



May 22, 2019

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: Submission of audited financial results for the quarter and year ended March 31, 2019**

At the meeting of Board of Directors of the Company (“the Board”) held today, the Board has approved the audited financial results (standalone and consolidated) for the quarter and year ended March 31, 2019 and took on record the Report issued by Statutory Auditors in this regard.

Accordingly, please find enclosed the following:

- Audited financial results (standalone and consolidated) for the quarter and year ended March 31, 2019 (“Results”)
- Report issued by Statutory Auditors
- Press release on Results
- Declaration that the Statutory Auditors have not expressed any modified opinion(s) in their Audit Report

You are requested to take the above on record.

Thanking you,

Yours faithfully,

For S H Kelkar and Company Limited

  
Deepthi Chandratre  
Company Secretary & Compliance Officer



Encl: As above



# B S R & Co. LLP

Chartered Accountants

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## **Independent Auditors' Report on Consolidated Annual Financial Results of S H Kelkar and Company Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

### **To Board of Directors of S H Kelkar and Company Limited**

1. We have audited the consolidated annual financial results of S H Kelkar and Company Limited (hereinafter referred to as 'the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its joint ventures for the year ended 31 March 2019, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Attention is drawn to the fact that the figures for the last quarter ended 31 March 2019 and the corresponding quarter ended in the previous year as reported in these consolidated annual financial results are the balancing figures between consolidated audited figures in respect of the full financial year and the published year to date consolidated figures upto the end of the third quarter of the relevant financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit.
2. These consolidated annual financial results have been prepared from consolidated annual financial statements and reviewed quarterly consolidated financial results upto the end of the third quarter, which are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these consolidated annual financial results based on our audit of such consolidated annual financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015, as per Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated annual financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by Management. We believe that our audit provides a reasonable basis for our opinion.
4. (a) We did not audit the financial statements of eleven subsidiaries included in the consolidated annual financial results, whose annual financial statements reflect total assets of Rs 637.37 crores as at the year ended 31 March 2019 as well as total revenues of Rs 390.47 crores for the year ended 31 March 2019. The consolidated annual financial results also include the Group's share of net profit (including other comprehensive income) of Rs 0.13 crores for the year ended 31 March 2019, in respect of one joint venture, whose financial statements have not been audited by us. These annual financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management, and our opinion on the consolidated annual financial results, to the extent they have been derived from such annual financial statements is based solely on the report of such other auditors.



**Independent Auditors' Report on Consolidated Annual Financial Results of S H Kelkar and Company Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)**

**S H Kelkar and Company Limited**

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- (b) The consolidated annual financial results also include the Group's share of net profit (and other comprehensive income) of Rs 1.49 crores for the year ended 31 March 2019, as considered in the consolidated annual financial results, in respect of one joint venture whose annual financial statements/ financial information have not been audited by us or by other auditors. These unaudited financial statements/ financial information have been furnished to us by the management and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of this joint venture, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

Our opinion on the consolidated annual financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

5. In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reports of other auditors on separate financial statements of the subsidiaries and joint ventures as aforesaid, these consolidated annual financial results:

- (i) includes the annual financial results of the following entities :

<b>Name of the Entity</b>	<b>Relationship</b>
Saiba Industries Private Limited	Wholly Owned Subsidiary
Keva Flavours Private Limited	Wholly Owned Subsidiary
Rasiklal Hemani Agencies Private Limited	Wholly Owned Subsidiary
Keva Chemicals Private Limited (including its following wholly owned subsidiary)	Wholly Owned Subsidiary
- Tanishka Fragrance Encapsulation Technologies LLP	



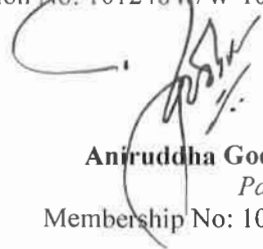
**Independent Auditors' Report on Consolidated Annual Financial Results of  
S H Kelkar and Company Limited pursuant to the Regulation 33 of the  
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015  
(Continued)**

**S H Kelkar and Company Limited**

<b>Name of the Entity</b>	<b>Relationship</b>
Keva Fragrances Private Limited (including its following wholly owned subsidiary) - VN Creative Chemicals Private Limited	Wholly Owned Subsidiary
(including its following joint venture) - Purandar Fine Chemicals Private Limited	Joint Venture
Keva U.K. Ltd (including its following wholly owned subsidiary) - PFW Aroma Ingredients B.V.	Wholly Owned Subsidiary
Keva Fragrance Industries Pte Ltd. (including its following wholly owned subsidiaries) - PT SHKKEVA Indonesia - Anhui Ruibang Aroma Company Limited	Wholly Owned Subsidiaries
Creative Flavours and Fragrances S.p.A	Joint Venture

- (ii) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (iii) give a true and fair view of the net consolidated profit and other comprehensive income and other financial information for the year ended 31 March 2019.

