



July 05, 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 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 Q1 FY 22.

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".

**Deepti Chandratre
Company Secretary & Compliance Officer**

Encl: 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, July 5, 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 Q1 FY 2021-22.

- The Company reported a resilient performance during Q1 FY2021-22, despite a challenging domestic macro-environment owing to lockdowns and restrictions. Client engagements and wins continued to remain at healthy levels across FMCG customers during the quarter. Following easing of restrictions and lockdowns from June onwards, SHK is now witnessing recovery in demand and normalisation in consumer sentiments
- Creative Flavours and Fragrances (CFF), the Company's 100% wholly-owned subsidiary, delivered a healthy performance during the quarter on the back of improved demand and volume offtake in key markets
- On a consolidated basis, sales in Q1 FY 2021-22 stood at ~Rs. 355 crore (Note: 1. Provisional and unaudited figures; 2. including consolidation of CFF and Nova Fragrance S.r.l. (Nova) performance). On a like to like basis, the revenues stood steady at Rs. 277 crore. While the Company witnessed moderate inflation in raw materials, it was able to maintain gross margins through inventory management and price hikes. Profitability margins were within a steady range considering the impact on revenues on account of the second wave of Covid-19 pandemic.
- On the balance sheet front, the Company's net debt position stood at ~Rs. 386 crore as on June 30, 2021 (Note: 1. provisional and unaudited figure) compared to Rs. 380 crore as on March 31, 2021. Payment for acquisition of Nova in April 2021 coupled with slower collections due to lockdowns and restrictions in the domestic market during the quarter led to a slight increase in debt. Going forward, SHK has no major capex plans on hand and the focus remains on healthy free cash flow generation
- Health & safety of its employees, business partners and communities is one of the key focus areas for SHK. Under its employee care initiative, SHK has started vaccination drives for protection against Covid-19 for its employees, employee dependents, support staff and business partners. The first phase of the drive was organized through Apollo Hospitals at the Company's office in Mulund in June 2021. Subsequent vaccination drives are in process and will be rolled out in due course.

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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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