturer & Exporters of Essential Oils & Aromatics Chemicals

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Date: November 20, 2025

To,
Listing / Compliance Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

To,
Listing / Compliance Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E), Mumbai – 400 051

BSE CODE: 544491

NSE SYMBOL: GEMAROMA

Dear Sir/ Madam,

Subject: Transcript of Conference Call for Investor and Analysts

Pursuant to Regulation 30 and Para A of Part A of Schedule III and Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the conference call for investors and analysts on the Q2 & H1 FY26 results held virtually by the Company on Friday, November 14, 2025, at 04:00 P.M. IST.

This intimation is also being uploaded on the Company's website at www.gemaromatics.in

You are requested to take the same on your record.

Thanking you,

Yours faithfully,

For Gem Aromatics Limited

Yash Parekh
Managing Director & CEO
DIN: 03514313

Encl: As Above



“GEM Aromatics Limited Q2 FY '26 Earnings Conference Call”

November 14, 2025



MANAGEMENT: **MR. YASH PAREKH – MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER, GEM AROMATICS
LIMITED**
**MS. KAKSHA PAREKH – WHOLE-TIME DIRECTOR,
CHAIRPERSON AND CHIEF FINANCIAL OFFICER, GEM
AROMATICS LIMITED**
**MR. SURAJ SHAH – DEPUTY CHIEF FINANCIAL
OFFICER, GEM AROMATICS LIMITED**
**MR. AADIT SHAH – CEO’S OFFICE, GEM AROMATICS
LIMITED**

MODERATOR: **MR. AKHILESH GANDHI, STELLAR INVESTOR
RELATIONS**

Moderator: Ladies and gentlemen, good day and welcome to the Q2 FY '26 Conference Call hosted by GEM Aromatics Limited.

As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during this conference, please signal for an operator by pressing *, and then 0 on your touch-tone telephones.

I now hand the conference over to Mr. Akhilesh Gandhi from Stellar IR. Thank you and over to you, Mr. Gandhi.

Akhilesh Gandhi: Thank you. Good afternoon, everyone. Hi, Akhilesh Gandhi, on behalf of Stellar Investor Relations, welcome you all to the GEM Aromatics Quarter 2 and H1 FY '26 Earnings Conference Call. We shall be sharing the key Operating and Financial Highlights for the 2nd Quarter and the half-year ended on September 30, 2025.

Today, we have with us the senior management team of GEM Aromatics Limited, Mr. Yash Parekh, he is the Managing Director and CEO; then, Kaksha Parekh, she is the Whole-Time Director and Chairperson and also CFO. Along with them, we also have Suraj Shah, he is the deputy CFO and Aadit Shah, he is from CEO's office.

Before we begin, I would like to state that this call may contain some of the forward-looking statements which are completely based upon company's belief, opinion and expectations as of today. The statements made in today's call are not a guarantee of future performance and also involve unforeseen risks and uncertainties. The company also undertakes no obligation to update any forward-looking statements to reflect developments that occur after the statement is made.

Document relating to the company's financial performance, including investor presentations and press release have already been uploaded on the stock exchange.

I now invite Mr. Yash Parekh to share his initial remarks on the company's performance for the 2nd Quarter and half-year ended on September 30, 2025. Thank you and over to you, sir.

Yash Parekh: Thank you. Good afternoon, everyone, and thank you for joining us today. On behalf of GEM Aromatics, I extend a warm welcome to all our investors, analysts and stakeholders in this call.

Before I begin, I would like to express our sincere appreciation to our investors, customers, partners and employees for the trust and support they continue to place in GEM Aromatics. The confidence motivates us as we enter this new phase of growth. This is a special moment for us as it marks our first call following our listing on the NSE and BSE on August 26. Going public represents a significant milestone in our 27-year journey. The IPO was undertaken to strengthen our balance sheet for partial repayment of borrowings and to support our long-term growth plan.

