July 15, 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 Annual Report for the financial year 2018-19

Pursuant to Regulation 34 (1) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, we enclose herewith Annual Report of S H Kelkar and Company Limited for the financial year 2018-19.

You are requested to take the same on record.

Thanking you,

Yours faithfully,

For S H KELKAR AND COMPANY LIMITED

S H KELKAR AND COMPANY LIMITED MUMBAI 400080

Deepti Chandratre
Company Secretary & Compliance Officer

Encl: As above

S H Kelkar And Company Limited
Lal Bahadur Shashtri Marg, Mulund (West), Mumbai - 400 080. Tel : +91 22 2167 7777
Regd. Office : Devkaran Mansion, 36, Mangaldas Road, Mumbai - 400 002. (INDIA)
Phone : (022) 2206 96 09 & 2201 91 30 / Fax : (022) 2208 12 04
www.keva.co.in
CIN No. L74999MH1955PLC009593

Keva

Annual Report
2018-19

S H Kelkar and Company Limited

It beckons.

It compels.

It does not allow us to hold back.
That enigmatic, alluring, aroma which pulls us. Propels us.

Pushing us forward towards an exciting tomorrow packed with exponential possibilities.

Mesmerising and Unstoppable.

All-embracing in its depth, overarching in its reach. It arouses, it overwhelms.

Come, let us take you along on this exhilarating journey of Smell….and of the ultimate Sensorial Delight!

To download or to read the report online, please log on to www.keva.co.in/our-group

Contents

With Smell comes an overwhelming emotion.

An emotion that leaves the heart racing.

And has the ability to transform the way the world experiences its consumption of daily products and fragrances.

It is on such an emotional and exciting journey that we, at Keva, have embarked.

A journey that promises to take us across new geographies, new consumers and new markets of exceptional opportunities.

We are exhilarated by what we see ahead. A whole new universe packed with a plethora of exciting possibilities. Where the taste of our Flavours will linger, and the sense of our Fragrances will continue to enthral your senses to deliver the ultimate experience.

Here's your chance to find out how…

A Business Designed to Go Fast Forward

The largest Fragrance & Flavour company in India, Keva spells brand excellence that distinguishes itself with an exciting portfolio of products customised to local needs, while retaining global quality edge.

Keva is a corporate focussed on fast forward growth aimed at seizing the opportunities of the future. Led by the evolving aspirational needs of our consumers, we are continuously aligning our business philosophy to meet those.

Leveraging our creative skills on the platform of cutting-edge technologies, we, at Keva (SH Kelkar and Company Limited), have crafted a business model that is focussed on delivering sensorial delight to a growing clientele across domestic and international markets. Our legacy of tradition blends with contemporary and unique needs of our ever-expanding base of global customers to create a portfolio of powerful brands – SHK, Cobra, Keva, Auris. Backed by innovative products, it is a value proposition that drives engaging experiences across diverse segments.

Our Client Expanse

Global clientele

Leading national and multinational FMCG companies, blenders of fragrances & flavours, fragrance and flavour producers

Diverse industries

FMCG, Personal Care, Pharmaceutical, Food & Beverages

Downstream sectors of our presence

Fragrances

- Fine fragrances
- Fabric care
- Air care
- Home care
- Skincare and cosmetics
- Household products

Flavours

- Dairy products
- Beverages
- Confectionery
- Bakery products
- Pharmaceuticals
- Savoury

Listed

On Bombay and National Stock Exchanges.

As of March 31, 2019, Keva had a market capitalisation of ₹ 2,219.21 Cr, with the promoters holding a 56.91% stake.

9,000+ Products

07 Manufacturing facilities

05 Creation & Development Centres

12 Molecules developed

13 Perfumers

5 Flavourists

880 Employees (Groupwide)

4,100+ Customers

Forward – the only way to win

Our fast forward growth strategy has brought us many awards and recognitions, showcasing the strength of our vision and approach.

Keva has been adjudged as "The National Best Employer Brands 2018" by Employer Branding Institute – India during the 13th Employer Branding Awards in February 2019. Keva was adjudged 23rd Dream Company To Work For at the 8th Edition of ET Now – Dream Companies To Work For by the World HRD Congress in February 2019.

Aroma Ingredients Unit, Vapi

Keva's manufacturing plant at Vapi has been certified in Integrated Management System (OHSAS 18001 & ISO 14001) during the year. This certification is an acknowledgement of Keva's compliance towards the requirements set by International Standard Organization (ISO) for Environmental Management and Occupational Health and Safety Management.

With the change in the new international standard for Quality Management Systems (QMS) ISO 9001:2015, which replaces ISO 9001:2008, Keva's Domestic Fragrances and Flavours plant at Vashivali has been recertified for ISO 9001:2015.

The Company's Vashivali Unit, and its subsidiary Keva Fragrances Pvt. Ltd.'s Vapi Unit, have successfully undergone SMETA audits. SMETA is an ethical audit format which reports on Sedex's four pillars of Labour, Health and Safety, Environment and Business Ethics.

Tracing the Forward Journey…

Fast forward is not just a strategy powering our growth over the past two years. It is a business philosophy ingrained into the Company since 1922, when we started manufacturing industrial perfumes. It is our ethos that has inspired our journey across industries, segments, markets and geographies, underlined by milestone achievements. It is the core of our strengths that has kept us dynamically aligned to the evolving needs and aspirations of our customers through decades of creating innovative products and solutions, to deliver engaging experiences to our customers worldwide.