For **B S R & Co. LLP**  
*Chartered Accountants*  
Firm's Registration No: 101248W/W-100022



**Aniruddha Godbole**  
*Partner*  
Membership No: 105149

Mumbai  
22 May 2019



## STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2019

(Rupees In Crore, except for share data and if otherwise stated)

Particulars	Quarter Ended			Year Ended	
	31.03.2019 (Audited) (refer note- 9)	31.12.2018 (Unaudited)	31.03.2018 (Audited) (refer note- 9)	31.03.2019 (Audited)	31.03.2018 (Audited)
<b>Sales excluding Excise &amp; GST</b>	268.57	254.51	282.74	1,041.15	1,019.27
<b>1. Revenue from Operations</b>					
(a.) Sales including Excise (Refer note 7 )	268.57	254.51	282.74	1,041.15	1,037.20
(b.) Other Operating Income	0.31	0.32	1.11	2.45	1.75
<b>2. Other Income</b>					
(a.) Export Incentives	0.86	1.65	1.22	4.52	4.09
(b.) Other income (Refer note 5 )	11.09	4.95	15.43	23.36	21.61
<b>3. Total Income</b>	<b>280.83</b>	<b>261.43</b>	<b>300.50</b>	<b>1,071.48</b>	<b>1,064.65</b>
<b>4. Expenses</b>					
(a.) Cost of materials consumed	169.50	156.51	140.07	609.35	552.81
(b.) Purchase of stock in trade	-	-	-	13.01	-
(c.) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(13.05)	(17.25)	33.61	(31.59)	10.12
(d.) Excise duty on sale of goods	-	-	-	-	17.93
(e.) Employee benefits expense (Refer note 5 )	30.14	31.24	31.19	128.09	125.19
(f.) Finance costs	6.06	4.49	1.59	13.95	3.97
(g.) Depreciation and amortisation expense	7.94	8.86	6.49	31.15	23.84
(h.) Other expenses	58.23	45.97	53.15	192.67	174.78
<b>Total Expenses</b>	<b>258.82</b>	<b>229.82</b>	<b>266.10</b>	<b>956.63</b>	<b>908.64</b>
<b>5. Profit before exceptional items and tax (3-4)</b>	<b>22.01</b>	<b>31.61</b>	<b>34.40</b>	<b>114.85</b>	<b>156.01</b>
<b>6. Exceptional Items (Refer note 4)</b>	-	-	2.78	-	12.85
<b>7. Profit before tax (5 - 6)</b>	<b>22.01</b>	<b>31.61</b>	<b>31.62</b>	<b>114.85</b>	<b>143.16</b>
<b>8. Tax expense</b>					
Current tax	(3.20)	11.45	7.39	35.19	46.42
Deferred tax	5.06	(1.17)	4.50	(8.18)	4.16
<b>9. Profit for the period (7 - 8)</b>	<b>20.15</b>	<b>21.33</b>	<b>19.73</b>	<b>87.84</b>	<b>92.58</b>
<b>10. Share of Profit from Equity investment in Joint Venture (Net of tax) (Refer note 6)</b>	<b>(0.86)</b>	<b>0.16</b>	<b>1.30</b>	<b>0.41</b>	<b>1.30</b>
<b>11. Profit / (Loss) attributable to Non-controlling interests</b>	<b>(0.30)</b>	<b>0.10</b>	-	<b>(0.23)</b>	-
<b>12. Profit after Non-controlling interests (9 + 10 -11)</b>	<b>19.59</b>	<b>21.39</b>	<b>21.03</b>	<b>88.48</b>	<b>93.88</b>
<b>13. Other Comprehensive Income</b>					
Items that will not be reclassified to profit or loss	(0.64)	0.02	0.48	(0.56)	0.11
Income Tax on relating to items that will not be reclassified to profit or loss	0.26	(0.01)	(0.22)	0.23	(0.10)
Items that will be reclassified to profit or loss	0.61	(7.36)	11.86	(6.15)	11.54
Income Tax on relating to items that will be reclassified to profit or loss	-	-	-	-	-
<b>Other Comprehensive Income (net of tax)</b>	<b>0.23</b>	<b>(7.35)</b>	<b>12.12</b>	<b>(6.48)</b>	<b>11.55</b>
<b>14. Other Comprehensive Income (net of tax) attributable to Non-controlling interests</b>	-	-	-	-	-
<b>15. Other Comprehensive Income (net of tax) after Non-controlling interests (13 - 14)</b>	<b>0.23</b>	<b>(7.35)</b>	<b>12.12</b>	<b>(6.48)</b>	<b>11.55</b>
<b>16. Total Comprehensive Income for the period (9 + 10 + 13)</b>	<b>19.52</b>	<b>14.14</b>	<b>33.15</b>	<b>81.77</b>	<b>105.43</b>
<b>17. Total Comprehensive Income for the period attributable to Non controlling interests</b>	<b>(0.30)</b>	<b>0.10</b>	-	<b>(0.23)</b>	-
<b>18. Total Comprehensive Income for the period after Non controlling interests (16 + 17)</b>	<b>19.82</b>	<b>14.04</b>	<b>33.15</b>	<b>82.00</b>	<b>105.43</b>
<b>19. Paid-up equity share capital (Face Value of Rs 10 each)</b>	<b>144.62</b>	<b>144.62</b>	<b>144.62</b>	<b>144.62</b>	<b>144.62</b>
<b>20. Other Equity</b>				<b>718.73</b>	<b>712.28</b>
<b>21. Earnings Per Share (Face Value of Rs 10 each) (not annualised):(Refer note 11)</b>					
(a) Basic	1.37	1.50	1.48	6.20	6.52
(b) Diluted	1.37	1.50	1.48	6.20	6.52



