August 4, 2026

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: Transcript of Conference Call for Investor and Analysts

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the conference call for investors and analysts on the Q1 FY27 results organized virtually by the Company on Wednesday, July 29, 2026 at 03:00 P.M. IST.

The transcript is also available on the website of the Company at https://keva.co.in/investor-updates/#92-255-q1-fy-2025-26-1

Please note that no unpublished price sensitive information was shared by the Company during the said conference call.

This intimation is also being uploaded on the Company's website at www.keva.co.in.

You are requested to take the same on record.

Thanking you,

Yours faithfully,

For S H Kelkar and Company Limited

DEEPTI S CHANDRATRE

Digitally signed by DEEPTI S CHANDRATRE
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Date: 2026.08.04 14:12:26 +05'30'

Deepti Chandratre
Global Legal Counsel and Company Secretary

Encl: As above

S H Kelkar and Company Limited

Q1 FY 2027 Earnings Conference Call

July 29, 2026

Moderator: Ladies and gentlemen, good day, and welcome to the S H Kelkar & Company Limited's Earnings Conference Call.

As a reminder, all participant lines will remain in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal the operator by pressing star, then zero on your touch-tone telephone. Please note that this conference is being recorded.

I will now hand the conference over to Mr. Mit Shah from CDR India for opening remarks. Thank you, and over to you.

Mit Shah: Thank you, Ryan. Good afternoon, everyone, and thank you for joining us on S H Kelker & Company Limited's Q1 FY 2027 Earnings Conference Call.

We have with us Mr. Kedar Vaze, Whole-Time Director and Group CEO; Mr. B. Ramakrishnan, CEO, Fragrances, Asia and U.S.A.; and Mr. Jagdish Agarwal, Group Chief Financial Officer of the company.

We will begin the call with brief opening remarks from the management, following which we will open the forum for a Q&A session. Before we begin, I would like to point out that certain statements made in today's call could be forward-looking in nature, and a disclaimer to this effect has been included in the earnings presentation shared with you earlier.

I would like to invite Mr. Vaze to give his opening remarks. Thank you, and over to you, sir.

Kedar Vaze: Good afternoon, everyone, and thank you for joining us for the S H Kelkar & Company earnings call for the first quarter financial year 2027.

We are pleased to have begun the year with a sustained solid performance and an encouraging revenue growth accompanied by improvement in the operating profitability. However, the operating environment continues to warrant caution.

Geopolitical developments in West Asia have kept energy, freight and generally trade volatility remains high. At this time, the fundamental demand drivers of our industry in the consumers' preferences of fragrance and taste across personal care, home care and food categories have remained intact and continued to grow, but we are cautious on the overall environment.

We, therefore, are not looking to predict the environment and the macroeconomic growth, but to be prepared for rapid changes. Our long-term priorities are unchanged. Our deepening customer intimacy, expanding the opportunity pipeline and we have invested ahead of demand in the R&D and Creative Development Centers and manufacturing capabilities.

These investments carry near-term costs, but they are what position us to win larger briefs, anticipate evolving consumer preferences and build durable differentiated positions across categories and new markets, especially in European and American markets.

We are making these investments with discipline and with a clear line of sight to the revenue opportunities they are designed to unlock. We remain equally focused on supply continuity and service levels to our existing clients, areas where our proactive planning has allowed us to support customers without any interruption despite the fluid global supply environment.

With that, let me hand over to Jagdish to take you through the financial performance in greater detail. Over to you, Jagdish.

Jagdish Agarwal: Thank you, Kedar. Good afternoon, everyone, and thank you for joining us.

The consolidated revenue from operations grew 14% Y-o-Y to Rs. 662 crore. The Fragrance segment delivered healthy growth led by Europe and select international markets. We are particularly pleased with our performance given the subdued consumer backdrop in parts of the developed world.

The Flavour segment recorded a strong broad-based growth across geographies and was a key contributor to the quarter. I would note that a portion of this growth reflects the timing of certain customer orders and the pace of the growth should therefore be read on an annualized basis rather than extrapolated from a single quarter.

Gross margins were stable year-on-year, supported by a favourable product mix and proactive raw material planning. An outcome we consider satisfactory given the volatility in select input prices. Consolidated EBITDA rose 21% to Rs. 89 crore with EBITDA margin improving to 13.4% from 12.6% in the corresponding quarter last year, aided by operating leverage on the higher revenue base.