1955
- Incorporated as S. H. Kelkar & Co. Limited

1960
- Establishment of the R&D centre at Mulund
- Establishment of manufacturing facility at Mulund

1979
- Establishment of the manufacturing unit at Vapi

1980
- Incorporation of Keva Flavours Private Limited

1981
- Expansion of the R&D centre at Mulund

1984
- Establishment of the export-oriented unit of Keva Fragrances Private Limited
- Expansion of the manufacturing facility at Mulund

1994
- Expansion of fragrance manufacturing facility at Mulund for EOU

2000
- Expansion of a R&D centre in Mulund for fragrances

2007
- Establishment of manufacturing facility at Vashivali

2010
- Consolidation of promoter's shareholding
- Acquisition and integration of PFW Aroma Ingredients BV

2012
- Investment by Blackstone
- Acquisition of Saiba Industries Private Limited
- Establishment of additional R&D centre at Mulund

2014
- Investment in Vapi plant to scale and modernise capacities

2016
- Acquisition of flavours business undertaking from High-Tech Technologies
- Acquisition of Rasiklal Hemani Agencies Private Limited to strengthen base in the northern India region
- Acquisition of flavours business undertaking and brands Three Birds and Wheel from Gujarat Flavours Private Limited
- Expansion of fragrance manufacturing facility at Mulund for EOU
- Expansion of flavours manufacturing facility at Vashivali

2017
- Acquisition of fragrance encapsulation technology from Tanishka Fragrance Encapsulation Technologies LLP
- Acquisition of VN Creative Chemicals Pvt. Ltd.
- Establishment of Creation and Development Centre (CDC) in Amsterdam dedicated as Centre of Excellence for Fine Fragrance category

2018
- Acquisition of 51% stake of Italy-based Creative Flavours & Fragrances SpA
- Acquisition of 66.7% stake in Anhui Ruibang Aroma Co Ltd., China
- Setting up of manufacturing of Tonalid at Mahad
- Launch of Keva Roll-ons
- Launch of new range of food flavours under brand Auris

2019
- Establishment of Creation and Development Center (CDC) in Singapore dedicated as Centre of Excellence for Fabric Care category

Engine of our Fast Forward Journey

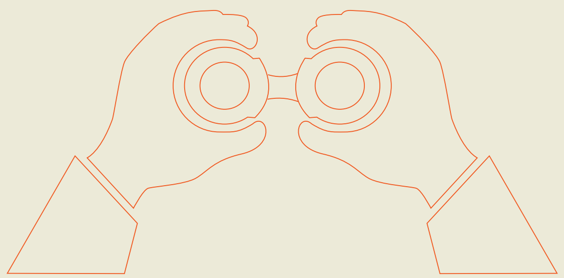
At the heart of our innovation-led journey is our core strengths, which we have nurtured through the years to create an enabling environment for future growth. As we stepped into the fast forward mode, we further augmented this core to expand the ambit of our strengths and transform them into a high-speed engine to propel our forward journey.

- Visionary Management
- Experienced Leadership
- Dedicated Teams
- Strategic Acquisition
- Agile Supply Chain
- Focus on Innovation
- Manufacturing Excellence
- Operational Efficiencies
- Extensive Distribution Network
- Retail Presence

The Spirit of Keva

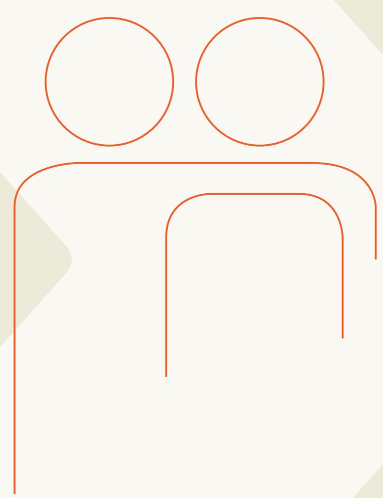
Stewardship.
Partnership.
Innovation.
Responsibility.
Integrity.
Teamwork.

In these value systems lies the SPIRIT of KEVA, which we are constantly nurturing through our strategic investments across the value chain of our business model. Led by tomorrow's opportunities and steered by the powerful matrix of our core strengths, our business model is driving our fast forward odyssey of inclusive and holistic growth through powerful relationships built on mutual trust and sustainable goals.



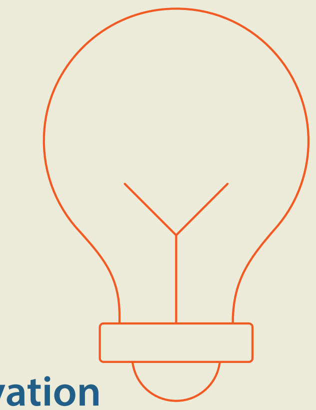
Stewardship

We believe in the concept of management trusteeship to enhance long-term value for all our Stakeholders. We encourage our people to view themselves as custodians of the future and empower them to take business decisions accordingly.



Partnership

We believe in building a long-term sustainable relationship with all our Stakeholders to create enduring value. We encourage our vendors to strengthen their capabilities. We partner with our clients and endeavour to be the catalysts for their growth.



Innovation

We are passionate about innovation and thrive on creating new sensorial breakthroughs.

Responsibility

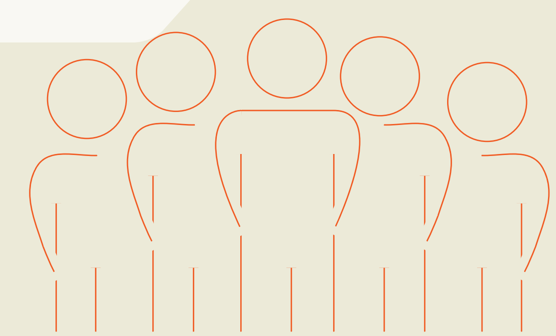
We are conscious that our actions have an impact on the local communities, ecology and geographies we operate in, and therefore behave in a manner that befits a responsible corporate citizen. Our products are always designed to be of the highest quality. We take active responsibility to ensure that our products are safe and meet regulatory standards.

Integrity

It forms the core of our ethos and work behaviour. We always conduct our business in a fair and ethical manner.

Teamwork

We work in an inclusive and collaborative manner across diverse functions and geographies. Our work processes have been designed to maximise synergies and we create continuous learning opportunities for our teams.



Beyond what the eye can see is a frontier called Smell.

A feeling that allows us to perceive unexplored new worlds and chart new paths to the future.

At Keva, we have woven this feeling into the organisational fabric. Enabling us to look beyond today into a promising new tomorrow.

We have imbued ourselves with the ability to seize tomorrow's opportunities today, to ensure sustained and sustainable growth in the visible future. Growth that is here to stay – like the lingering taste of our Flavours and the enduring aroma of our Fragrances.

