



December 15, 2021

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: Disclosure pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith business update covering the following:

1. Acquisition of Holland Aromatics B.V.
2. Acquisition of NuTaste Food and Drink Labs Pvt. Ltd.
3. Participation in Global RFPs of large global FMCG MNC

You are requested to take the above on record.

Thanking you,

Yours faithfully,

For **S H Kelkar and Company Limited**

**Deepti Chandratre**  
**Company Secretary & Compliance Officer**



**S H Kelkar And Company Limited**  
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CIN No. L74999MH1955PLC009593



## S H Kelkar and Company Limited

Corporate Office: L.B.S Marg, Near Balrajeshwar Temple, Mulund (W), Mumbai – 400080

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

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### Business Update

**Mumbai, December 15, 2021:** S H Kelkar and Company Ltd (SHK), the largest Indian origin Fragrance and Flavours Company in India, would like to share the following business updates.

○ **Acquisition of Holland Aromatics B.V.:**

- SH Kelkar, through its wholly owned subsidiary Keva Europe B.V., has entered into an agreement on December 14, 2021 to acquire a 100% stake in Holland Aromatics B.V. (Holland Aromatics). The acquisition is being done by acquiring 100% stake of Provier Beheer B.V., holding company of Holland Aromatics domiciled in the Netherlands. As per the agreement and subject to customary closing conditions, 62% of the stake will be acquired upon closure of the transaction, and the balance 38% shall be acquired in two tranches of 19% stake each over the next two years. The consideration for the acquisition of 62% stake is Euros 13.02 million. SHK plans to fund the investment through local debt raised in Europe in order to avail the benefit of lower interest costs.
- The transaction brings on-board a high-potential company with a strong local presence in Europe, especially in the Northern European and German markets. This acquisition, while being complementary to the CFF business, supports SHK's strategy to deepen presence in a highly penetrated European fragrance market. In addition, it provides further growth dimensions such as broadened product portfolio through cross-engagements, augmented client relations and better reach across diverse customer segments, ranging from local companies to global MNC players. Through the transaction, the Company also welcomes on-board Holland Aromatics' experienced promoters, who will continue to steer growth in the business.
- Incorporated in the year 1984, Holland Aromatics is a leading fragrance company in the Netherlands. It has a strong presence in Europe, Middle East and Asia. In the calendar year 2020, Holland Aromatics' revenues stood at Euros 6.58 million whereas in calendar years 2019 and 2018, the revenues were Euros 5.15 million and Euros 4.92 million respectively. Their YTD CY2021 unaudited estimated revenues stood at over Euros 6.70 million. The company has a healthy balance sheet profile and is debt-free. Overall, the acquisition is value-accretive and a synergistic business opportunity for SHK over the longer-term.
- The acquisition does not classify as a related party transaction. The promoters/promoter group/group companies have no any interest in Holland



Aromatics / Provider Beheer B.V. Requisite approvals and consents in connection with the acquisition have been obtained.

- **Acquisition of NuTaste Food and Drink Labs Pvt. Ltd.:**
  - The Board of Directors of SHK, at its meeting held on December 14, 2021, approved the acquisition of 100% stake in NuTaste Food and Drink Labs Pvt. Ltd (NuTaste) through the wholly owned subsidiary Keva Flavours. As per the agreement and subject to customary closing conditions, SHK will be acquiring a 100% stake at a total consideration of Rs. 13.25 crore. SHK plans to fund the investment through a combination of debt and internal accruals.
  - The acquisition accelerates the momentum of SHK's flavour business. It will enable SHK to expand further into the high-potential flavour categories such as syrups, sauces, seasonings, fruit preps and other such premium grade products. The acquisition further brings on-board a solid and reputed customer base across the fast-growing FMCG & QSR space. Overall, the combined capabilities of NuTaste and SHK will add scale, provide cross-selling opportunities, and accelerate growth, going forward.
  - Incorporated in 2006, NuTaste manufactures premium grade ingredients and products, natural ingredients and extracts, nutraceuticals etc. It operates a manufacturing unit in Gurgaon certified for FSSC 22000. In the fiscal year 2021, NuTaste's revenues stood at Rs. 21.11 crore whereas in fiscal years 2020 and 2019, NuTaste's revenues were Rs. 24.48 Crore and Rs. 25.64 Crore respectively. Their FY2022 revenues are estimated to cross Rs. 35 crore. The company is profitable and debt-free.
  - The acquisition does not classify as a related party transaction. The promoters/promoter group/group companies have no any interest in NuTaste. Requisite approvals and consents in connection with the acquisition have been obtained.
  
- **Participation in Global RFPs:**
  - SHK had earlier been shortlisted by a large global FMCG MNC as one of the registered suppliers of fragrances. The Company is pleased to share that it is now participating in the global RFP (Request for Proposal) and will engage with the MNC on an interactive pitch for commercial tender submission. The tender has a tender submission fee, which is estimated at ~Rs. 12.5 crore for SHK. Such global tender participation is in line with the Company's strategy of more deeply associating with large global MNCs. SHK has strong competence and such participation sets the stage for SHK to tap upon further global RFP opportunities, going forward. In addition, the Company's recent acquisition of Holland Aromatics along with the CFF business will augment SHK's ability to strengthen its presence in the high-potential global MNC space over the medium to long term.

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### 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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### DISCLAIMER:

*Certain statements and opinions with respect to the anticipated future performance of SHK in the business update ("forward-looking statements"), which reflect various assumptions concerning the strategies, objectives and anticipated results may or may not prove to be correct. Such forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These include, among other factors, changes in economic, political, regulatory, business or other market conditions. Such forward-looking statements only speak as at the date the business update is provided to the recipient and SHK is not under any obligation to update or revise such forward-looking statements to reflect new events or circumstances. No representation or warranty (whether express or implied) is given in respect of any information in this business update or that this business update is suitable for the recipient's purposes. The delivery of this business update does not imply that the information herein is correct as at any time subsequent to the date hereof and SHK has no obligation whatsoever to update any of the information or the conclusions contained herein or to correct any inaccuracies which may become apparent subsequent to the date hereof.*