**Notes :**

- 1 The above consolidated financials results of S H Kelkar and Company Limited and its subsidiaries (collectively referred to as 'the Group') and its Joint ventures were reviewed by the Audit Committee at its meeting held on 22 May, 2019 and subsequently approved by the Board of Directors of S H Kelkar and Company Limited ('the Company') at its meeting held on 22 May, 2019. The statutory auditors of the Company have conducted an audit of the above results for the quarter and year ended 31 March, 2019 pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations, 2015"). The results have been subjected to an audit by Statutory Auditors of the Company who have expressed an unqualified opinion thereon. The above results along with Auditors' Report thereon is filed with the Stock Exchanges and available on Group website -
- 2 The Group has two reportable operating segments viz. *Fragrances and Flavours*, as per IND AS 108-Operating Segment. *Fragrances* segment manufactures/trades in fragrances and aroma ingredients. *Flavours* segment manufactures/trades in flavours. The financial information for these segments has been provided in Consolidated Financial Results as per IND AS 108.
- 3 Earning before interest, tax, depreciation and amortisation (EBITDA) before exceptional items for the quarter ended 31 March, 2019 at Rs 36.01 crores (for the quarter ended 31 March, 2018: Rs 42.48 crores) and for the year ended 31 March, 2019 at Rs.159.95 crores. (year ended 31 March, 2018: Rs 183.82 crores)
- 4 The Group had decided to restructure its operation at PFW Aroma Ingredients B.V ('PFW'), Netherlands in the previous year and, inter alia, to relocate part of its production base to India to optimise the cost structure of its fragrance business. This had resulted in partial reduction of PFW's workforce. Such restructuring cost of Rs 12.85 crores has been considered in full in accordance with Ind AS 19-Employee Benefits and shown as Exceptional item.
- 5 The Group has undertaken Business / Organisation restructuring and its associated one time cost of Rs 5.39 crores for the year ended March 2019 is included in the Employment cost. Similarly, excess provision relating to the Employment cost of Rs 3.59 crores is disclosed under Other income for the year ended 31 March, 2019. There was Nil Business / Organisation restructuring cost for quarter ended 31 March, 2019.
- 6 The Holding Company had entered into an agreement dated 15 January 2018 to acquire 51% of the share capital of Creative Flavours and Fragrances S.p.A. ("CFF"). The Group performed a purchase price allocation exercise basis fair valuation of assets and liabilities, which has resulted into amortisation charge on Intangible assets Rs. 1.22 crores (net of tax) for the year ended March 2019. As per the requirements of IND AS 103- Business Combinations, the impact of the amortisation of Intangibles of Rs. 0.31 crores (net of tax) has been given in the corresponding period and to that extent the consolidated financial results have been restated.
- 7 According to the requirements of the Listing Regulations, 2015, revenue for the quarter ended 30 June, 2017 was reported inclusive of excise duty. Goods and Service Tax ("GST") has been implemented with effect from 01 July, 2017 which replaces Excise Duty and other input taxes. As per Ind AS 18, the revenue for the period from 1 July, 2017 to 31 March, 2018 and year ended 31 March, 2019 is reported net of GST.
- 8 In consonance with the dividend distribution policy of the Company, the Board of Directors at its meeting held on 22 May, 2019 did not recommend any final dividend for the financial year ended 31 March, 2019.
- 9 Figures for the quarter ended 31 March, 2019, and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year & published year to date figure upto the end of the third quarter of the relevant financial year. Also the figures upto the end of the third quarter had only been reviewed and not subject to audit.
- 10 The MCA wide notification dated 11 October, 2018 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. The Company has incorporated appropriate changes in the above results.
- 11 Basic and Diluted earning per share for the quarter and year ended 31 March, 2019 is adjusted for the effect of treasury shares held by the Company.