GEM Aromatics was established in 1997 and over the years, we have transformed from a single product, single facility and single customer setup into a leading specialty ingredient company. We have built a strong foundation in chemistry, manufacturing and customer trust, enabling us to serve global Flavor, Fragrance, Wellness and Personal Care industries. Today, we are well-established manufacturers of specialty ingredients, essential oils, aroma chemicals and value added derivatives. Our portfolio has expanded into an integrated range of mother ingredients, intermediates and forward integrated derivatives. We now offer our 70 products at GEM Aromatics. Our wholly owned subsidiary, Krystal Ingredients, which began its Phase-I of production for Clove vertical in March 2024. Our Phase-II, which will drive the next leg of growth, is expected to commence on November 30th. All the approvals are in place. The chemistry set primarily includes the Phenol Derivatives, Cooling Agents and Citral derivatives. These products are used across a diverse set of applications, such as Oral Care, Cosmetics, Nutraceuticals, Pharmaceuticals, Home and Personal Care, Wellness, Aroma Therapy and several specialized industrial users.

Our in-house research and development center plays a central role in supporting innovation and long-term growth. The center is led by a team of 13 scientists who focus upon developing new molecules, improving yields and advancing green chemistry processes. Through innovations such as vapor-phase technology and proprietary catalyst, we continue to enhance product quality, process sustainability and operational efficiency. Our manufacturing capabilities form the backbone of our business. We currently operate 3 strategically located facilities in Silvassa, Buduan and Dahej with a combined installed capacity of 5,346 metric tons per annum and are further adding 10,829 metric tons of new capacity at Krystal and will take our total capacity to more than 16,000 metric tons per annum. These plants are equipped with continuous reaction systems, high vacuum-fragile distillation columns, high-pressure reactors and advanced process automation, which enable us to manage complex chemistries efficiently and at scale.

The Phase-II of our new plant at Dahej will be commissioned by the end of November with an additional capacity, as mentioned earlier, at 10,829. This facility is an important milestone for the company. It will house India's largest Cooling Agent's unit capacity of over 500 metric tons per annum, along with dedicated lines of Phenol derivatives and Citral derivatives. I would also like to highlight that our Phenol derivatives unit has been built on the next generation technologies, which enhance efficiency, consistency and overall product. Furthermore, the Dahej project represents an investment of around Rs. 250 crores funded through a combination of internal accruals and debt. Krystal Ingredients is also eligible for a 15% corporate tax rate and government incentives, a benefit that continues in perpetuity and supports long-term profitability.

Our customer base continues to expand globally. We now serve more than 269 customers across 18 countries, including several leading flavor and fragrance houses and major FMCG companies. This wide and diversified customer reach strengthens our global presence and reflects the trust we have built through consistent quality, reliable supply and longstanding partnerships. This strong combination of diversified chemistry, global customer relationships,

integrated manufacturing and technology-driven innovation positions GEM Aromatics as a trusted, forward-looking specialty ingredient company, well placed to deliver sustainable growth in the years ahead.

Coming to our performance from the 2nd Quarter and the first half of FY '26, we faced several external challenges that affected demand and margins. The uncertainty around the US tariff led our customers to defer our orders and rely on existing inventories, which impacted on our export volumes. Lower realization in the Mint category also put pressure on margins. Since Mint continues to be a large part of our existing business, in the domestic market, the change in the GST rates with Natural Menthol at 5% and Synthetic Menthol at 18% compared to the earlier uniform rate of 12% led to customers reassessing their blend requirements and delaying purchases. As Krystal ramps up, our dependence on Mint and Mint derivatives will come down. Despite these challenges, we are taking proactive measures to reduce the impact. We are strengthening our sourcing strategy, optimizing production planning, maintaining strict inventory discipline and working closely with key customers to stabilize volumes and improve visibility. These actions will help us manage volatility going forward.

Our growth strategy continues to be driven by three priorities. The first is continuous investment in technology and process excellence for some of our core chemistries. The second is strengthening our research development capabilities to create new molecules and deepen customer engagement and increase wallet share. And the third focus is on sustainability and operational efficiency through green chemistry effluent processes and responsible manufacture. The long-term demand outlook for our products remains strong. We continue to see steady growth in Oral Care, Personal Care, Wellness, Flavors, Fragrances and Alternative Medicine in India and globally. Rising disposable income, premiumization trends and shift towards natural and wellness focus ingredients continue to support these demands.

With our diversified portfolio, integrated chemistry capabilities, scale, efficient manufacturing, global customer base and innovation-driven mindset, we believe GEM Aromatics will deliver sustainable and profitable growth in the years ahead.

