



October 29, 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: Submission of Press Release in respect of unaudited financial results for the quarter and six months ended September 30, 2021**

Further to the approval of unaudited financial results (standalone and consolidated) for the quarter and six months ended September 30, 2021 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 the above on record.

Thanking you,

Yours faithfully,

**For S H Kelkar and Company Limited**



**Deepti Chandratre  
Company Secretary and Compliance Officer**

Encl: a/a



**S H Kelkar And Company Limited**  
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## 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.

### S H Kelkar announces Q2 & H1 FY2022 results

#### H1 FY2022

**Revenues from operations at Rs. 713.2 cr**  
**Like-to-like revenue growth of 15.4%**  
**EBITDA at Rs. 99.8 cr, with margins at 13.9%**  
**Reported PAT at Rs. 103.5 cr, higher by 50.6%**

**Mumbai, October 29, 2021:** 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 half year ended September 30, 2021.

#### **Q2 FY2022\* performance overview compared with Q2 FY2021**

- Revenues from operations stood at Rs. 358.3 crore as against Rs. 351.9 crore growth of 1.8%
  - Emerging markets revenues stood at Rs. 276.1 crore as compared to Rs. 313.7 crore
- EBITDA stood at Rs. 54.9 crore as against Rs. 77.3 crore
- Reported PAT\*\* stood at Rs. 22.1 crore as against Rs. 53.7 crore
  - On an adjusted basis, PAT stood at Rs. 28.3 crore as against Rs. 41.2 crore

#### **H1 FY22\* performance overview compared with H1 FY20**

- Revenues from operations stood at Rs. 713.2 crore as against Rs. 543.3 crore
  - Emerging markets revenues stood at Rs. 552.6 crore as compared to Rs. 505.1 crore higher by 9.4%
- EBITDA at Rs. 99.8 crore as against Rs. 112.3 crore, lower by 11.1%
  - EBITDA margin stood at 13.9% vs 20.2%
  - On a like to like basis, EBITDA margin stood at 15.8%
- Reported PAT\*\* stood at Rs. 103.5 crore as against Rs. 68.8 crore, higher by 50.6%
  - On an adjusted basis, PAT stood at Rs. 45.2 crore as against Rs. 56.3 crore

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**Note:**

- \*SHK concluded the full acquisition of Creative Flavours and Fragrances SpA (CFF) w.e.f July 28, 2020 and Nova Fragranze S.R.L (Nova) w.e.f. April 1, 2021. Q2 & H1 FY22 results includes consolidation of CFF and Nova in SHK's performance
- \*\* Q2 FY22 PAT includes exceptional loss of Rs. 6.2 crore and Q2 FY21 PAT includes exceptional income of Rs. 12.5 crore. Q1 FY22 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

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

*"We have reported a steady performance in the first half of the fiscal. Our European business registered healthy growth on the back of higher consumption and demand trends during the period. On a consolidated basis, our revenue from operations in H1 grew by 31% on a YoY basis and on a like to like basis, it grew by 15% YoY. H1 FY2021 results included consolidation of CFF for only 2 months, i.e. August and September 2020. So, on a like to like basis, CFF's core fragrance business grew by 39% in H1 and on a 2-year CAGR it was 10%. In Q2, we have reported muted performance on the back of a challenging macro-environment witnessed in the emerging markets and higher base in the previous quarter last year. Emerging markets sales grew by 9% during the first half of the year.*

*We continued to witness cost pressures on account of global inflation in raw materials. However, our inventory policy, better product mix, and our ability to pass on price increases enabled us to minimize the impact on margins. In order to efficiently mitigate cost pressures and to normalize our operating margins, we are working with our customers to undertake further price hikes in the future.*

*In one of the key developments during the quarter, we are happy to share that we won an order in the Home Care segment from a large global MNC player in the domestic FMCG market. This strategic win will enhance our competitive advantage in the domestic markets and will support our endeavour to build presence in the high-potential global MNC space over the longer term.*

*The Board at the meeting today also approved the buyback of SHK's fully paid up equity shares. It signifies our confidence on both the balance sheet and our future cash flows over the medium to long term. From an overall demand standpoint, we are encouraged with healthy client engagements and enquiries across the emerging and European markets. In a normalized demand environment, we are confident that our emphasis on growth should enable us to report healthy performance going forward."*

### **Key Developments:**

#### **Strategic order win in the Home Care segment**

- Driven by robust R&D capabilities and innovation strategies, SHK is the only Company of Indian origin to file patents in the field of Fragrance and Novel Aroma Molecules

- These patented molecules along with SHK's strong & well-known expertise in the Indian fragrance industry paved the way for this order win
- This strategic association will enhance the Company's competitive advantage in the domestic markets and will enable SHK to build its presence in the high-potential global MNC space in the longer term

### **Resumption of Mahad operations**

- On July 22, 2021, SHK had temporarily suspended operations at its unit in Mahad on account of unprecedented rains. The Company had undertaken all necessary steps to resume operations at the earliest
- Accordingly, the Company's operations and production activities at the Mahad unit have restarted in a calibrated manner from August 26, 2021 onwards
- With business continuity plan implemented during the period, SHK continued to cater to customers' demands without any major disturbances. The financial impact due to this disruption was nominal

### **Update on Debt position**

- As per the amended Schedule III of the Companies Act, 2013, the Company has excluded lease liabilities from its total debt position, which are to be disclosed separately
- Accordingly, comparative figures for previous periods are also mentioned henceforth. As on September 30, 2021, the Company's net debt position stood at Rs. 347 crore compared to Rs. 334 crore as on June 30, 2021 and Rs. 324 crore in March 31, 2021

### **Board approves buyback of shares**

- The Board approved the buyback of SHK's fully paid up equity shares of face value of ₹10 each at ₹ 210 per equity share through the "Tender Offer" route
- The total amount of buyback size will be a maximum of Rs. 60.9 crore. The Company proposes to buy back 29 lakhs equity shares at the offer price, representing 9.64% of standalone and 6.65% of consolidated fully paid-up equity share capital and free reserves as per audited financial statement of 31<sup>st</sup> March, 2021

<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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### DISCLAIMER:

*Certain statements and opinions with respect to the anticipated future performance of SHK in the press release ("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 press release 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 press release or that this press release is suitable for the recipient's purposes. The delivery of this press release 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.*