MD'S REVIEW

Fast is the only Way Forward

The Fast Forward journey we embarked on during the previous year is now at an exciting stage, and we are poised to take our business to new heights of performance. In this journey, we are catapulted to new heights by our powerful speed and agility. Concurrently, we are guided by our deep insights into our customers' requirements, enabling us to execute our plans with precision – to get it right the first time, every time.

New opportunities are opening a new world of consumer aspirations, in which we see good potential for expansion and growth. The industry landscape is getting more dynamic than before, and we are ready to make the most of every opportunity that we see rising on the horizon ahead of us.

Signs of imminent revival and positivity in the market could be seen towards the end of FY 2018-19, even though the year did not pan out as expected. Markets were slowing in growth for most part of the year, with product visibility low and both the domestic and international markets under pressure due to reasons beyond control such as raw material crisis. We strategically and far-sightedly chose to look beyond the turbulence that had gripped the industry, to stay on the fast track of our expansion and growth plans. We decided not to pull back on our strategic agenda for the future but chose to stay unrelentingly on course with our planned investments. With our deep insights into the consumer mind and our understanding of the markets, we continued building our foundations for the future.

We constantly endeavour to align our business model to the changing contours of the consumer needs and aspirations and to the transformation being consequently catalysed across the industry.

On track with future plans

Keva's unwavering focus on powering forward in the fast mode kept us buoyant through FY 2018-19, which saw your Company strengthen its value proposition across the segments of its business, in both the domestic and global markets. The CFF (Creative Flavours & Fragrances SpA) acquisition (51% stake), the commissioning of the Mahad facility, the acquisition of Anhui Ruibang Aroma Company Ltd (China) (66.67% stake), as well as our foray into new markets and product lines, were initiatives aligned to our decision to continue to stay in the Fast Forward mode. We strongly believe this to be the only sure way to grow and stay ahead of the curve in the increasingly competitive global market.

Our efforts have been focussed on scaling up our capabilities and enhancing our ability to respond with agility and speed to the fast-paced changes across Flavours and Fragrances. We constantly endeavour to align our business model to the changing contours of the consumer needs and aspirations and to the transformation being consequently catalysed across the industry. Guided by our Fast Forward philosophy, we strengthened this proposition further during FY 2018-19, to place ourselves ahead on the road to future growth.

Building on our strategic strengths

Our confidence in our ability to successfully leverage the future opportunities in our business segments stems from the multifarious strengths that we continued to build and augment during the year under review.

The expertise we have evolved through years of in-depth market and consumer research, backed by our deep engagement with consumers in diverse markets, is pillared on our synergistic strengths. These include our visionary approach, innovative focus, manufacturing excellence, collaborative efforts as manifest in our strategic acquisitions, robust supply chain and strong operational efficiencies, coupled with our large and efficient distribution network. We also continue to invest in new technology as a key enabler of our growth charter and I am happy to share the fragrance encapsulation technology we acquired in 2017 is now in the final stages of commercialisation, including orders from international customers.

FY 2018-19 saw your Company stay dedicatedly focussed on augmenting its deep-rooted strengths, while empowering its people to steer its vision of surging forward. And we are augmenting at a pace that we believe will trigger game-changing growth-led initiatives.

Mahad Unit

Moving capacities from the Netherlands to Mahad was underlined by exceptional speed, with the project delivered in just 10 months, against the estimated timeline of 12 to 16 months.

Focussed on speed

The very ethos of our Fast Forward philosophy rests on Speed and Agility which we continued to scale up during the year. These efforts translated into several significant developments and initiatives which will drive our futuristic journey even more powerfully in the coming months and quarters.

Moving capacities from the Netherlands to Mahad was underlined by exceptional speed, with the project delivered in just 10 months, against the estimated timeline of 12 to 16 months. We also moved swiftly during the year to acquire Anhui Ruibang Aroma Company Ltd in China and went on with equal agility to increase its production capacity from 200 T to 400 T – a move that helped retain customers while ensuring a sustainable supply position for them. The acquisition and the capacity ramp-up was in line with our business approach of acquiring strategically located assets to power our 3I & 3C journey - across the 3 markets of Italy, Indonesia and India and in the 3 Categories of Fabric care, Fine fragrances and Air care - in the fast forward mode.

Integrated for future growth

The multitude of initiatives taken during the year were designed to the needs of tomorrow, with its large canvas of growth opportunities. Our thrust has been on integration at the front end and the back end, to ensure a seamless supply chain – from the raw material to the final product – for customers in the markets of our presence. This will also steer our expansion into new markets, which remains another high priority agenda for our growth plans.

Our Myanmar foray in the Fragrance segment, during the year, manifested our resolve to move with speed to seize the emerging opportunities in any region of the world, across all our business categories. We are also, at the same time, strengthening our distribution channels to bring more dynamism into the network and create more cross-selling opportunities to build a bigger foundation for future growth.

Going forward

As we move forward, with even greater aggression and agility to tap the opportunities we smell ahead of us, we do so with a strong sense of confidence and optimism. We are confident that we are ready to make the most of the plethora of possibilities that promise to take us to the next level of our Fast Forward journey. Driven by consumer understanding, steered by innovation and powered by a relentless focus on quality, we shall continue to propel our growth trajectory to strengthen our presence and position even further in the select 3I markets and the 3C categories of our presence.

Staying firmly on course towards building our platform to leverage the opportunities in these markets and categories, we shall continue to enhance our new product offerings and to improve our operational capabilities with rationalisation of costs across businesses. We see these initiatives taking us towards a healthy and sustainable performance in the immediate future and welcome all of you to partner us in this journey to push the frontiers of growth powerfully.

Before I conclude, I would like to thank all of you for the unwavering support you have extended to me during my stint as MD. As I get ready to continuing my association with the Company now as Non-Executive Chairman of the Board, I do so with the satisfaction of having steered an ethical and progressive organisation towards new frontiers of growth. I am confident that Company's growth charter is in the safe hands of the CEO and his dedicated team, who will continue to lead it forward into an even more dynamic future. My best wishes are with them.

Ramesh Vaze
Managing Director

Driven by consumer understanding, steered by innovation and powered by a relentless focus on quality, we shall continue to propel our growth trajectory to strengthen our presence and position even further in the select 3I markets and the 3C categories of our presence.