For and on behalf of Board of Directors



*K. Vaze*

Kedar Vaze

Director and Chief Executive Officer

Place: Mumbai

Date: 22 May, 2019



**S H KELKAR AND COMPANY LIMITED**

CIN : L74999MH1955PLC009593

Regd. Office : Devkaran Mansion, 36 Mangaldas Road, Mumbai - 400002 India

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**Consolidated Segment-wise Revenue, Assets, Liabilities and Capital Employed for the Quarter and Year ended 31 March 2019**

(Rupees in Crore, except for share data and if otherwise stated)

Particulars	Quarter Ended			Year Ended	
	31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>Segment Revenue (Excluding Excise &amp; GST)</b>					
Fragrance	242.01	226.90	255.04	934.14	906.59
Flavours	26.56	27.61	27.70	107.01	112.68
<b>Total</b>	<b>268.57</b>	<b>254.51</b>	<b>282.74</b>	<b>1,041.15</b>	<b>1,019.27</b>
<b>1. Segment Revenue (Including Excise)</b>					
Fragrance	242.01	226.90	255.04	934.14	922.60
Flavours	26.56	27.61	27.70	107.01	114.60
<b>Total</b>	<b>268.57</b>	<b>254.51</b>	<b>282.74</b>	<b>1,041.15</b>	<b>1,037.20</b>
Other Operating Income	0.31	0.32	1.11	2.45	1.75
<b>Sales/ Income From Operations</b>	<b>268.88</b>	<b>254.83</b>	<b>283.85</b>	<b>1,043.60</b>	<b>1,038.95</b>
<b>2. Segment Results (Profit (+) / Loss(-) before tax and interest from ordinary activities)</b>					
- Fragrance (Refer note - 3)	27.35	36.64	32.36	130.05	139.55
- Flavours	4.99	4.27	3.70	15.41	21.13
<b>Total</b>	<b>32.34</b>	<b>40.91</b>	<b>36.06</b>	<b>145.46</b>	<b>160.68</b>
Less: i) Finance costs	(6.06)	(4.49)	(1.59)	(13.95)	(3.97)
Add/(Less): Other unallocable income net of unallocable expenditure	(5.13)	(4.65)	(1.55)	(16.25)	(12.25)
<b>Total Profit Before Tax from ordinary activities and share of profit from Equity Investment in Joint Venture</b>	<b>21.15</b>	<b>31.77</b>	<b>32.92</b>	<b>115.26</b>	<b>144.46</b>
<b>3. Segment Assets</b>					
- Fragrance (Refer note - 4)	1,232.61	1,320.30	1,076.02	1,232.61	1,076.02
- Flavours	136.77	121.93	151.76	136.77	151.76
- Unallocated	75.71	66.08	51.83	75.71	51.83
<b>Total</b>	<b>1,445.09</b>	<b>1,508.31</b>	<b>1,279.61</b>	<b>1,445.09</b>	<b>1,279.61</b>
<b>4. Segment Liabilities</b>					
- Fragrance	163.07	207.83	191.54	163.07	191.54
- Flavours	16.41	13.96	23.85	16.41	23.85
- Unallocated	391.45	416.44	207.32	391.45	207.32
<b>Total</b>	<b>570.93</b>	<b>638.23</b>	<b>422.71</b>	<b>570.93</b>	<b>422.71</b>
<b>5. Capital Employed (Segment assets - Segment liabilities)</b>					
- Fragrance	1,069.54	1,112.47	884.48	1,069.54	884.48
- Flavours	120.36	107.97	127.91	120.36	127.91
- Unallocated	(315.74)	(350.36)	(155.49)	(315.74)	(155.49)
<b>Total</b>	<b>874.16</b>	<b>870.08</b>	<b>856.90</b>	<b>874.16</b>	<b>856.90</b>

**Notes on Segment Information:**

1. Segment Revenue , Results, Assets and Liabilities represent amounts identifiable to each of the segments. Other unallocable income net of unallocable expenditure mainly includes interest income, dividend income, income from current investments(net), expenses on common services not directly identifiable to individual segments, corporate expenses and unallocable exceptional items.

Segment Assets and Segment Liabilities are as at 31 March, 2019, 31 December, 2018 and 31 March, 2018.

2. Previous period figures have been re-grouped/ re-classified wherever necessary, to confirm to current period's classification.

3. Including share of profit from Equity Investment in Joint Ventures - Creative Flavours and Fragrances S.p.A.(CFF) & Purandar Fine Chemicals Pvt.Ltd.

4. Including Equity Investment in Joint Ventures - CFF & Purandar Fine Chemicals Pvt.Ltd.



S H KELKAR AND COMPANY LIMITED

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(Rupees in Crores)