With this, I would like to invite our Chief Financial Officer to take you through the detailed financial performance for the quarter and the half year. Thank you. Over to you. Ms. Kaksha Parekh.

Kaksha Parekh:

Thank you, Yash. Good afternoon, everyone.

Let me take you through the financial performance for Q2 FY '26:

Revenue from operations stood at Rs. 89.5 crores. EBITDA for the quarter was Rs. 3 crores, reflecting an EBITDA margin of 3.4%. The company reported a net loss of Rs. 2.6 crore for the quarter and Cash PAT stood at Rs. 0.5 crore. For the first half of FY '26, revenue from operations stood at Rs. 177.2 crores. EBITDA for the period was Rs. 17.9 crore with an EBITDA margin

of 10.1%. Net profit of H1 FY '26 was Rs. 5.4 crore, resulting in a PAT margin of 3.1%. Cash PAT for the first half was Rs. 10.3 crores.

Our performance during the quarter was influenced by several external factors, as Yash mentioned earlier. I will quickly take you through them once again. The 50% tariff imposed by US led many customers to defer orders utilizing their existing inventories, which impacted export volumes. On domestic front, the recent changes in the GST prompted buyers to reassess their blending requirements, resulting in a temporary pause in purchases. These factors led to softer demand in Mint, Mint derivatives, Clove and Clove oil derivatives, which are among our largest product categories. At the same time, demand of our other Natural, Synthetic products and Phenol derivatives remained healthy.

In terms of total profitability:

Both gross margins and EBITDA were under pressure, high raw material cost and lower realization in Mint and Mint derivatives affected margins, while the weaker demand in Mint and Clove resulted in an unfavorable product mix. Although our Phenol Derivatives and other ingredients continue to perform well, the scale is not yet sufficient to offset the impact of our larger segments. Additionally, higher other expenses and inventory adjustments during the quarter further weighed on profitability. Our depreciation also increased during the period. In the first half, we completed capitalization of major assets at Krystal Ingredients. As of 30th September, the revised net block stood at around Rs. 206 crores. With approximately Rs. 25 crores classified as capital work in progress, following this capitalization, depreciation increased to about Rs. 4.8 crores in H1 FY '26 compared to roughly Rs. 3.5 crores in H1 FY '25, which had an impact on overall profitability.

On the balance sheet front:

We continued to strengthen our financial position. The company repaid Rs. 140 crores split into Rs. 97.4 crores of long-term debt pertaining to Krystal Ingredients and an additional of Rs. 42.6 crores of working capital borrowings at GEM Aromatics. In line with the other planned utilization of IPO proceeds, these repayments have significantly improved leverage profile, bringing the net debt to equity ratio down to 0.3x from 0.8x earlier.

With this, we can open the floor for question-and-answer session. Thank you.

Moderator:

Thank you very much. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question is from the line of Tushar from Omega Portfolio Advisors. Please go ahead.

Tushar:

Yes, good afternoon. Thank you for the opportunity. I could see that majority of your CAPEX is in the Phenol Derivative business, like the product which you will be manufacturing, there are already competition in India. So, firstly, I just wanted to know what was the reason behind that?

And secondly, sir, it was earlier 3% of your revenue and what sort of margins are you seeing in this Phenol Derivative business?

Yash Parekh:

So, it is a Greenfield project, Tushar that we have set up at Dahej. So, there are multiple other products in our multi-purpose plant that we have established. The Phenol Derivative, of course, has made a significant contribution to the total capacity that has been installed. First, let me answer the question, which is the rationale of getting into this segment. Now, we also manufacture Synthetic Anethole, for which main precursor is Anisole. So, the thought process was effectively to start with going in a backward integration to manufacture our own Anisole. We have been able to successfully implement with a complete vapor-phase based technology, thereby getting efficiencies to clearly produce our downstream, which was Anethole. That was the part. That was the reason for getting into this Anisole chemistry. And as we explored further, we found more product contingencies in MEHQ, Guaiacol, and then Guaiacol further leading into more value-added aroma chemicals that we are trying to come up with in years to come. So, we do see a complete value-chain chart that can further tie up with our core, which is the F&F ingredients. As far as the margin question is concerned, that is the question, and at the company level is what we are giving. On a category level, we are not giving out any specific margins.