CEO's Operational Review

Q&A with Mr. Kedar Vaze

Director & Chief Executive Officer

Q It has been a challenging year on various counts. How has the Company performed in the backdrop of these challenges?

Yes, with multiple macro-headwinds and some high intensity market disruptions, the markets did not perform as expected, impacting our performance in some of the customer categories. The various market challenges notwithstanding, however, we are happy to share that we continued to gain wallet share in our key customer accounts. We not only retained all our customers but in fact witnessed a healthy pace of new wins.

Our shortlisting as a core preferred vendor with some large accounts in Fragrances marked a milestone in our future-forward journey. Though our Domestic Fragrances business saw a decline in demand from smaller customer categories, the structural shift towards larger and mid-sized players has placed us ideally to leverage large-volume opportunities going forward.

On the fiscal front, we have managed to stabilise gross margins through cost optimisation measures, coupled with some price increases to partially cover the unprecedented raw material inflation that impacted this business segment. Further, growth in the International Fragrance business also helped offset the losses in the domestic market. Our performance in the international markets also remained positive in the Flavours business.

Speaking on the operational front, we see the raw material crisis easing out with the ramp-up of our greenfield manufacturing facility at Mahad, which became operational during FY 2018-19. This will boost our cost efficiencies, triggering greater positivity in business.

> The various market challenges notwithstanding, however, we are happy to share that we continued to gain wallet share in our key customer accounts. We not only retained all our customers but in fact witnessed a healthy pace of new wins.

> Our decision to stick to our growth and expansion plans has placed us in a strong position to effectively harness the untapped business potential in the improved business environment.

Q Do you see the market sentiment improving, especially in the domestic business, as you move into the next fiscal, or are the legacy issues likely to be carried into FY 2019-20?

Signs of an upswing in market and consumer sentiment had already started becoming visible towards the end of FY 2018-19 and we expect the positivity to get further strengthened at the back of the improvement in the overall environment and our sustained focus on building the blocks of future growth. The legacy problems of the previous months had begun to wane off by the last quarter and what we see ahead is good potential for business growth in all the three categories of our focus and the three select markets of India, Indonesia and Italy.

Q On the domestic front, which way do you see the consumer and industry trends going in the post-election scenario?

The election results led to infusion of a large dose of positivity in the markets. This has naturally led to significant vibrancy in the economy and consumer sentiment, which, we believe, will translate into growth for the industry in the year ahead.

A lot of brand launches which were paused last year are expected to be launched now thus driving greater demand.

Q How has the decision to stay firm on track with the Fast Forward strategy benefitted the Company?

We are happy to have stayed on course with our Fast Forward business strategy. Our consumer insights and deep understanding of the market trends encouraged us to remain on track with our plans in terms of capacity augmentation, acquisitions, innovation and strengthening of our distribution channels. We were quite confident that the markets would revive soon not just in India but around the world, and the signs of the same had become visible by the end of the year. Our decision to stick to our growth and expansion plans has placed us in a strong position to effectively harness the untapped business potential in the improved business environment.

Q What were the key initiatives of FY 2018-19 that will help you seize the emerging opportunities and make the most of the market revival in the coming months?

The production shift to Mahad from the Netherlands is a key initiative that we completed during the year to pave the way for strengthening the Fragrance Ingredients supply chain. Our Chinese acquisition will help us augment our stronghold in the South and South East Asian markets. Acquisition of CFF (51%) is another key development that has put us firmly on track for expanding our horizons in Italy and other European markets.

In order to strengthen our 3I & 3C proposition,we have established a Creation and Development Centre (CDC), dedicated as Centre of Excellence for Fabric Care, in Singapore to strengthen our foothold in South East Asian markets. This CDC complements the other CDCs we are operating in India, Amsterdam, Indonesia and Milan (CFF), and together they are geared to develop new products designed to fulfill the evolving customer needs and aspirations.

> The operationalisation and subsequent ramp-up of our Mahad greenfield facility has also prepared us to provide our customers with uninterrupted, seamless supply of Tonalid and some other key raw materials used in the fragrance industry.

There is a huge potential for growth we see across our business segments and we have, accordingly, taken 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. By all accounts, FY 2019-20 promises to be a good year for us, in terms of both operating and financial performance.

Q Could you give us some more details on the Chinese acquisition and the strengths it has brought to the Company?

We acquired 66.67% stake in China-based Anhui Ruibang Aroma Co. Ltd. through our subsidiary Keva Fragrance Industries Pte Ltd., Singapore. The acquisition has provided us with access to additional manufacturing capacity for Tonalid, a key fragrance ingredient which is currently in high demand globally. Coupled with our new facility at Mahad, Maharashtra, this acquisition will help us service the demand for Tonalid better, while also enabling us to manufacture some other key speciality ingredients used in the fragrance industry.

Q Can you provide us with a perspective on the integrations you have achieved during the year, at the front end and the back end? What advantages have these provided to the Company?

The operationalisation and subsequent ramp-up of our Mahad greenfield facility has also prepared us to provide our customers with uninterrupted, seamless supply of Tonalid and some other key raw materials used in the fragrance industry. This will further boost our cost efficiencies in the years ahead, with higher production of key ingredients expected to improve our revenue performance from FY 2019-20 onwards. Further, with SAP going live in Indonesia, we have taken another leap towards powering our efficiencies and performance.

We are also happy with the progress of CFF, another acquisition we made last year. CFF is already showing healthy volume and revenue growth in its core Fragrance division. We are actively pursuing prospects to cross-sell technology from CFF to launch innovative products in the Indian market.

Q What were the initiatives undertaken during FY 2018-19 to strengthen the Company's edge in innovation, product expansion, distribution and marketing?

Innovation has been a major driver of our growth strategy and our product expansion drive. During the year, we continued to strengthen our R&D function to build on our innovation strength. The establishment of our new Centre of Excellence for Fabric Care in Singapore was in line with this focus.

On the product front, while we continued to innovate new products to cater to the needs of the new-age consumer, we realised the need to go in for product rationalisation by eliminating several low-performing products, to cut down the product suite size.

Our distribution network is another important facet of our service and delivery proposition in our geographically spread-out diverse markets of presence. To better service the demands of our clients across the globe, we have made significant investments in strengthening our distribution channels across our business segments. We are cognizant of the importance of building an omni-channel approach in the transforming business environment and launched our new brand 'Auris' on e-commerce platform.