Within the Fragrance segment, reported profitability absorbed higher operating expenses linked to the continued strengthening of our R&D capabilities and global CDC network. These are deliberate growth-oriented investments and while they will weigh on segment margins until the corresponding revenue scale up, they are central to the quality and durability of our future growth. The Global Ingredients business saw a softer quarter on lower demand in select export markets, and we are watching this closely.

On the balance sheet, net debt increased by Rs. 65 crore during the quarter to Rs. 852 crore as of June 2026. This reflects 2 conscious decisions: strategic inventory buildup to ensure supply security for our customers in uncertain geopolitical environment and continued capital deployment towards capacity expansion and growth initiatives. While we continue to navigate near-term headwinds, we remain firmly committed to deleveraging in the medium to long term.

During the quarter, we recognized exceptional income of approximately Rs. 30 crore towards the insurance claim relating to the fire incident. The claim process is progressing well, and we expect full settlement within the current financial year.

Looking ahead through FY27, the pace of revenue growth may vary across quarters depending on the timing of demand and orders and geopolitical situations. Notwithstanding these quarterly variations, the current business momentum keeps us on track to deliver double-digit revenue growth and improved margins for the full year. We remain focused on balancing growth with financial discipline through appropriate pricing and cost management initiatives, improved cash conversion and prudent capital allocation.

With that, I would request the moderator to open the forum for questions. Thank you.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. We take the first question from the line of Abhijit Akella from Kotak Institutional Equities. Please go ahead.

Abhijit Akella: Good afternoon. Thank you so much and congratulations on an improvement in this quarter's numbers. I was just hoping to dig deeper into a couple of areas. One was on the revenue growth front. First of all, Flavours, as you pointed out, has grown extremely strongly, maybe some lumpy orders this quarter. Would it be possible to share some outlook for the full year in terms of what your budgets are for that business just in terms of revenue growth for the full year, just so we get some perspective of how the rest of the year might be?

And then on the Fragrances side, the India piece seems to be a little bit soft, flat revenues year-on-year. But is that mainly because of a high base from last year's 1Q? And if so, how are you seeing trends in the India Fragrance business? And finally, just on the foreign exchange contribution just given the sharp depreciation in the rupee, could you just spell out how much that might have contributed to revenue growth this quarter? Thanks.

Kedar Vaze: So, I think on the revenue side, while the overall revenue of the quarter is in line with the budget, the internal dynamics of the product mix is skewed more towards flavours being higher than the budget and the ingredient business being lower than the budget. But the overall revenue is in line with our expectation. For the future remaining quarters, we expect aid to catch up as the year goes through and the flavours to normalize, I would say, I think we did Rs. 112 crore revenue for Flavours this quarter and ballpark Rs. 95 crore would be on a normal basis. We expect that 1-odd month or 2 or 3 weeks of preponement of orders by clients given that the lead times and shipping times were not normal. So, we have seen uptick in the orders from some of our clients.

However, in July, we do not see any decline in this momentum. So, there is continued demand. But I would look at something like Rs. 95 crore, Rs. to 96 crore of flavour sales of quarter 1 and guesstimate about Rs. 15 crore of preponement through the kind of extra stock buildup in the distribution.

Yes. Then you had a question on foreign exchange. I think 9% is the like-for-like growth and net-net 5% is our additional FX sales due to exchange rate. You had a third point.

Abhijit Akella: Yes, fragrance India is soft.

Kedar Vaze: Yes. So Q1 last year was quite a strong quarter in comparison. And we have taken conscious decision, as we pointed out in quarter 4 to exit from some low-margin businesses, and we have kind of held back on our sales to clients and only given what they actually regularly consume and not taken any additional advanced orders as the pricing movement has been happening in the quarter.

So, as we increased prices, we have rationalized the margins. We have made sure that we are selling the right products to the right people at the right pricing in a much more disciplined manner and less or more focused on the overall business given that we are not confident of having raw material to service all clients in the first quarter. I think subsequently, with our inventory buildup and the current scenario, we are servicing almost all the clients now.

