



July 06, 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 Q1 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".

Deepti Chandratre
Company Secretary & Compliance Officer

End: As above



S H Kelkar And Company Limited
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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 for Q1 FY21 given the current operating environment:

Operational update

- As per the directives of the Central Government in response to the outbreak of the COVID-19 pandemic, SHK's manufacturing units were temporarily shut in the month of April 2020. Pursuant to requisite government approvals, operations at all facilities resumed from April 27, 2020 onwards, albeit at lower utilization levels. This, significantly affected production and sales in the domestic market for the months of April and May. The Company witnessed encouraging demand pick-up from the last week of May continuing into June. Consequently, revenues in Q1 FY21 stood between ~Rs. 190 to 192 crore (provisional and unaudited figure).
- Strong financial and operating discipline including maintaining a tight working capital cycle and adequate inventories enabled the Company to seamlessly support its business commitments during this challenging period.
- The initiatives to strengthen balance sheet continued during the quarter. The Company has further reduced its net debt in Q1 FY21 to ~ between Rs. 254 to 258 crore (provisional & unaudited figure) as on June 30, 2020 as against Rs. 299 crore as on March 31, 2020.
- The management continues to very closely monitor the operating environment and actively engage with its customers to build demand. From June onwards, the Company has been witnessing initial signs of recovery in the FMCG industry and a gradual normalization of the supply chain system. Accordingly, the Company is taking all necessary steps to ensure optimal production levels are maintained throughout the year.
- While continuity of the market trend cannot be firmly ascertained at this time, the Company is hopeful that that the business flow will remain steady.
- The Company believes that once the operating situation is stabilized, it should be able to deliver revenue growth and revert to its normalized margins once again.