To enhance our market visibility, we are increasingly building our presence on the social media through focussed marketing initiatives, targeting food technology professionals on LinkedIn and the student/home community on Facebook.

We also embarked on a digital journey with Cloud CRM (Customer Relationship Management) during the year. The objective of this initiative was to empower our sales representatives with state-of-the-art technology to help them strengthen customer-relations. To enable business heads to track sales on real-time basis, we also launched the Keva4Customer (K4C) application. We are confident that these initiatives will help build significant operational efficiencies in the long run.

Q What is the initial response to Keva Roll-ons? Do you see the kind of traction you had expected from this format you have recently forayed into?

We have received a good initial response to Keva Rolls-ons launched in BSP (Branded Small Packs) segment. Though it is too early to assess the traction, we expect the roll-ons to further strengthen our market position and enhance brand visibility. Our foray into roll-on business was aimed at creating brand awareness amongst the larger and new set of audience, which in turn will cascade into enhanced growth for the overall business in the long run.

Q What were the major developments in Flavours and Fragrances during the year?

We have restructured our Flavours business this year, bringing the factory operations into its ambit to boost customer engagement and service, with on-time delivery. The Flavours team has a new office, with world-class infrastructure. We are launching Gurugram & Mumbai food innovation centres, in FY 2019-20, on which work continued through FY 2018-19. We are in the process of setting up a new service office at Gurugram to further enhance our customer-service proposition.

In the Fragrance business, we have strengthened our regional focus with our expansion into Myanmar and have forayed into the Paints segment, which offers significant potential for growth.

The operationalisation and ramp-up of Mahad, backed by strong environmental safeguards, as well as shifting of raw material capacities to Vapi, has helped augment our internal supply chain, enabling us to counter the raw material pressures.

And as mentioned, to sharpen our innovation edge, we have set up a Centre of Excellence for Fabric Care in Singapore for the development of new products designed to address local needs and aspirations.

Q What is the way forward for the Company?

Moving ahead, we see the various initiatives of the last few years propelling us further, in the fast forward mode, towards increased growth and expansion into new markets, across our business segments. We shall continue to build on our capacities and capabilities to cater to the evolving and growing demand for premium aspirational products. In geographical terms, the South Asian and South-East Asian markets offer massive potential for further growth and we shall continue to tap into the opportunity landscape with our understanding of the consumer and market patterns, and our innovative product portfolio as well as our service excellence. We are also looking at further augmentation of our efficiencies to boost margins and profitability.

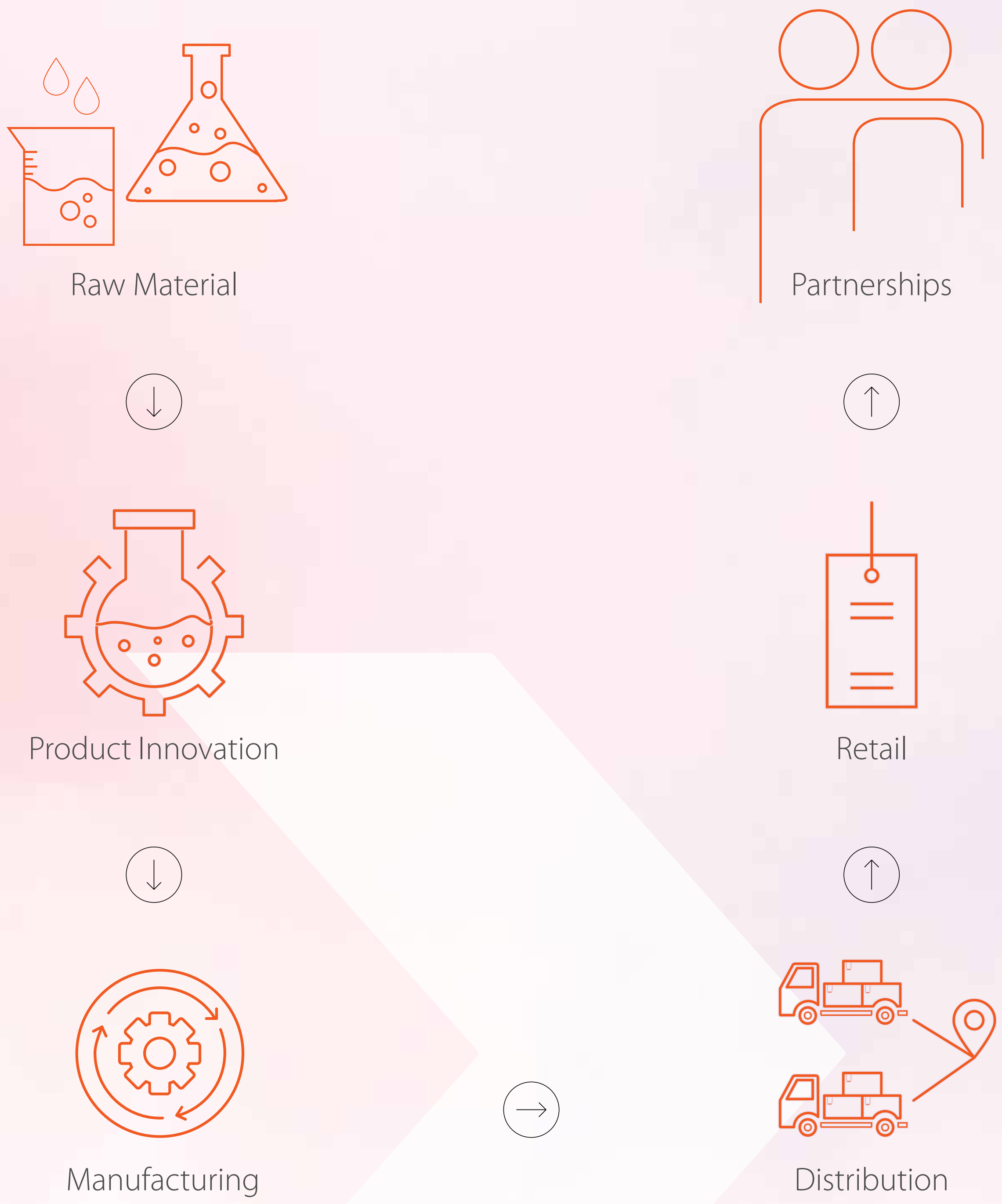
These are realisable goals which I am confident we will accomplish with the hard work of our people under continued visionary guidance of Shri Ramesh Vaze, who is all set to become a Non-Executive Chairman of the Board.