Abhijit Akella: Thank you. No, that is really helpful. Thanks for that. The other point I just had was on the margins. So, one thing is you have mentioned the possibility of some margin expansion this year, along with double-digit revenue growth. Given we have reported 13-odd percent margins this quarter, any broad range that we might be comfortable sort of offering from a full year perspective? I mean would it be, say, 10% to 12% or maybe slightly higher than that? Anything you might be comfortable talking about?

I also just wanted to check, should we expect gross margins to remain around these levels, current levels given all the volatility in the marketplace? And finally, just on flavours, flavours have been reporting extremely strong margins. So, what is a reasonable number, sustainable number to work with going forward?

Kedar Vaze: So, on the flavours front, fast growth has resulted in a very healthy bottom line. We continue to see the growth. So, at the moment, we are quite bullish on how the flavour business is evolving. Quarter 1 is, I would say, very strong. We may not see the same sort of momentum in the remaining quarters, but it is doing exceedingly well. There is repeat demand, new product adoption last year has been good. We are seeing that momentum continuing into this year. So, Flavours will outperform as the current year vis-a-vis the previous year's trend. So, it is in line.

To your question on the bottom line, so I think this quarter is not an unusual quarter in any way. So, if there are no big changes, we should look at similar sort of margin and growth. We just remain cautious. I think the demand and the overall geopolitical situation, if it affects different parts of the world and it affects some parts of our business, then that will affect the overall results. But at the moment, we see strong double-digit growth across the board. And if that double-digit growth is sustained and remains there, we should be in similar margin EBITDA level at least in terms of absolute numbers. Probably percentages can vary 1% here and there based on the pricing and the sales momentum. But no way this is a kind of exceptional quarter. This is the baseline normal quarter.

Abhijit Akella: Thank you so much. And just one last thing for me before I return in the queue, if you will permit me. So, just the timeline for your factory rebuild and the other expansion, if you could please just give us an update on that. Number two, on the debt front, should we expect some further increases during the course of this year? And finally, on your tax rate, it seems a bit on the higher side. What is the full year rate we should work with? Thanks a lot.

Jagdish Agarwal: Okay. Abhijit, when we talk about the factory, we are looking at commissioning Vanvate in the third quarter. Our debt position is expected to remain broadly at the June level, although it may slightly go up in September. But otherwise, when we talk about the mid or long-term, we have a clear path towards deleveraging and reducing debt. So, I do not see that that is going to be the same situation as what we have on debt.

You talked about the effective tax rate, Abhijit. So definitely, when we had March 2026, our ETR was very high. And it is going to get moderated as we start making the growth into all other subsidiaries and when we look into the overall profitability. So even today, when we look at June quarter, we are around 31.5% to 32% kind of

ETR. Our target is that should be less than 30%. That is what we are working on that.

Moderator: Thank you. We take the next question from the line of Pranav Tendolkar from Rare Enterprises. Please go ahead.

Pranav Tendolkar: So, I understand that you are not giving a quarter-on-quarter similar growth in fragrances. But what is the opportunity set here like in, say, 2 years, 3 years down the line, whatever investments we are doing, whatever relationships we have, and this industry is relatively unexplored, so what is the opportunity set here? Can you just spend some time on evaluating that or explaining that?

Kedar Vaze: So, if we look at the fragrance business market size in, let us say, just U.K. and U.S.A., which are our latest new initiatives, this market is roughly 20% to 21% of the global demand vis-a-vis India, which is 5%. So, we are talking about a market size, which is 4 to 5x bigger than the India fragrance market. It is a different magnitude of size and scale of business. So, we are putting our first, let us say, efforts in that market. We have seen some traction. We will continue to grow that over the next 2, 3 years. So, the market opportunity is very large. It is basically $10 billion of opportunity or market size. But we are new. It will take us some time to keep building the relationships and start to build this. But the overall market size is quite large compared to the Asian market.

Pranav Tendolkar: And this market size is actually addressable with the skill sets that we have?

Kedar Vaze: I mean, effectively, in the longer term, yes, I think we are targeting the $100 million-odd market in these markets, which is sort of low-hanging or easily addressable by us as we continue to build our R&D capability and customer engagement. So, we have more than adequate, let us say, market opportunity for the next 2, 3 years. On the longer term, we have built the platform around innovation, around patents and processes, which we are able to market.

