



December 09, 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 (E ast), 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 Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company, at its meeting held on December 08, 2020, considered the following:

i) Cessation of Directorship of Ms. Aplana Parida, Independent Director:

The Board took note of cessation of the directorship of Ms. Aplana Parida, Independent Director with effect from closure of business hours of December 08, 2020 pursuant to completion of her second term as an Independent Director.

ii) Re-constitution of Committees:

Pursuant to the cessation of directorship of Ms. Aplana Parida as aforementioned, the Board re-constituted a) Stakeholders' Relationship Committee and Nomination Remuneration Committee by appointing Mr. Jaiaraj Purandare as a member thereof in lieu of Ms. Aplana Parida and b) Corporate Social Responsibility Committee by appointing Mr. Shrikant Oka as a member of thereof in lieu of Ms. Aplana Parida.

iii) Business Review:

The Board also reviewed the business performance as on November 30, 2020 in the meeting. Please find enclosed the business update covering the discussion that took place in the Board meeting.

We request you to kindly take the same on record.

Thanking you,

Yours faithfully,

For S H Kelkar and Company Limited

**Deepti Chandratre
Company Secretary & Compliance Officer**

End: As above



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SHK – BUSINESS UPDATE

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:

- The Fragrance and Flavours (F&F) industry, recently, has started witnessing notable increases in key raw material prices. The Company believes that the surge in raw material prices is transitory in nature and it should normalize in the near to medium-term. However, in order to mitigate the near-term uncertainties in raw material prices, the Company has proactively built-up its inventories to ensure continued supplies across all its customers. Given its prudent inventory management system, SHK is confident that it would be able to cater to demand without impacting the Company's margin performance. In addition, to further mitigate cost pressures on business operations, SHK may undertake calibrated price hikes subsequently in the near-term. On the whole, the Company is confident of maintaining its gross margin and EBITDA margins at a healthy level, going forward.
- Higher inventory levels are expected to increase working capital requirements in the short-term, which may further result in a higher-than-indicated debt position by Mar-2021. In FY2021-22, the Company has no major capex plans on hand and the focus remains on generating healthy free cash flows that will strengthen its Balance Sheet position
- On the operational front, while engagements across its customer base continue to remain steady, the Company is witnessing normalization in demand and enquiries across domestic and international markets. A healthy operating environment along with several cost-optimization measures undertaken in the past should enable the Company to deliver sustainable performance in the longer-term