	Statement of Assets and Liabilities Particulars	CONSOLIDATED	CONSOLIDATED
		As at 31 March 2019	As at 31 March 2018
		Audited	Audited
<b>A</b>	<b>ASSETS</b>		
	<b>Non-current assets</b>		
1	Property, Plant and Equipment	369.42	274.38
	Capital work-in-progress	15.42	35.57
	Investment Property	13.83	14.30
	Goodwill	39.84	35.64
	Other Intangible assets	38.86	27.55
	Intangible Assets under Development	22.22	24.62
	Equity Accounted Investee	95.84	94.63
	Financial Assets		
	Investments*	0.00	0.00
	Loans	2.70	2.25
	Others	1.39	1.37
	Deferred tax assets (net)	25.51	4.44
	Other tax assets (net)	28.00	25.19
	Other non-current assets	21.77	41.19
	<b>Total non current assets</b>	<b>674.80</b>	<b>581.13</b>
2	<b>Current Assets</b>		
	Inventories	373.94	347.95
	Financial Assets		
	Investments	1.53	1.55
	Trade receivables	284.45	276.63
	Cash and cash equivalents	37.45	17.40
	Other bank balances	3.44	6.45
	Loans	6.16	4.09
	Others	2.24	0.20
	Other current assets	61.08	44.21
	<b>Total current assets</b>	<b>770.29</b>	<b>698.48</b>
	<b>TOTAL ASSETS</b>	<b>1,445.09</b>	<b>1,279.61</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
1	<b>Equity</b>		
	Equity share capital	144.62	144.62
	Other equity		
	Retained earnings	425.50	368.13
	Other Reserves	293.23	344.15
	<b>Equity attributable to owners of the Company</b>	<b>863.35</b>	<b>856.90</b>
	Non-Controlling Interest	10.81	-
	<b>Total equity</b>	<b>874.16</b>	<b>856.90</b>
2	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	Financial liabilities		
	Borrowings	69.97	48.20
	Others	1.98	1.29
	Provisions	0.87	0.62
	Deferred tax liabilities (net)	17.92	8.22
	<b>Total non-current liabilities</b>	<b>90.74</b>	<b>58.33</b>
	<b>Current liabilities</b>		
	Financial liabilities		
	Borrowings	264.00	116.07
	Trade payables		
	-total outstanding dues of micro enterprises and small enterprises	7.18	8.91
	-total outstanding dues of creditors other than micro enterprises and small enterprises	127.13	146.71
	Other financial liabilities	27.09	28.99
	Other current liabilities	13.64	25.29
	Provisions	10.08	12.41
	Current tax liabilities (net)	31.07	26.00
	<b>Total current liabilities</b>	<b>480.19</b>	<b>364.38</b>
	<b>Total Liabilities</b>	<b>570.93</b>	<b>422.71</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,445.09</b>	<b>1,279.61</b>

\*Amount less than Rs. 0.01 crs





# B S R & Co. LLP

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## **Independent Auditors' Report on Standalone Annual Financial Results of S H Kelkar and Company Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

### To Board of Directors of S H Kelkar and Company Limited

1. We have audited the standalone annual financial results of S H Kelkar and Company Limited ('the Company') for the year ended 31 March 2019, attached herewith, in which are incorporated returns from a Branch in Amsterdam, The Netherlands and financial statements of S H Kelkar Employee Benefit Trust which is audited by other auditors, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Attention is drawn to the fact that the figures for the last quarter ended 31 March 2019 and the corresponding quarter ended in the previous year as reported in these standalone annual financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the relevant financial year. Also, the figures up to the end of third quarter had only been reviewed and not subjected to audit.
2. These standalone annual financial results have been prepared on the basis of the audited standalone annual financial statements and reviewed quarterly standalone financial results upto the end of third quarter which are the responsibility of the Company's management. Our responsibility is to express an opinion on these standalone annual financial results based on our audit of the standalone annual financial statements which have been prepared in accordance with the recognition and measurement principles laid down in Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the standalone annual financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as the standalone annual financial results. An audit also includes assessing the accounting principles used and significant estimates made by Management. We believe that our audit provides a reasonable basis for our opinion.



**Independent Auditors' Report on Standalone Annual Financial Results of S H Kelkar and Company Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)**

**S H Kelkar and Company Limited**

4. We did not audit the financial statements of the Trust included in the standalone annual financial results of the Company whose financial statements reflect total assets of Rs 75.12 crores as at 31 March 2019 and total revenue of Rs 0.25 crores for the year ended on that date, as considered in the standalone annual financial results. This Trust has been audited by other auditors whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the Trust, is based solely on the report of such other auditors. Our opinion is not modified in respect of this matter.
5. In our opinion and to the best of our information and according to the explanations given to us, these standalone annual financial results:
  - (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
  - (ii) give a true and fair view of the net profit and other comprehensive income and other financial information for the year ended 31 March 2019.

Mumbai  
22 May 2019

For **B S R & Co. LLP**  
*Chartered Accountants*  
Firm's Registration No: 101248W/W-100022



**Aniruddha Godbole**  
*Partner*  
Membership No: 105149

S H KELKAR AND COMPANY LIMITED

CIN : L74999MH1955PLC009593

Regd. Office : Devkaran Mansion, 36 Mangaldas Road, Mumbai - 400002 India

Website : www.keva.co.in, E - mail : investors@keva.co.in, Tel No : +91 22 21649163, Fax No : +91 22 21649766



STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2019

(Rupees in Crore, except for share data and if otherwise stated)