So, it is a sustainable advantage we want to build in the market and continue to grow. So yes, entire $10 billion is an opportunity for us. It will take 10 years to reach that kind of opportunity space. But the capability to reach all $10 billion is already sort of built in with the patents, with the back-end systems and IP generation.

Moderator: Thank you. We take the next question from the line of Shivam Gupta from Trinetra Asset Managers. Please go ahead.

Shivam Gupta: Hi, sir. Thank you for the opportunity. My question is as customer preference continue to evolve, are you seeing faster growth in premium fragrances compared to mass market product? And how do you expect this trend to influence your product mix over the next few years?

Kedar Vaze: So, I think generally speaking, as customers have higher disposable income, there is a move to premiumization. This is a normal phenomenon year-on-year across the globe. I think in years of high inflation, which we expect this year to be a bit muted on the premiumization because of inflation. But in general, this trend is a normal trend where people go in for a more premium product or up marketing. The brands also bring in better versions and higher spend products. And this is a normal trend. So, it is not disrupting in any way for us. The benefit of working in Europe markets for the last few years is that we have already product developed for the next wave of products that will come in Asia. We are cross-selling previous versions in Europe, which are still in trend in Asia.

Shivam Gupta: Okay, sir. And my second question is like what percentage of your revenue today come from the product launched in the last 3 to 5 years?

Kedar Vaze: About 10% to 11%.

Moderator: Thank you. We take the next question from the line of Jatin Chawla from RTL Investments. Please go ahead.

Jatin Chawla: Yes, hi, good evening and thanks for the opportunity. My first question is that we have seen a lot of raw material volatility. And given that we have kept some strategic inventory, are we seeing some benefit of that in the gross margin? And going forward, can there be some negative impact on the gross margins once this inventory that we have starts depleting?

Kedar Vaze: So, we have prepared in a manner that we have 6 months visibility on the inventory and our contracts or pricing to the client. So, we have increased the inventory to ensure that for the next 4 to 5 months, I mean, 6 months from July, effectively, we do not have any additional cost pressure on the raw material. So, all the prices are fixed with stock in hand or contracts in place. So, we do not see any big changes in the profile or selling price or cost structure in the next 6 months on the part of the raw material.

We will obviously keep updating what is happening on the raw material month-on-month. And we have got, in a way, extra 45 days of inventory in the system to allow us to pass on any big shocks or any big changes to the clients in proper time and not take a hit on the gross margin at our end. So, we have additional inventory to allow us to go back to the clients well in time and ask for and push for the recalibration of the selling prices if required.

Jatin Chawla: Got it. Got it. A related question to that is that if we are confident that our gross margins can be maintained, then should not our EBITDA margins go up as the revenue scales up because your CBC investments are largely done now, so that fixed cost absorption should improve going forward?

Kedar Vaze: Yes. Your comment is absolutely right. We are just not in a sort of position to anticipate or predict the demand structure or demand situation for the full year. As of now, things look quite in normal range. And as we grow double-digit plus, our margins will improve. But for the full year, we are not confident to predict beyond 2, 3 months' time. So, it is a bit early. It is too uncertain what is happening. So, we do not want to put out a number which we really do not know.

And if the growth remains as it is, yes, your comment is absolutely right. If we do double-digit growth, our margins will be better than the first quarter in the full year. But at some point with the currency, with exchange rates and/or growth faltering in any part of the world, then if it has a significant effect on the overall number, then we will have a little bit muted result as a basis.

Jatin Chawla: Thanks. My second question is on the capacity expansion. So, the capex plan for this full year, how much was done in 1Q? And if you could kind of split it between Europe and India, that would be useful.

Kedar Vaze: About Rs. 25 crore was done in Europe in the quarter 1. European capex is now completed. The plant is operational since May. Our quarter 2 capex will continue on the Vanvate and Vashivali India Fragrance projects. We expect bulk of this investment capex to happen in basically before end of quarter 2 and the Vanvate factory to be operational in quarter 3. And then we have an opportunity based on how things are running and demand scenario to either put out the last Rs. 25 crore of capex in the quarter 4 or defer it to quarter 1 next year for the Vashivali plant upgradation.

Jatin Chawla: And in 2Q in Vanvate, how much do you plan to spend?

Kedar Vaze: In Q2 in Vanvate is about Rs. 25 crore.