Tushar:

So, will that be a margin-accretive from your average company level margin? That will be my question. And sir, secondly, considering the chemistry, I think the end product would be the Vanillin in the product basket. Sir, just considering your vapor-based technology, I think one of the competitors is already doing that technology. I wanted to ask the right to win in this product basket, the MEHQ, BHA, Guaiacol, 4MAP That was the thing. And secondly, we will be the dominant player in the Cooling Agent market. Like 500 MTPA is a very big capacity. So, in terms of exports, if you fulfill the Indian capacity, I think we are still remaining with the plenty amount of capacity. How are we targeting the export in the Cooling Agent business?

Yash Parekh:

So, there are actually three points that I have noted down and go one by one on each part of them. Number one, Vanillin. We are not doing anything when it comes to Vanillin. So, we are not going in that particular chemistry where we are going downstream from Guaiacol into Vanillin. So, that particular question needs to be parked right there where Vanillin is not going to be a part of our product. That is number one.

Now, coming to the MEHQ, BHA, 4MAP, etc., which is very much the phenol value chain that we are describing. Clearly, in terms of our process technology that we have implemented, we feel confident that we will be able to do better margins than what are expected with our existing portfolio of products. That is there. As a right to win, there are contingencies that we have figured out. Like I mentioned, one example where the start of the Phenol category was because we had started focusing upon Synthetic Anethole, which is a pure aroma chemical product going into flavors and fragrances and then going backward integration to Anisole.

Similarly, as we go further downstream from Anisole into MEHQ Guaiacol, even Guaiacol, there are other aroma chemical products that are in the pipeline such as Eugenol derivatives that

we plan to further implement it on. Now, as we go in the Eugenol derivatives section, the synthetic side, we also have a dominant position from the Clove vertical into Eugenol and Eugenol derivatives on the natural side. So, we find a complete contingency where we are offering the natural solution as well as the synthetic solution to an entire range of customers. So, that was the rationale for selecting the entire Phenol chemistry.

Now, the point three that you had mentioned about Cooling Agents. We have set up the largest capacity in India for Cooling Agents. It is a downstream from our majority of the Cooling Agents, which are primarily WS3 and WS5, they come in from Menthol. Now, we already make Menthol in our Mint vertical. So, this is the logical downstream that we have selected. And also, there are entire series and sets of customers where we can target selling this Cooling Agent into, which is primarily the confectionary segment and their pain management segment, where there is a highest application of these Cooling Agents. Now, GEMs current exposure in the confectionary segment with its core portfolio is limited. But these confectionary companies also happen to be big buyers of our existing mint portfolio. So, it does open cross-selling opportunities across our product verticals. And this gives us a tactical advantage because there is no one else in India who is currently offering that product. So, we feel fairly confident. There are advanced level discussions going on with multiple customers in this particular object.

Tushar: Sir, my last question basically is.

Moderator: Sir, can we ask you to come up with the follow-up question later, Tushar sir?

Tushar: Fair enough.

Moderator: Thank you. The next question is from the line of Aashish from Invesq PMS. Please go ahead.

Aashish: Yes. Hi. So, the key two questions are the Mint derivatives domestically regarding the GST issue that you highlighted in the presentation. So, what is the progress and what is the kind of resolution to that that you see? Is there any light there coming in? And secondly, on the tariff-related issues that have happened on the US side of the business. So, both critical issues, we would like to have some detailed thoughts of yours on that?

Yash Parekh: Sure, Aashish, thank you for the question. So, first let me address the second part of the question, which is tariffs. Now, tariffs clearly on last week of August, 50% tariffs were announced. That did have a significant impact as majority of our large-scale customers have gone ahead and accepted the tariff pass-through. But because the number is so large by 50%, they have primarily slowed down on their demand. They have been utilizing extensively their in-house stock and depleting those stocks. And everyone is hopeful that these tariff situations will be corrected like these reports currently suggest. So, we do see this demand regardless to come back about Q4. It is an area that these tariffs removal will just form a solid trust. At this stage, we are finding that the customers are pretty much in a bare minimum, all-out position. That is all. Now coming to the other part, which is GST. On September 2nd, the GST Council announced the change in the

GST rate, where Natural Mint and Menthol primarily was moved from 12% to 5%, and synthetic was moved into 18%. Now, as a result of this, what has happened is that majority of the customers are also trying to figure out the exact blend composition. And at GEM, we offer the entire solution range. So, as a result of which, there has been some degree of pent-up demand officially coming back around Q4. But the customers, again, are really trying to rework their formulations and come back.