Particulars	Quarter Ended			Year Ended	
	31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018
	(Audited) (refer note- 7)	(Unaudited)	(Audited) (refer note- 7)	(Audited)	(Audited)
<b>Sales excluding Excise &amp; GST</b>	<b>164.64</b>	<b>171.73</b>	<b>199.74</b>	<b>692.09</b>	<b>680.79</b>
<b>1. Revenue from Operations</b>					
(a.) Sales including Excise (Refer note 5 )	164.64	171.73	199.74	692.09	696.84
(b.) Other Operating Income	0.95	0.28	0.72	1.69	0.89
<b>2. Other Income</b>					
(a.) Export Incentives	-	0.10	-	0.25	0.51
(b.) Other income (Refer note 4 )	4.75	7.86	2.91	18.89	13.62
<b>3. Total Income</b>	<b>170.34</b>	<b>179.97</b>	<b>203.37</b>	<b>712.92</b>	<b>711.86</b>
<b>4. Expenses</b>					
(a.) Cost of materials consumed	102.94	136.12	96.64	452.02	389.43
(b.) Purchase of stock in trade	-	-	-	5.41	4.85
(c.) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3.70)	(24.94)	24.79	(31.48)	5.46
(d.) Excise duty on sale of goods	-	-	-	-	16.05
(e.) Employee benefits expense (Refer note 4 )	17.18	17.95	19.82	78.47	70.85
(f.) Finance Costs	2.85	1.64	1.38	6.51	3.16
(g.) Depreciation and amortisation expense	4.53	4.36	3.00	15.18	10.53
(h.) Royalty expense	4.57	4.24	5.68	18.50	19.16
(i.) Other expenses	29.04	26.08	26.94	106.10	89.21
<b>Total Expenses</b>	<b>157.41</b>	<b>165.45</b>	<b>178.25</b>	<b>650.71</b>	<b>608.70</b>
<b>5. Profit before exceptional items and tax (3-4)</b>	<b>12.93</b>	<b>14.52</b>	<b>25.12</b>	<b>62.21</b>	<b>103.16</b>
<b>6. Exceptional Items</b>	-	-	-	-	-
<b>7. Profit before tax (5 - 6)</b>	<b>12.93</b>	<b>14.52</b>	<b>25.12</b>	<b>62.21</b>	<b>103.16</b>
<b>8. Tax expense</b>					
Current tax	0.38	3.53	8.16	13.48	32.38
Deferred tax	0.61	1.60	0.46	3.76	1.82
<b>9. Net Profit for the period after tax (7 - 8)</b>	<b>11.94</b>	<b>9.39</b>	<b>16.50</b>	<b>44.97</b>	<b>68.96</b>
<b>10. Other Comprehensive Income</b>					
Items that will not be reclassified to profit or loss	(0.93)	0.03	1.14	(0.83)	0.13
Income Tax on relating to items that will not be reclassified to profit or loss	0.32	(0.01)	(0.38)	0.29	(0.04)
<b>Other Comprehensive Income (net of tax)</b>	<b>(0.61)</b>	<b>0.02</b>	<b>0.76</b>	<b>(0.54)</b>	<b>0.09</b>
<b>11. Total Comprehensive Income for the period (9 + 10)</b>	<b>11.33</b>	<b>9.41</b>	<b>17.26</b>	<b>44.43</b>	<b>69.05</b>
<b>12. Paid-up equity share capital (Face Value of Rs 10 each)</b>	<b>144.62</b>	<b>144.62</b>	<b>144.62</b>	<b>144.62</b>	<b>144.62</b>
<b>13. Other Equity</b>				<b>451.93</b>	<b>482.95</b>
<b>14. Earnings Per Share (Face Value of Rs 10 each) (not annualised): (Refer note 9)</b>					
(a) Basic	0.84	0.66	1.14	3.15	4.77
(b) Diluted	0.84	0.66	1.14	3.15	4.77



**Notes :**

- 1 The above standalone financials results were reviewed by the Audit Committee on 22 May, 2019 and subsequently approved by the Board of Directors of S H Kelkar and Company Limited ('the Company') at its meeting held on 22 May, 2019. The statutory auditors of the company have conducted an audit of the above results for the quarter and year ended 31 March, 2019 pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations, 2015"). The results have been subjected to an audit by Statutory Auditors of the Company who have expressed an unqualified opinion thereon. The above results along with Auditors' Report thereon is filed with the Stock Exchanges and available on Group website -www.keva.co.in.
- 2 The Company is in the business of manufacturing of fragrances. The Company has only one reportable business segment of fragrances.
- 3 Earning before interest, tax, depreciation and amortisation (EBITDA) before exceptional items for the quarter ended 31 March, 2019 at Rs 20.31 crores (for the quarter ended 31 March, 2018: Rs 29.50 crores) and for the year ended 31 March, 2019 at Rs.83.90 crores. (for the year ended 31 March, 2018: Rs 116.85 crores)
- 4 The Group has undertaken Business / Organisation restructuring and its associated one time cost of Rs 5.39 crores for the year ended March 2019 is included in the Employment cost. Similarly, excess provision relating to the Employment cost of Rs 3.59 crores is disclosed under Other income for the year ended 31 March, 2019. There was Nil Business / Organisation restructuring cost for quarter ended 31 March, 2019.
- 5 According to the requirements of the Listing Regulations, 2015, revenue for the quarter ended 30 June, 2017 was reported inclusive of excise duty. Goods and Service Tax ("GST") has been implemented with effect from 01 July, 2017 which replaces Excise Duty and other input taxes. As per Ind AS 18, the revenue for the period from 1 July, 2017 to 31 March, 2018 and year ended 31 March, 2019 is reported net of GST.
- 6 In consonance with the dividend distribution policy of the Company, the Board of Directors at its meeting held on 22 May, 2019 did not recommend any final dividend for the financial year ended 31 March, 2019.
- 7 Figures for the quarter ended 31 March, 2019, and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year & published year to date figure upto the end of the third quarter of the relevant financial year. Also the figures upto the end of the third quarter had only been reviewed and not subject to audit.
- 8 The MCA wide notification dated 11 October, 2018 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. The Company has incorporated appropriate changes in the above results.
- 9 Basic and Diluted earning per share for the quarter and year ended 31 March, 2019 is adjusted for the effect of treasury shares held by the Company.