> In the Fragrance business, we have strengthened our regional focus with our expansion into Myanmar and have forayed into the Paints segment, which offers significant potential for growth.

At Keva, we believe not just in delivering products but also experiences. We seek to engage with our customers at the deepest level and are continuously striving to cater to their innermost aspirations to deliver experiences that are designed to create memories.

With our innate strengths steering our growth strategy, we are well positioned to leverage the potential for future growth across our business value chain. We are perpetually focussed on sharpening our competitive edge through strategic investments in innovation, technological upgradation, capacity enhancement, expansion of the distribution network and strengthening of our partnerships.

We believe that only by moving fast to stay ahead of the curve can we chart new frontiers of long-lasting and sustainable growth.



OPERATIONAL REVIEW

Fast-Tracked to Grow across the Supply Chain

> Futuristic thinking, inspirational ideas, imaginative methods, focussed approach and aspirational goals.

The Keva way of business is rooted in a differentiated philosophy which helps us power our way through new vistas of growth, year after year.

The strategic focus of our Fast Forward business agenda continued to help us build on our foundations across the supply chain during FY 2018-19. It equipped us with the capabilities and competencies needed to address the aspirational demands of tomorrow's customers. It put us, more effectively and steadfastly, on the fast track of growth, as we geared up to capture the immense opportunities that we see being catalysed across business segments and markets.

3I3C

Our 3I & 3C focus

Given the fast-paced opportunity-led growth momentum in India, Indonesia & Italy, we have strategically focussed on these three markets (3Is) to fast forward our strategy. We have also aligned our business philosophy to invest in the three fast-growing categories of Fabric care, Fine fragrances and Air care as part of our efforts to put in place a robust and stable framework for future growth.

Mapping '3I-3C' growth with CFF

The market challenges and fluctuations notwithstanding, we remained in the fast forward mode towards acquisition of 51% stake in Italian fragrance company, Creative Flavours and Fragrances (CFF) S.p.A, during FY 2018-19. In line with the strategy we had crafted in the previous year, we continued to integrate the CFF operations into our business to pave the way for our aggressive foray into Air Care, which offers a significant potential for us to position our Fragrance business in the 3I markets of our focus. The acquisition has armed us with a strong technology edge to scale growth in this segment.

Shifting of production from Barneveld, The Netherlands, to Mahad strengthened our supply chain matrix, enabling us to address some of the raw material shortages in-house. It helped us execute all the orders we had in hand before being hit by raw material crisis resulting from force majeure events.

Injecting efficiencies into Raw Material procurement

With the spillage of the raw material crisis of FY 2017-18 continuing to impact business during the year under review, we decided to fast track our efforts to bring greater efficiencies into the raw material procurement/supply chain. Pricing pressure on key raw materials remains a concern, as it continues to impact profitability margins on a year-on-year basis. We are focussed on easing supply and cost pressures through multiple initiatives aimed at strengthening the raw material aspect of our supply chain.

- The operationalisation of our greenfield manufacturing facility at Mahad is aimed at improving availability of key raw materials, which will boost cost efficiencies for the Company and we continued to stay on course with our ramp-up plans for the plant
- Cognizant of the importance of fragrance ingredients to support the growth of the Fragrance business, we have shifted production from Netherlands to the more cost-effective Indian market
- The Anhui Raibang acquisition (66.67%) is another investment we have strategically made to ensure a sustainable supply of fragrance ingredients to our customers

We have actively participated in Food Ingredients exhibitions in India and Gulf besides entering into partnership with two major food ingredient suppliers to strengthen our raw material sourcing in the Flavours business

Scaling the innovation proposition

To sharpen our focus on certain categories, particularly Fabric Care and to strengthen our foothold in the South Asian markets with focus on India and Indonesia, we have established a Creation and Development Centre (CDC) in Singapore. The said CDC has been dedicated as centre of excellence for fabric care and will help us sharpen focus on the said category. This centre is in addition to our CDCs in India, the Netherlands, Indonesia and Milan (CFF), wherein new products are constantly under development in conjunction with customer requirements.

Over the last few years, our research team has developed 12 molecules and we have filed 13 patent applications in respect of molecules, systems and processes developed by us. Of these, 2 have been commercially exploited in deodorant and fine fragrance categories.

Fast forward with Innovation

Focussed on the vision to strive for development of quality flavours and fragrances, we continued to fast forward our way through innovative new product development to engage with consumers across markets and geographies. We have on board a good number of expert perfumers, flavourists, evaluators and application executives to understand local tastes in the evolving global industry milieu and continue to surge proactively ahead to develop products crafted to cater to those unique needs. Our Creative Development Centres / Centres of Excellence in Mumbai, Amsterdam, Milan (CFF) and Indonesia, along with the newly established Singapore centre, are helping us give shape to the ingenuous ideas that are nurtured in our R&D facilities. They are enabling us to discover and develop new aroma products and processes that are efficient, safe and environment-friendly. Our Mulund (Mumbai) R&D facility is approved as an `in-house R&D' by Department of Science & Industrial Research, Ministry of Science & Technology, GoI.

Innovations in Flavours

Our Gurugram & Mumbai food innovation centres are ready to become operational in FY 2019-20, with the launch of a large number of new Flavours, which we have innovated during the year under review.

Innovations in Fragrances

- Our foray into Paints, where we have been selected as the preferred partners by a major Indian player, marks a milestone in our innovation journey
- We have been core listed by a large FMCG player in the domestic market, underlining our quality and innovation strength, as well as our high levels of competency, performance, service, pricing etc.
- We are working on new products specially for BSP (Branded Small Packs) Segment, which will pave the way for significant growth in this segment
- Our focus on integrating the Fragrance Encapsulation Technology we had acquired in 2017 from Tanishka is powering our progress in Fabric Care, where we see significant growth potential

Focussed on excellence in Manufacturing

The operationalisation of our greenfield aroma ingredients manufacturing facility at Mahad, coupled with the optimisation of the Anhui plant in China, has catapulted us towards the consolidation of our global market leadership in the production of Tonalid. The Anhui acquisition is a major step towards strengthening our backward integration capabilities, while Mahad, which we are focussed on ramping up, will further augment efficiencies in our manufacturing operations.