Jatin Chawla: Okay. So, Rs. 25 crore was spent in 1Q, Rs. 25 crore in 2Q and remaining Rs. 25 crore, you will decide whether to do it this year or next year?

Kedar Vaze: No, remaining around Rs. 50 crore, this is the 3 plants in India.

Moderator: Thank you. We take the next question from the line of Tanish Jhaveri from Boring AMC. Please go ahead.

Tanish Jhaveri: Yes. So, I just wanted to ask more on the CDC front. By when can we expect a ramp-up in the European subsidiary? And what kind of a revenue stream can we expect from it and an incremental ROIC, what are you expecting the return ratios for our investment in Europe to be?

Kedar Vaze: So, on the longer term, we see ROCE of around 17% to 18% in the European business. We have just invested in a large center in Germany and with the new factory in Almere. So, we are at the sort of full capex cycle. It will take 3 to 4 years of growth to come back to the normal trend line. Opportunity space, we are investing roughly $3 million a year additionally in R&D. And as I said earlier, the markets which we are addressing are quite large. We have more than $4 billion to $5 billion of new areas where we are operating in Europe. It is not that $4 billion, $5 billion will happen tomorrow morning, but effectively, opportunity space for us is quite large. So, we are confident of growing extremely fast in these markets because we have a very small base.

Tanish Jhaveri: Okay. Thank you. And on a group level, what kind of ROE and ROCE do we have in mind in the longer term, like 2, 3 years down the line?

Kedar Vaze: So, I think we should have excess of 15% ROCE as our target. Our long-term target is 20%. But at the moment, we will see 3 to 5 years of slow traction towards the 15%. And then as the sales ramp up in the new initiative areas post breakeven and EBITDA plus and then we will reach that 20% ROCE level.

Moderator: Thank you. We take the next question from the line of Adwait Javkar from EquiPoise Capital Management. Please go ahead.

Adwait Javkar: Yes. Thank you for the opportunity. I have one question about the recent heavy rainfall and flooding in the parts of Gujarat, including the Vapi region. Have any of our manufacturing facility or supply chain operations been impacted because of this?

Kedar Vaze: No.

Adwait Javkar: There is no impact or there is no shutdown we are expecting from this?

Kedar Vaze: So far, we had no impact.

Moderator: Thank you. We take the next question from the line of Ashwin Patil from Intelligent Prosperty Solution. Please go ahead.

Ashwin Patil: Thank you for the opportunity. My question is your capex cycle largely completed. If so, what depreciation expense should we expect in FY27?

Jagdish Agarwal: Right now, we are at around Rs. 35 crore per quarter. And once we do Vanvate capitalizations we will move into that, we are expecting somewhere Rs. 38 crore, Rs. 39 crore per quarter kind of a run rate.

Moderator: Thank you. We take the next question from the line of Sajal Kapoor from Antifragile Thinking. Please go ahead.

Sajal Kapoor: Yes. Thank you for the opportunity. Hi, Kedar. A couple of questions from my side. First is, what has to be true 3 years from now for you to say the investments that you have been making in the operating system improvement of Keva that you have made over the past decade were all kind of successful? So, you mentioned we can probably look at 17% to 20% ROCE over the long run. But what will give you an early indication of the fact that we are trending in that direction?

Kedar Vaze: So typically, we have 3 large new market bets, which is Germany, U.S.A. and U.K. In the last 2 years, a little bit more than 2 years, we have invested quite heavily in these 3 development centers with sales, marketing and the whole teams. We see traction in each of these. And what we are looking at is each of these investments to breakeven on a year-on-year basis in the year 3. This is our milestone.

So, Germany, which has come first, we should look at somewhere between this year and next year to have a breakeven position that we have generated enough business that covers the cost, a year later for U.S.A. and a year later for UK. So, if we track in 3 years on this line where we have an EBITDA breakeven on the investments, then we will grow from there in our longer-term basis.

Sajal Kapoor: Helpful, helpful. Thank you. And today, if you could remove just one constraint to double Keva's earnings over the next, say, 5 years, what would that constraint be? Just one.

Kedar Vaze: So, revenue doubling in 5 years, you are talking about?