Place: Mumbai  
Date: 22 May, 2019



For and on behalf of Board of Directors

Kedar Vaze

Director and Chief Executive Officer



S H KELKAR AND COMPANY LIMITED

CIN : L74999MH1955PLC009593

Regd. Office : Devkaran Mansion, 36 Mangaldas Road, Mumbai - 400002 India

Website : www.keva.co.in, E - mail : investors@keva.co.in

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(Rupees in Crores)

Statement of Assets and Liabilities Particulars		STANDALONE	STANDALONE
		As at 31 March 2019	As at 31 March 2018
		Audited	Audited
<b>A</b>	<b>ASSETS</b>		
	<b>Non-current assets</b>		
1	Property, Plant and Equipment	117.00	119.77
	Capital work-in-progress	5.33	3.67
	Investment Property	13.83	14.30
	Other Intangible assets	70.14	19.97
	Intangible Assets under Development	18.59	14.49
	Financial Assets		
	Investment in Subsidiaries and Joint Venture	267.91	267.91
	Loans	1.14	1.07
	Others	0.00	0.03
	Deferred tax assets (net)	-	0.00
	Other tax assets (net)	21.80	16.62
	Other non-current assets	2.40	3.93
	<b>Total non current assets</b>	<b>518.14</b>	<b>461.76</b>
2	<b>Current Assets</b>		
	Inventories	185.96	156.80
	Financial Assets		
	Investments	1.53	1.55
	Trade receivables	125.81	187.60
	Cash and cash equivalents	6.08	1.49
	Other bank balances	0.19	3.23
	Loans	28.73	20.75
	Others	8.76	9.04
	Other current assets	15.94	11.28
	<b>Total current assets</b>	<b>373.00</b>	<b>391.74</b>
	<b>TOTAL ASSETS</b>	<b>891.14</b>	<b>853.50</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
1	<b>Equity</b>		
	Equity share capital	144.62	144.62
	Other equity		
	Retained earnings	267.99	254.09
	Other Reserves	183.94	228.86
	<b>Equity attributable to owners of the Company</b>	<b>596.55</b>	<b>627.57</b>
	<b>Total equity</b>	<b>596.55</b>	<b>627.57</b>
2	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	Financial liabilities		
	Borrowings	0.14	0.28
	Others	24.09	24.29
	Provisions	0.00	0.00
	Deferred tax liabilities (net)	4.97	1.50
	<b>Total non-current liabilities</b>	<b>29.20</b>	<b>26.07</b>
	<b>Current liabilities</b>		
	Financial liabilities		
	Borrowings	87.13	18.67
	Trade payables		
	-total outstanding dues of micro enterprises and small enterprises	4.79	4.96
	-total outstanding dues of creditors other than micro enterprises and small enterprises	139.00	134.30
	Other financial liabilities	15.57	15.73
	Other current liabilities	9.20	13.45
	Provisions	7.31	9.62
	Current tax liabilities (net)	2.39	3.13
	<b>Total current liabilities</b>	<b>265.39</b>	<b>199.86</b>
	<b>Total Liabilities</b>	<b>294.59</b>	<b>225.93</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>891.14</b>	<b>853.50</b>





## 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.

### S H Kelkar announces Q4 & FY19 results

#### FY19

**Revenues from operations steady at Rs. 1,041 Cr  
Fragrance revenues higher by 3% at Rs. 934 cr  
Gross margins stable at 43% despite headwinds**

**Mumbai, May 22, 2019:** S H Kelkar and Company, the largest Indian origin Fragrance and Flavours Company in India, has announced its financial results for the quarter and year ended March 31, 2019.

