



May 25, 2022

To
The Manager
The Department of Corporate Services
BSE Limited
Floor 25, P. J. Towers,
Dalal Street, Mumbai – 400 001

To
The Manager
The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051

Scrip Code: 539450

Scrip Symbol: SHK

Dear Sir/ Madam,

Sub: Submission of Press Release in respect of audited financial results for the quarter and year ended March 31, 2022

Further to the approval of Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2022 by the Board of Directors of the Company at its meeting held today and submission of the same with the stock exchanges, we submit herewith press release in respect of financial results.

You are requested to take note of the same.

For S H KELKAR AND COMPANY LIMITED

Rohit Saraogi
EVP & Group Chief Financial Officer



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S H Kelkar and Company Limited

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Registered Office: Devkaran Mansion, 36, Mangaldas Road, Mumbai 400 002.

S H Kelkar announces Q4 & FY2022 results

FY2022

Revenues from operations at Rs. 1,564.2 cr, higher by 18%

Gross margins at 41%

Cash Profit at Rs. 176.6 cr

Mumbai, May 25, 2022: S H Kelkar and Company (SHK), the largest Indian origin Fragrance and Flavour Company in India, has announced its financial results for the quarter and year ended March 31, 2022.

Q4 FY2022 performance overview compared with Q4 FY2021

- Revenues from operations stood at Rs. 450.6 crore as against Rs. 397.0 crore, higher by 13.5%
- EBITDA stood at Rs. 68.5 crore as against Rs. 75.3 crore
 - EBITDA Margins at 14.9% as against 18.6%
- Cash profit stood at Rs. 48.7 crore as against Rs. 58.3 crore
 - Reported PAT at Rs. 12.5 crore as against Rs. 40.1 crore
 - On an adjusted basis*, PAT stood at Rs. 28.6 crore in Q4 FY22

FY22 performance overview compared with FY21

- Revenues from operations stood at Rs. 1,564.2 crore as against Rs. 1,322.0 crore, higher by 18.3%
- EBITDA at Rs. 232.1 crore as against Rs. 259.4 crore
 - EBITDA margin stood at 14.7% vs 19.3%
- Cash profit stood at Rs. 176.6 crore as against Rs. 197.3 crore
 - Reported PAT stood at Rs. 148.5 crore as against Rs. 144.7 crore
 - On an adjusted basis*, PAT stood at Rs. 104.8 crore in FY22

Note:

- SHK concluded the full acquisition of Creative Flavours and Fragrances SpA (CFF) w.e.f July 28, 2020, Nova Fragranze S.R.L (Nova) w.e.f. April 1, 2021, Holland Aromatics w.e.f December 14,2021 and NuTaste Food and Drink Labs Private Limited (NuTaste) w.e.f January 3, 2022. Accordingly, Q4 & FY22 results includes consolidation of CFF, Nova, Holland Aromatics and NuTaste in SHK's performance
- *In FY22, Q1 PAT included a reversal of additional tax provision aggregating Rs 64.5 crore for A.Y 2016-17 to A.Y. 2020-21 consequent to Income Tax Appellate Tribunal (ITAT) order dated August 02, 2021; Q2 PAT included exceptional loss of Rs. 6.3 crore; Q4 PAT included the following one-off items, a) loss of Rs. 5.8 crore on account of disposal of assets belonging to PFW Aroma ingredients B.V., b) tax provision of Rs. 6.3 Cr on disallowances and c) reversal of deferred tax assets amounting to Rs. 5.5 crore. Adjusted for these one-off expenses, PAT stood at Rs. 28.6 crore and Rs. 104.8 crore in Q4 & FY22, respectively

Commenting on the performance, Mr. Kedar Vaze, Whole Time Director and Group CEO at SH Kelkar and Company said,

"We have ended the fiscal year on a steady note, despite macro-challenges such as Covid-19 led disruptions and inflationary raw material environment. Although FMCG consumption and offtake remained stable, RM pricing pressures restricted volume growth in our core fragrance business. In the European markets, we saw improved demand and offtake, which translated to healthy double-digit growth for our acquired businesses during the year.

During the year, we have undertaken calibrated price hikes in collaboration with our customers. This has helped us mitigate inflationary pressures to a large extent leading to limited impact on gross margins. Going forward, this, along with our inventory management strategy should help us maintain steady profitability margins.

SHK is continuously witnessing strong client wins across emerging and European markets. Our recent participation in a global RFP by a large global FMCG MNC is also progressing well. We are confident about our capabilities built over decades and remain optimistic about the multi-year business potential from this global tender.

In the last few quarters, despite adverse market conditions and inflationary environment, we have undertaken several measures to enhance our global market presence, augment our niche offerings and expand our customer segments. As we look ahead, our growth initiatives along with our healthy client engagements and our participation in global RFPs will help support accelerated growth in the medium to longer term"

Key Developments:**Participation in Global RFP:**

- SHK's participation in a global RFP (Request for Proposal) is a major milestone in its long-term growth journey. The process is progressing as per internal targets
- The Company is undertaking initiatives to strengthen its market position in the global F&F space and its recent participation will further broaden its global market presence, going forward



Announces Final Dividend of Re. 0.75 per share:

- For FY 2021-22, the Board of Directors recommended a Final dividend of Re. 0.75/- per share of Rs. 10 each
- Additionally, the Board, on October 29, 2021, had approved the buyback of SHK's fully paid up equity shares of face value of Rs 10 each at Rs 210/- per equity share through the tender offer route.

<Ends>

About S H Kelkar and Company Limited:

S H Kelkar and Company Limited (SHK) is the largest Indian-origin Fragrance & Flavour Company in India. It has a long-standing reputation in the fragrance industry developed in 96 years of experience. Its fragrance products and ingredients are used as a raw material in personal wash, fabric care, skin and hair care, fine fragrances and household products. Its flavour products are used as a raw material by producers of baked goods, dairy products, beverages and pharmaceutical products.

The Company offers products under SHK, Cobra and Keva brands. The Company has a strong and dedicated team of scientists, perfumers, flavourists, evaluators and application executives at its facilities and five creation and development centres in India, Singapore, Amsterdam, Indonesia and Italy for the development of fragrance and flavour products. The research team has developed 17 molecules over the last five years. The Company has filed 18 patent applications in respect of molecules, systems and processes developed by it, of which 2 have been commercially exploited in deodorant and fine fragrance categories.

Over the years, SHK has developed a vast product portfolio of fragrances and flavour products for the FMCG, personal care, pharmaceutical and food & beverages industry. The Company has a diverse and large client base including leading national and multinational FMCG companies, blenders of fragrances & flavours and fragrance & flavour producers.

For further information please contact:

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