



January 07, 2020

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to the above mentioned regulation, please find enclosed herewith business update for Q3 FY 21.

We request you to kindly take the same on record.

Thanking you,

Yours faithfully,

For S H Kelkar and Company Limited

A handwritten signature in blue ink, appearing to read "Deepti Chandratre", with a checkmark-like flourish at the end.

**Deepti Chandratre
Company Secretary & Compliance Officer**

End: As above



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.

Quarterly Business Update

Mumbai, January 07, 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 update for Q3 FY 2020-21.

Operational Update:

- The Company witnessed normalization in demand and enquiries in domestic and international markets during Q3 FY 2020-21 with steady engagements across the mid & large sized FMCG customers. Creative Flavors and Fragrances (CFF), the Company's 100% wholly-owned subsidiary, also delivered an encouraging performance during the quarter supported by robust demand and volume off-take in the European markets. This is the first full quarter of consolidation of CFF in SHK's performance. On a consolidated basis, sales in Q3 FY 2020-21 stood at approx.. Rs. 376 crore (*Note: 1. Provisional and unaudited figures; 2. Including consolidation of CFF financial performance*)

Particulars (Rs. Crore)	Q3 FY2020-21
Consolidated Revenues from operations	376
- SHK (excluding CFF contribution)	307
- CFF	69

- As informed in the earlier business update dated December 9, 2020, the global Fragrance and Flavours (F&F) industry has been witnessing notable increases in key raw material prices. In order to mitigate the near-term uncertainties in raw material prices, the Company proactively built-up its inventories to ensure continued supplies across all its customers. However, the Company believes that the surge in raw material prices is transitory in nature and the situation should normalize in the near to medium-term. Prudent inventory management combined with cost-optimization measures undertaken in the past has enabled the Company to register healthy operating performance during the period under review
- On the balance sheet front, the Company's total net debt position stood at approx. Rs. 487 crore as on December 31, 2020 (*Note: 1. provisional and unaudited figure*). The total net debt also includes consolidation of CFF balance-sheet debt and debt availed for the payment of the second and final tranche of the CFF acquisition. Excluding CFF debt and the debt for payment made for the acquisition, the Net Debt position stood at Rs. 263 crore (*Note: 1. provisional and unaudited figure*). Higher inventory levels on account of uncertainty in the raw material environment may result in a short-term increase in working capital requirements in the near-term. This would result in a higher-than-indicated debt position by Mar-2021. However, in the near-term, the Company has no major capex plans on hand and the focus remains on generating healthy free cash flows that will significantly strengthen its Balance Sheet position from Q4 FY 2020-21 onwards



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 12 molecules over the last three years. The Company has filed 13 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.