Sajal Kapoor: Yes. Yes, what is that one constraint that if you take care of that bottleneck or limitation, you could double the earnings

Kedar Vaze: I think main sort of concern for us is major disruptions on the global macro. Our business and nature of business is quite annual, repeat annuity basis. So, once we have a business, it grows, it sustains. The moment we have a macro like we had the pandemic or something like this, then it is affecting not only the year in which the pandemic happens, but also the pipeline for product launches in the subsequent couple of years.

So, what we have underestimated is the effect of subsequent year growth is also dependent on the previous year product adoptions. So, as long as we have a consistent macroeconomic situation, even whatever is the conditions today, they remain as it is for the next 5 years, we will be in a very good position to double our revenue and go on the track that we have outlined. So major changes affect our business.

It is a very complex business, the kind of momentum building, and we are not able to cut down R&D and put it back in time. So, if there are quick fluctuations, we lose out on that area. This is the main concern or constraints. So, if there is a stable environment, even right now, it is not a very positive global environment for growth. But if it remains like this, stable, we have more than adequate opportunities and spaces where we can continue to grow and double the revenue and go on our path.

Moderator: Thank you. We take the next question from the line of Ankur Agarwal from RC Business House Private Limited. Please go ahead.

Ankur Agarwal: Hello. How much promoter holding place at present?

Kedar Vaze: I think 50 lakh shares, something like this. Rs. 30 crore is the value of the borrowing against the shares. I think it is 50 lakh shares.

Ankur Agarwal: Okay. And what is the planning to reduce the debt for next 1, 2 years?

Kedar Vaze: As Jagdish mentioned, the debt level will remain high for the next quarter at the similar levels as we continue our capex this quarter and next quarter, I think from the third quarter, it will start to reduce. And our expectation is that every quarter, we will continue to reduce by approximately Rs. 25 crore quarter-on-quarter thereafter.

Moderator: Thank you. We take the next question from the line of Amit Kumar from Determined Investment. Please go ahead.

Amit Kumar: Yes, thank you. Sir, my understanding of the business, typically, you fix your pricing with customers at the beginning of the year. Now given the disruption that we have seen on the raw material side, I mean, certainly pricing, you were sort of talking a little bit about availability also, definitely a fair bit of pricing disruption between March to July.nSo, I just wanted to get a sense, given the kind of disrupted raw material environment, have you sort of taken any further pricing actions during this time between March till now? I mean, given that it is a B2B business, I mean, how much of this has been accepted by your customers?

Kedar Vaze: So, we have corrected the pricing to our customers based on the cost inflation that we have ourselves received as a result of the geopolitical effect. We have passed it on. I think almost 95% plus of the clients, we were able to get reasonable price corrections. And we have implemented that across the board. Where certain clients were reluctant, we have not supplied till the negotiations were completed. And if you see that is part of the reason the domestic fragrance sales is a bit lower than same quarter last year. But we have been successfully able to pass on the costs, and we have also increased our inventory. So, we are not exposed to future shocks. We are basically committing to the clients' delivery quality and supply certainty with the inventory in hand.

Moderator: Thank you. We take the next question from the line of Bharat Gupta from Fair Value Capital. Please go ahead.

Bharat Gupta: Hi, Kedar. Thanks for the opportunity. A couple of questions. One is on the Global Ingredients business. So, you mentioned that it is been under watch, but turnaround which we anticipate over the next few years in this segment?

Kedar Vaze: We did not hear quite which business you were talking about.

Bharat Gupta: About the Global Ingredient business.

Kedar Vaze: Global Ingredient business. So, the Global Ingredient business, obviously is much more directly affected by supply chain disruptions in the recent situation. We have muted growth for the first quarter. We will resume the growth, and we have taken steps, as we mentioned a few years ago on backward integration and complete away from China supply chain. So those are in place. Unfortunately, the disruptions have created a supply gap in this period. So, we are not in a strong position to push the Global Ingredient growth. But it is a stable business, and we continue to see a recovery in the second half of the year.

Bharat Gupta: Sure. With respect to the insurance claims, so I think we have received somewhere close to Rs. 30-odd crore within the quarter. What is the estimate with respect to like how much we have processed for the rest of the year?

Kedar Vaze: I think Rs. 50 crore to Rs. 55 crore, Rs. 60 crore is the claim amount pending. So, we will continue to chase the insurers to fulfill the claim in this year.