Aashish: So, on the first part, I think somewhere you would mention in an interview on TV that through Thailand, things can be managed on the tariff side. And still, now we are in a situation where the sales are not happening, for one. Secondly, on the Indian GST issue, would you really think that the demand will be back from Q4, or the demand would shift? How would that happen to maybe the Natural ones? Some things on this will help because it is very difficult to understand this?

Yash Parekh: I completely understand. So, tariffs situation was just specific to one customer. Now, that particular customer still has to pay about close to 19% tariffs coming in front of them as well. Now, that is also an impact. So, they have gone bare minimum, either be it Thailand, be it Ireland, be it any other geography from where these customers can officially do a complete bypass mechanism, so to speak.

Moderator: Yes, sir, I think there is an issue with your line. If you could return to the question queue, we will then move on to the next question. We have the next question from the line of Kaushal Sharma from Equinox. Please go ahead.

Kaushal Sharma: Yes. So, my question is on CAPEX. Recently, we are adding around 10,829 MTPA capacity in which we are about to manufacture MEHQ and all, which is very high, etc., and all. So, what kind of capacity are we coming before MEHQ and what EBITDA margin are we expecting? And what kind of peak revenue from this facility can we get?

Yash Parekh: So, from a standpoint, sir, of the actual capacity that we are putting up, that is 10,829, a large part of it is going to be towards Phenol. We are not giving category-wise profit margins or EBITDA. Certainly, whatever eventual, it is going to be margin-accretive. And our eventual goal post is in FY '28, at the company level, we are going to be in the range of about Rs. 1,050-Rs. 1,100 crores at the EBITDA of about 16%-18%.

Kaushal Sharma: 16%-18%?

Yash Parekh: Yes.

Kaushal Sharma: Can we have the bifurcation of MEHQ capacity that we are going to do?

Yash Parekh: Sir, I am sorry. I am not able to hear you very clearly.

- Kaushal Sharma:** I am saying that can we have a break-up of the capacity that we are putting out of this? Is it possible?
- Yash Parekh:** This is a multi-purpose plant, and we are not giving out capacities based on product categories. There is a high degree of fungibility as well.
- Kaushal Sharma:** Now, sir, is it operational?
- Yash Parekh:** Sir, by 30th November, the Phase-II primarily pertaining to Phenol, is going to be operational. Effectively, the MEHQ and the Guaiacol production would start in Q4, around January/February.
- Kaushal Sharma:** And sir, what kind of utilization level are we expecting from this year and the next year from this facility?
- Yash Parekh:** Sir, as the situations are extremely volatile at a geopolitical level as well, plus this entire brand-new plant is coming up. So, as we completely streamline this particular plant over the next one quarter, I think there is going to be much better visibility towards Q4 for FY '27.
- Kaushal Sharma:** And, sir, what is our existing capacity utilization right now of our existing plant?
- Yash Parekh:** So, could you please repeat the question? It is not very clear to me for some reason.
- Kaushal Sharma:** So, the current or the existing capacity that we have, what is the capacity utilization as of now?
- Yash Parekh:** 60%.
- Kaushal Sharma:** Thank you very much for answering the question.
- Moderator:** Thank you. We have the follow-up from Aashish Urganlawar from Invesq PMS. Please go ahead.
- Aashish Urganlawar:** I couldn't hear the second part of the answer on the last question that I had. On the US tariffs through Thailand, we were trying to mitigate. And secondly, on the GST front, are we really sure that from Q4 things will be normal or maybe better?
- Yash Parekh:** At this moment, there are moving parts that are clearly external in nature. We are figuring out from a standpoint of having adequate solutions of things that we can control. And the Mint portfolio has been affected to some degree with this GST. The way we are trying to mitigate this is by increasing what value-added products of specialty that we had planned for FY '27 and 28, we are fast-tracking them and bringing them much sooner so that these are the parts that we can control. And we are trying to replace the revenue from the Mint category with the value-added product of Aroma.

