



## S H Kelkar and Company Limited

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

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### S H Kelkar and Company announces Q3 & 9M FY17 results

#### 9M FY17

**Total Income up 11% to Rs. 733 crore**  
**EBITDA improves 21% to Rs. 136 crore**  
**PAT grew by 58% to Rs 77 crore**

**Mumbai, February 14, 2017:** S H Kelkar and Company, the largest Indian origin Fragrance and Flavours Company in India, has announced its financial results for the quarter & nine-months ended December 31, 2016.

#### **9M FY17 performance overview compared with 9M FY16**

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- Total Income grew by 11% to Rs. 733 crore from Rs. 659 crore
- EBITDA increases by 21% to Rs. 136 crore from Rs. 113 crore
  - EBITDA margin improves by 150 bps to 18.6%
- Profit Before Tax higher by 64% to Rs 118 crore from Rs 72 crore
- Profit After Tax increases by 58% at Rs. 77 crore compared to Rs. 49 crore

#### **Q3 FY17 performance overview compared with Q3 FY16**

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- Total Income grew by 1% to Rs. 232 crore from Rs. 230 crore
- EBITDA lower by 3% to Rs. 41 crore from Rs. 43 crore
  - EBITDA margin stood at 17.9%
- Profit Before Tax higher by 18% to Rs. 36 crore from Rs. 31 crore
- Profit After Tax increases by 16% at Rs. 25 crore compared to Rs. 22 crore

## Key Developments

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- Board of Directors considered and approved the proposal to acquire and develop the Intellectual Property (IP) in Fragrance Encapsulation Technology held by Tanishka Products
  - Tanishka Products (TP), a partnership firm in its start-up phase, has been in the business of manufacture and sale of micro-encapsulated fragrances since 2012
  - Acquisition of Fragrance Encapsulation Technology (FET) would enable the Company to offer differentiated fragrance products and systems
  - Acquisition executed through SHK's wholly-owned subsidiary, Keva Chemicals Pvt. Ltd. (KCPL). The consideration payable towards acquisition of perpetual license for FET and capital investment in TP LLP would be Rs. 3 crore plus an amount payable at the end of 5 years, equivalent to a portion of the revenues of KCPL that would be generated in FET sales using the IP in FET

### **Commenting on the results, Mr. Kedar Vaze, Chief Executive Officer and Director at SH Kelkar and Company said,**

*"We have reported steady performance during the period under review given the challenging macro-economic environment. Our domestic sales reported healthy growth despite the demonetization impact on the FMCG sector, while we continued to face some headwinds in the international markets.*

*The performance of our Flavour division has been exceptional with the successful integration of the tuck-in acquisition and robust results reported in our existing markets. This growth has enabled us to substantially increase our market share in the industry. On the back of our strong balance sheet, we remain committed to such strategic initiatives in the future as well that will drive further growth.*

*We are witnessing an increased level of business activity in our domestic and international markets. So we remain excited about both Fragrance & Flavour segments, and expect these prospects to eventually translate into concrete business going forward."*

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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 90 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 flavor 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 18 scientists, 12 perfumers, two flavourists, evaluators and application executives at its facilities and five creation and development centers in Mumbai, Bengaluru, The Netherlands and Indonesia for the development of fragrance and flavour products. Their research team has developed 12 molecules over the last three years, of which the Company has filed patent applications for three.

Over the years, SHK has developed a vast product portfolio of fragrances and flavor products for the FMCG, personal care, pharmaceutical and food & beverages industry. The Company has a diverse and large client base of over 4,100 customers including leading national and multi-national FMCG companies, blenders of fragrances & flavors and fragrance & flavor producers.

### **For further information please contact:**

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