#### **FY19 performance overview compared with FY18**

- Revenues from operations stood at Rs. 1,041.2 crore as against Rs. 1,019.3 crore, higher by 2% YoY
  - In FY19, the demand environment witnessed a slowdown across the fragrance and flavours divisions led by multiple macro-headwinds that impacted performance, especially in the domestic market
  - The Company's fragrance division, domestically, witnessed a structural shift towards larger & mid-sized players, leading to a decline in demand from smaller customer categories. So, while the Company gained a higher wallet share in the mid and larger customer categories, sales from the smaller accounts saw a significant impact
- EBITDA at Rs. 160.0 crore as against Rs. 183.8 crore
  - Pricing pressures on key raw materials continued to impact profitability margins on a YoY basis
  - Gross margins stood at 43% vs. 45% in FY18 due to the change in customer mix
- PAT stood at Rs. 88.5 crore as against Rs. 93.9 crore



## **Q4 FY19 performance overview compared with Q4 FY18**

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- Revenues from operations at Rs. 268.6 crore from Rs. 282.7 crore, lower by 5%
- EBITDA at Rs. 36.0 crore as against Rs. 42.5 crore
  - o Gross margins significantly improved to 42%, higher by 317 bps
- PAT stood at Rs. 19.6 crore as against Rs. 21.03 crore

### **Commenting on the performance, Mr. Kedar Vaze, Whole Time Director and Group CEO at SH Kelkar and Company said,**

*"This has been a challenging fiscal for us as we witnessed multiple macro-headwinds that impacted our performance in certain customer categories. Despite these broader market challenges, I am happy to share that we have gained a higher wallet share in our key customer accounts during the fiscal gone by. Our internal analysis of industry trends post GST implementation also suggests that there has been a structural shift towards larger & mid-sized players, leading to a notable decline in smaller accounts. We believe our revenue base has already been reset in FY19, and we are witnessing healthy traction in mid & large customers, with stronger focus towards enhancing the Company's business share in these accounts.*

*On the operational front, I am pleased to share that in the month of May, we have reached optimal utilization levels at our Greenfield manufacturing facility at Mahad. Operationalization of this facility will help improve availability of key raw materials, leading to increased cost efficiencies for SHK, going forward.*

*From a longer-term perspective, we foresee immense potential in our business and have accordingly undertaken several measures towards strengthening relationships with our existing customers, building and developing a robust product portfolio with new customers, and increasing operational and cost efficiencies. On the whole, we look forward to delivering steady growth in our financial and operating performance in FY2020."*

### **Key Developments:**

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#### **Established a Creation and Development Center (CDC) in Singapore to sharpen focus on certain categories and strengthen foothold in South East Asian markets**

- In addition to this centre, SHK operates three other CDC in India, Netherlands and Indonesia wherein new products are constantly under development in conjunction with customer requirements
- The CDC centre in Singapore will help the team to carry out local market and consumer research, thereby enabling stronger knowledge of local preferences that will help SHK to develop innovative products and further enhance its presence in South East Asia

#### **Healthy progress towards ramping up production at Mahad facility during the quarter – the plant is operating at optimal levels in May 2019**

- The state-of-the-art facility at Mahad manufactures Tonalid and other key raw materials used in the fragrance industry
- Operationalization of this facility to help improve availability of key raw materials, thereby enabling enhanced cost efficiencies going forward
- Further, higher production of key ingredients will help boost the revenue performance from FY20 onwards



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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 flavor 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 Kevala brands.

The Company has a strong and dedicated team of scientists, perfumers, flavourists, evaluators and application executives at its facilities and four creation and development centres in India, The Netherlands, Indonesia and Italy for the development of fragrance and flavour products. The research team has developed 12 molecules over the last three years. The Company has filed 13 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 flavor products for the FMCG, personal care, pharmaceutical and food & beverages industry. The Company has a diverse and large client base including leading national and multi-national FMCG companies, blenders of fragrances & flavors and fragrance & flavor producers.

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**For further information please contact:**

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**DISCLAIMER:**

*Certain statements and opinions with respect to the anticipated future performance of SHK in the press release ("forward-looking statements"), which reflect various assumptions concerning the strategies, objectives and anticipated results may or may not prove to be correct. Such forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These include, among other factors, changes in economic, political, regulatory, business or other market conditions. Such forward-looking statements only speak as at the date the press release is provided to the recipient and SHK is not under any obligation to update or revise such forward-looking statements to reflect new events or circumstances. No representation or warranty (whether express or implied) is given in respect of any information in this press release or that this press release is suitable for the recipient's purposes. The delivery of this press release does not imply that the information herein is correct as at any time subsequent to the date hereof and SHK has no obligation whatsoever to update any of the information or the conclusions contained herein or to correct any inaccuracies which may become apparent subsequent to the date hereof.*



May 22, 2019

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: Declaration with respect to Financial Results (Standalone & Consolidated) for the year ended March 31, 2018**

We hereby declare that in Audited Financial Results (Standalone & Consolidated) for the year ended March 31, 2019 which have been approved by the Board of Directors of the Company at its meeting held today, the Statutory Auditors have not expressed any modified opinion(s) in their Audit Report.

The above declaration is made pursuant to Regulation 33 (3) (d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Thanking you,

Yours faithfully,

For S H Kelkar and Company Limited

*Deepti Chandratre*  
Deepti Chandratre  
Company Secretary & Compliance Officer