Leveraging manufacturing prowess to power 3Is & 3Cs

- Our Mahad plant is one of the largest manufacturing facilities for Tonalid worldwide and will also manufacture other key speciality ingredients used in the Fragrance industry
- Cognizant of the potential for growth in the Pharmaceutical industry, we have invested in another world-class new spray dryer unit for production of powdered beverages for boosting our Flavours segment

Partnering to expand

We have strategically aligned our distribution model to the needs of existing and emerging markets across our business segments. While our fragrance business is targeting the Asian and South Asian markets, apart from Middle East-Africa, in the Flavours business, Africa, Jordan, Turkey and Egypt have yielded big wins for us. The Fragrances business has made inroads into the Myanmar market, where we see significant potential for our fast-paced expansion and growth.

Strengthening channels to reach out

- Customisation needs a close connect, which necessitates a strong partnership-led approach to steer growth across categories and regions. To serve our strong Fragrance customer base in India, we have come out with the unique concept of Channel Partners, selected from among distributors with an existing network, warehousing arrangements and stronghold in the market of their presence. We have started with a few channel partners to focus on the unorganised sector of our business, with an equal number planned to be added next year

Keva small pack segment

The launch of Keva Roll-ons is a major product extension initiative by Keva in the branded small pack segment (BSP). Launched with 25 variants, the Keva Roll-ons business now has a large portfolio of 47 product SKUs spread over traditional, Arabic and French notes of fine fragrances to satiate the needs of our diversified consumer base. The portfolio of high-quality premium products also includes a gifting range under brands like "Tohfa" and "Inspirations".

Branded to the positioning of `Smell Good To Feel Great', the segment is structured to the evolving dynamics of consumer behaviour, trending towards increasing focus on personal grooming and penchant for smelling good and fresh throughout the day, especially among the brand-sensitive millennial middle-class.

Sustaining speed and agility requires a convergence of technological prowess and people skills.

At Keva, we are constantly nurturing these twin propositions of our Fast Forward growth strategy.

Even as we are continuously scaling our technological strengths, we are concurrently investing in nurturing our people to align them even more intricately with our strategic focus.

We believe that our People are the engine which will steer our far-sighted vision to identify and harness tomorrow's opportunities.

Putting People in the Fast Mode

On International Women's Day – March 8, 2019, we launched "Woman of Substance" Award to recognise the women folks at Keva who are excelling in the field of their passion, making outstanding contributions and positively impacting the community and society at large, while acting as a strong role model for others.

Keva's HR progressive policies are focussed on promoting "Employee Experience" – an ecosystem that integrates the three core dimensions of engagement, culture and performance management. We took various initiatives towards this end during FY 2018-19.

Talent Attraction

We are attracting global talent, especially in Amsterdam and South East Asia, and were also able to identify and tap the right talent for our newly established Singapore Creative Centre. We also got the right mix of external lateral hiring, campus hiring as well as scaling up through internal movements at Mahad.

Keva's Campus Connect

We are focussed on injecting new talent and strengthening the talent funnel through our Graduate Engineering Trainee, Technical Trainee, and Management Trainee programmes via campus-connect.

Building Future-Fit Leaders

Through LeAP (Leadership Advancement Programme) – Keva's Global Talent Management Programme, we have created a robust framework to build a future-fit talent pool and empower the team to take the organisation to the next level of growth.

Capability Development

Our People Capability Development Plan (PCDP) aims at providing customised learning intervention for holistic development under the overarching theme - Learn To Win, and is being executed through a variety of programmes viz. Leading in VUCA world, Wellness to Wellbeing, Leveraging the Learning Management System through LEAD - Keva's e-learning platform.

Continuous Engagement and Relations

To enhance employee engagement at various levels, we have in place initiatives like the Employee Town Hall and customised Workmen Development Programmes. We have initiated a Worker skill matrix study which is currently under design phase to identify skill gaps, explore job rotation opportunities and development opportunities. We have, in recent years, embraced an integrated HR Technology platform globally, with SAP SuccessFactors covering the employee's lifecycle progress. The Quality Circles at our manufacturing plants provide a platform to develop the people quality and improve quality of life at workplace.

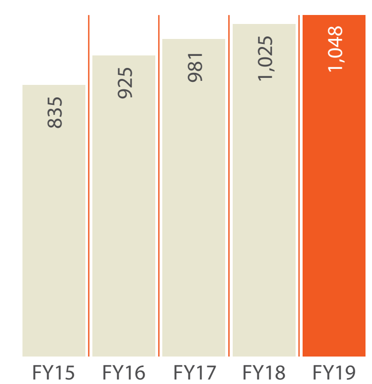
We continue to maintain cordial relations with the unions on the Employee Relations front. Under the National Employability Enhancement Mission (NEEM) of the Ministry of HRD (AICTE), we have provided 64 NEEM Apprentices on-the-job training with the aim to enhance their employability.

Keva has been conferred with the prestigious award "National Best Employer Brand 2018" at the 13th edition of Employer Branding Awards, for building a robust and effective HR and people management system, contributing significantly to Talent Management, Talent Development, and Talent Innovation.

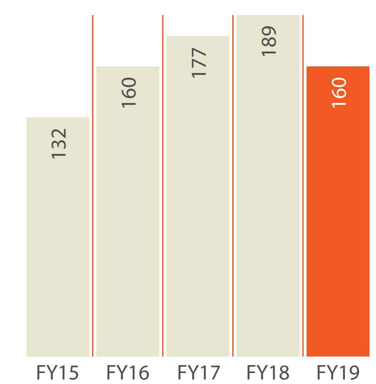
In FY 2018-19, Keva got the **23rd Rank** in Dream Companies To Work For from World HRD Congress, which is supported by ET NOW.