Moderator: Thank you. We take the next question from the line of Bharat Sheth from Quest Investment Managers Private Limited. Please go ahead.

Bharat Sheth: Hi, Kedar and Jagdish, and congratulations on good set of numbers. So Kedar, my question is related to, first is on this Unilever business that we have. So how that is ramping up is happening? And are we getting more RFPI from the same client or I mean introducing new clients, are we getting any kind of RFP from new clients? That is one part. And second, on U.S.A. and UK, you said we are seeing some traction. So, if you can give some colour because last year in Q4, we had also started supplying to U.S.A.

Kedar Vaze: Yes. So, like I mentioned, let me answer your 2 parts. So, Unilever and global accounts, we are continuing to engage not only Unilever, but others. There is a continuous stream of projects and developments which are happening at the moment. We do not have any large breakthrough significant additions to the existing portfolio in that scenario. But work is happening and things are a bit changing at their end as they are also facing pricing pressures on their commodity and their sort of new product development or launches are not on the full swing, especially in India.

Then we have talked about the new initiatives with Europe, Germany, then U.S.A. and UK. And Germany is now kind of truly on its way. We have seen regular traction on the developments that are happening there and the sales out of that. U.S.A., we have just started traction in the fourth quarter last year. We expect to do about 1.5 million to 2 million minimum revenue for the year in the U.S. So that is a good development. And UK is early days. We have just started this year. So, we need to wait at least 12 to 15 months before substantial businesses are materializing.

Bharat Sheth: Okay. Great. And second question, I mean, related to Flavours, so that side also we were talking with larger global account. So, any update on that, how that is playing out? And secondly, Flavour business Rs. 95 crore kind of a run rate that we should expect from Q2 onward. Is that fair understanding?

Kedar Vaze: I think Q2 may be even stronger than Rs. 95 crore. And my guesstimate, now nobody has an exact number because client purchases have happened. We have done Rs. 112 crore in the first quarter. My guesstimate is that about Rs. 10 crore to Rs. 15 crore out of this would be sales, which is extra stock, not actual final consumption. So, we may not get that Rs. 15 crore quarter-on-quarter every quarter. So, it is higher inventory buildup particularly in the export markets and also in domestic because of the disruption in the supply and the price increases, people would have stocked up their inventory level with the old price benefit.

So, there is additional guesstimated Rs. 15 crore in the Rs. 112 crore, so Rs. 97 crore, Rs. 95 crore is the actual regular business if there was no big disruption. This is our guesstimate. So base is Rs. 95 crore, Rs. 96 crore, quarter 2 will be better than Rs. 95 crore, Rs. 96 crore and quarter 3 will be better than that and so on and so forth. We do not expect Rs. 112 plus growth in the quarter 2. That is not our expectation.

Bharat Sheth: And second, I mean, any global accounts that we were working on? So, any update on that?

Kedar Vaze: Nothing large. I think businesses have started with some global nutrition companies and things like this, but nothing is substantial, significant at this moment. Typically, in Flavours, products are normally new introductions. It takes 3 to 4 years for significant value to come.

Bharat Sheth: Right. And in Q1, apart from this Rs. 15 crore, which business style like personal care, beauty and food and beverage, so which business has been driving large part?

Kedar Vaze: No. So, I think across the board, it is pretty much business as usual. Global Ingredient business has been lower than expected. We have curtailed the supplies. We have no certainty in this period on the raw material side. So, we have sort of controlled and made sure that we service all our existing clients.

And on the Flavour side, we have higher than budgeted or higher-than-expected sales, which I believe will kind of normalize in the quarter 2 onwards. There is no segment, new segment and nothing out of the normal. It is very much a normal quarter with kind of, if I would summarize, a normal business, double-digit growth, Flavours outperforming AID, Global Ingredients below budget, but overall on budget.

Moderator: Thank you. Ladies and gentlemen, we take that as the last question and conclude the question-and-answer session. I now hand the conference over to the management for their closing comments.

Kedar Vaze: Thank you. I hope we have been able to answer your questions. Should you need any further clarifications or would like to know more about the company, please feel free to contact our team or CDR India. Thank you once again for taking the time to join us on this call.

Moderator: Thank you. On behalf of S H Kelkar & Company Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.

-End-

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