- Aashish Upganlawar:** So, how much of the Mint portfolio percentage-wise is affected right now or is it the entire thing?
- Yash Parekh:** Pretty much the entire thing, sir. And again, we had about 70% for total revenue in FY '27 was the Mint portfolio.
- Aashish Upganlawar:** Right.
- Yash Parekh:** I am sorry, my apologies. 70% as of FY '25.
- Aashish Upganlawar:** So, you think that fast-forward can happen, the value-added products that you are mentioning, from FY '27 target to now, FY '26 sometimes?
- Yash Parekh:** We have already, with the multipurpose facility that we have set up, it is going to be possible for us to go ahead and fast-track. Of the R&D and the pipeline for a lot of these chemistries has already been put in place, now, we are in the full drive mode to have them start in the following Financial Year.
- Aashish Upganlawar:** Thank you so much.
- Moderator:** Thank you. The next question is from the line of Akshada Deo from Niveshaay. Please go ahead.
- Akshada Deo:** Sir, I wanted to understand the gross margin drop that has happened for this quarter. What would be the reason for the same and what are the normalized margins that we should expect for the rest of the year?
- Suraj Shah:** So, I think in realizations, we did face some pressure, particularly in Menthol and the Mint business. So, that has given so many headwinds around Mint, right, so partially, I will say there was also raw material pressure, but the large part of gross margin erosion was because realizations came off. So, we are not really giving margin guidance, particularly because of extremely volatile times, very tough to say today what we will do, what we will be able to achieve. But the goal is to reach back to our long-term averages.
- Akshada Deo:** Can you tell me more about the raw material pressure that you feel? Because in Mint Oil, I believe, it is the raw and this is Mint Oil that is the raw material, right? So, what happened here?
- Yash Parekh:** So, ma'am, this is effectively from a standpoint of the way we are seeing the entire of the purchase side as well. The entire GST scenario is shaping up. There are a lot of changes in the formulation that is happening, even at the customer's end. As a result of which, the costing has gone up and that is the reason why this is happening. Now, it is transient in nature, and we effectively will have the stabilization by Q4.
- Akshada Deo:** And sir, what about if you mentioned that there would be competition as well, right, that would be coming up in both of the categories. Because we are facing competition on the tariff side with different geographies for exports, we are facing competition from the GST front. And in the new

vertical that would be launching, there are competitors putting up new capacities. So, what is our strategy to mitigate and come out of this basically?

Yash Parekh: So, the strategy is clear. We continue to focus on the tasks that we can control and that is by getting into newer products that are there in our pipeline, which are value-accretive in nature. These are specialty products targeting the aroma chemical industry and that is precisely what we are going towards. So, one of the examples of this would be, for example, there is a situation in the Phenol chemistry where BHA was effectively planned for FY '28, now for now. We have fast-tracked that and we are going to be starting that particular production in FY '27. We are going forward in that direction. And, in the aroma chemical side, we are going into specific TAM products, which are selecting products that are going to be unique. We have a story of import substitution, primarily, and focusing upon domestic sales for these specialties.

Akshada Deo: And sir.

Moderator: Ms. Deo, please return to the question queue.

Akshada Deo: Sure. Thank you. We have the next question from the line of Kapil Ahuja from Equinox Capital. Please go ahead.

Kapil Ahuja: Yes, I need some clarification on this Cooling Agent. Have you commenced the production of Cooling Agent and what is the topline like we are showing for Cooling Agents right now?

Yash Parekh: So, we are going to start the production of Cooling Agents by the November 30th, effectively. And then, as we start production and as the first batches come through, that is when the topline would really come up. We are not giving, sir, category-wise topline, specifically. But we expect a reasonable degree of utilization starting December first half.

Kapil Ahuja: And by this Financial Year end, how much capacity utilization, are we expecting this rough idea for Cooling Agent?

Suraj Shah: Yes, see, as we are starting this multipurpose plant, I think, and given the macroeconomic headwinds we are facing, we are not really focusing on capturing all of it in FY '26. I think FY '27 would be a more normalized year, where there will be decent utilization, capacity utilization at Krystal as well. And we will start line-wise, of course, parallelly also running all the lines. But tough to kind of give a number for FY '26. So, as we have more visibility in the quarters to come, we will be able to comment better.

Kapil Ahuja: So, our cooling capacity is around 500 tons or more?

Suraj Shah: Was that for Cooling Agent, you are asking?

Kapil Ahuja: Yes.

