January 06, 2025

To
The Manager
The Department of Corporate Services
BSE Limited
Floor 25, P. J. Towers,
Dalal Street, Mumbai – 400 001

Scrip Code: 539450

To
The Manager
The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051

Scrip Symbol: SHK

Dear Sir/ Madam,

Sub: Business Update – Q3 FY 2024-25

Please find enclosed herewith business update for Q3 – FY 2024-25 of S H Kelkar and Company Limited, for information and record.

Thanking you,

Yours faithfully,

For S H Kelkar and Company Limited

ROHIT SARAOGI
Digitally signed by ROHIT SARAOGI
Date: 2025.01.06 16:10:34 +05'30'

Rohit Saraogi
Company Secretary & Compliance Officer

Encl: As above

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.

Mumbai, January 6, 2025: 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 FY2025.

Operational Update:

- During the quarter, the Company witnessed healthy demand across key segments, showcasing resilience despite a subdued external environment. The core European market continued to deliver steady performance. Consolidated revenues for 9M FY2025 stood at ₹1,548 crore, reflecting a YoY growth of 17% (provisional and unaudited). The Company remains on track to achieve double-digit growth for the full financial year
- Gross margins were under pressure during the quarter, primarily due to supply constraints for strategic raw materials. While the Company has implemented price adjustments to partially mitigate cost increases, margin pressure is anticipated to persist until Q4 FY2025, after which margins are expected to normalize
- EBITDA margins were further weighed down by strategic investments, including the full cost of new Development Centres in Europe and US. These initiatives are expected to drive future revenue growth, positioning the Company to capitalize on opportunities in new geographies and with new customers, even as domestic demand shows signs of a potential slowdown
- As of December 31, 2024, net debt increased to around ₹ 700 crore (provisional and unaudited), primarily due to ongoing inventory replenishment following the Q1 fire and capital expenditure related to the Vanavate facility. The Company is actively engaged with its insurer and expects a partial claim settlement in the upcoming quarter. These funds will contribute towards debt reduction

Note: All figures mentioned in the business update are provisional and unaudited. Figures exclude NuTaste Food and Drink Labs, which the Company has entered into a Share Purchase Agreement to divest 40% stake