Suraj Shah: Yes, it is 500 tons.

Kapil Ahuja: Thank you, sir. That is all.

Yash Parekh: Thank you.

Moderator: Thank you. Our next question is from the line of Darshan Garg from Tiger Assets. Please go ahead.

Darshan Garg: Thank you for the opportunity. So, the significant degrowth has been because of the tariff & GST, but also you have mentioned in the presentation that the Menthol realizations have decreased. So, by how much has impacted the revenues and how are we seeing the prices of Menthol?

Yash Parekh: Sir, we can't hear the question very clearly. Would you please repeat the question and be slightly louder?

Darshan Garg: Hello. Am I audible?

Yash Parekh: Yes.

Darshan Garg: So, the significant degrowth that has been because of the tariff & GST and also you have mentioned in the presentation that the Menthol realizations have decreased. So, by how much it has impacted our revenues and now from here onwards, how are we seeing the prices of menthol?

Yash Parekh: So, the prices have come down from last year by about 10% or so in the actual gross value of that particular product. And as we move forward, the idea is to forward integrate Menthol into Cooling Agents. So, the game plan is set for moving in that direction where we can control based on capacities, the technology that we have put in and really drive the business forward. So, we will be doing less of direct Menthol actually manufacturing Menthol and going more forward into the Cooling Agents.

Darshan Garg: So, next question is what extent of RM prices is possible to pass on to the customers?

Yash Parekh: So, it is what extent?

Darshan Garg: What extent of the RM price is possible to pass on to our customers?

Suraj Shah: So, I think we were able to pass on a large part of the RM volatility to our customer given the normal business scenario. However, we also carry an inventory holding model, right. Given Mint is the last part of the business currently, the procurement season is where the mint is procured. And then we have a replenishment model, we keep refilling those inventories. So, to that extent, you manage your costing. But given this quarter had these headwinds around GST and Menthol

realizations, obviously, this quarter got impacted to a large extent but should normalize going forward.

Darshan Garg: Last question is, doTERRA is both a key customer and a shareholder. So, could you elaborate on the value add they bring to the business?

Moderator: Sir, sorry to interrupt. Would it be possible for you to come back for your question?

Darshan Garg: Okay.

Moderator: Thank you. The next question is from the line of Rikesh Parikh from Absolute Advisor. Please go ahead.

Rikesh Parikh: Yes. Thanks for the opportunity. Sir, I just wanted to understand, we were in touch with one of the large confectionary clients for supply of Menthol. So, have you started the test quantity or the initial quantity for them?

Yash Parekh: So, Rikesh, we are in touch with a number of different customers at the global level. And all those subsequent visits are all scheduled as the production plan starts and ramps up. Because all customers at that global level want to see the actual production. We anticipate that the revenues from the new customers that we are targeting effectively will be showing up pretty much towards Q4 and then it will roll down into FY '27.

Rikesh Parikh: And second question is with respect to his GST impact. I just wanted to understand how much is the pricing differential between the Natural Mint and the Synthetic Mint? And do the Natural Mint will be able to suffice to the requirement of the industry as such?

Yash Parekh: It has impacted the entire category to a reasonable extent. We as a company provide like the entire solution and do not give the breakup between natural and synthetic per se. Because we are offering the entire solution.

Rikesh Parikh: But by any chance can we make the impact on the pricing or realization will be impacted because of this in percentage if possible?

Yash Parekh: So, I think we can take this question offline because there is a lot of background noise, Rikesh. It is difficult for me to concentrate and hear your question in total. I am just getting bits and parts of it. We can perhaps take this question offline.

Rikesh Parikh: Thanks.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, that was the last question. I now hand the conference over to Mr. Yash Parekh for closing remarks.

Yash Parekh: Yes, I will hand the phone over to our CFO for the closing remarks.

Kaksha Parekh: Hi, thank you for joining us in this conference call. I would like to assure our investor team and potential investors that the entire management team is working hard towards the commencement of our new facility and is focused on value added products. We feel current blip is temporary in nature and we are very optimistic about the future of the company. Thank you so much and we will see you again in the next quarter.

Moderator: Thank you, ma'am. Thank you very much, everyone, for joining this conference call. On behalf of GEM Aromatics Limited, that concludes this conference. Thank you for joining and you may now disconnect your lines. Thank you.