Financial Highlights

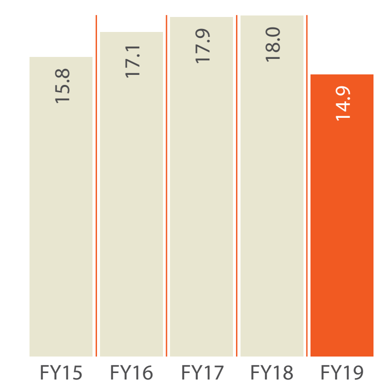
Total Operating Income
(INR in Cr)



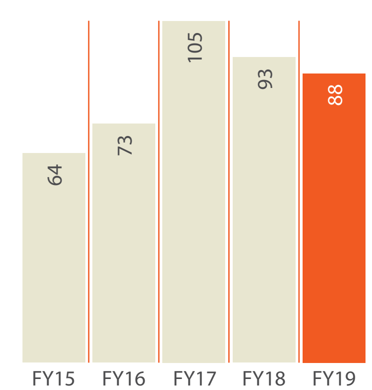
EBITDA
(INR in Cr)



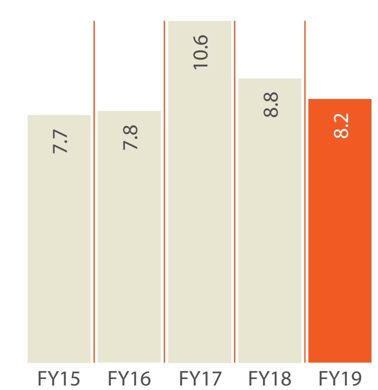
EBITDA Margin
(%)



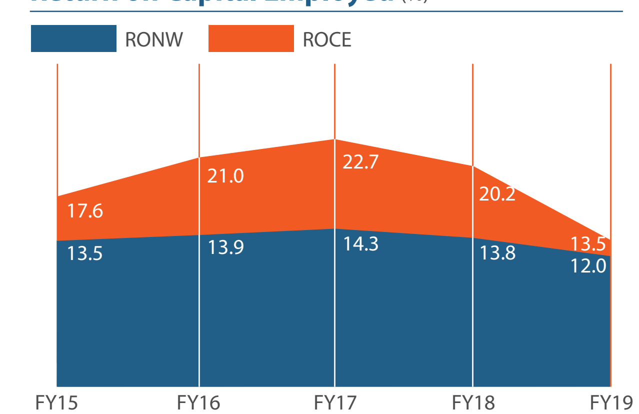
PAT
(INR in Cr)



PAT Margin
(%)



Return on Networth & Return on Capital Employed (%)



Management Discussion & Analysis

GLOBAL ECONOMIC OVERVIEW

The broad-based cyclical growth witnessed in the preceding two years, lost momentum with the global economic expansion decelerating significantly in the second half of 2018. Heightened trade tensions and tariff hikes between the United States (US) and China, decline in business confidence, tightening of financial conditions, and higher policy uncertainty across many economies contributed to this deceleration. World economic growth in 2018 dipped to 3.6% from 3.8% witnessed in 2017. The euro area economy slowed as consumer and business confidence weakened and car production in Germany was disrupted by the introduction of new emission standards; investment dropped in Italy as sovereign spreads widened; and external demand, especially from emerging Asia, softened. Natural disasters hurt activity in Japan.

	2017	2018	2019	2020P
World Output	3.8	3.6	3.3	3.6
Advanced economics	2.4	2.2	1.8	1.7
US	2.2	2.9	2.3	1.9
Euro Area	2.4	1.8	1.3	1.5
Japan	1.9	0.8	1.0	0.5
UK	1.8	1.4	1.2	1.4
Other Advanced economies*	2.9	2.6	2.2	2.5
Emerging Markets and Developing Economies	4.8	4.5	4.4	4.8
China	6.8	6.6	6.3	6.1
India	7.2	7.1	7.3	7.5

*Excludes the G7 (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries

P=projections

Source: World Economic Outlook - April 2019

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Growth in advanced economies came in at 2.2% in 2018, slightly lower than the 2.4% in 2017. Similarly, emerging markets and developing economies experienced slower growth at 4.5% in 2018, as compared to 4.8% in 2017. China's growth was negatively impacted by a combination of needed regulatory tightening to restraint shadow banking and an increase in trade tensions with US.

Outlook

Growth is expected to pick up in the second half of 2019 driven by an accommodative policy stance in advanced economies, the prospects of easing of trade tensions between the US and China and ramped up fiscal and monetary stimulus by China to counter the trade war's effects. Global growth is expected to slowly edge up with 3.3% in 2019 scaling up to 3.6% in 2020. Pickup in growth expectation is subject to a rebound in Argentina and Turkey and certain emerging market risks not manifesting. Brexit uncertainties and China's growth not being as high as expected are risks that may impact these projections.

INDIAN ECONOMIC OVERVIEW

India continues to be the world's fastest growing major economy impacted to a minimal extent by the World economy. The provisional estimates of Central Statistics Office (CSO) expects India's GDP growth rate for FY 2018-19 to moderate slightly to 6.8% as compared to 7.2% witnessed in the previous year. The weakening rupee, rising crude oil prices, lower farm and manufacturing growth and weaker consumer demand dampened the economic growth.

	GDP growth in %	Inflation rate in %
2013-14	6.6	5.8
2014-15	7.2	4.9
2015-16	7.6	4.5
2016-17	7.1	3.6
2017-18	7.2	4.7
2018-19P	6.8	4.9
2019-20P	7.3	4.6
The Central Statistics Office (CSO)	7.5	4.3

Source: CSO

Growth in agricultural sector is estimated at 2.9% and in manufacturing sector at 6.9% in FY 2018-19. The FMCG segment is the key beneficiary of robust manufacturing growth and prevailing low inflationary environment. Government's focus on agriculture, MSMEs, education, healthcare, infrastructure and tax rebate under the Union Budget 2019-20 is expected to boost consumption.

Source: CSO

Outlook

The economy is expected to slowly gain momentum with GDP growth projections of 7.3% and 7.5% in FY 2019-20 and FY 2020-21 respectively. Growth acceleration is attributable to the sustained rise in consumption and a gradual revival in investments, especially with a greater focus on infrastructure development. The improving macroeconomic fundamentals garnered strong support by the implementation of reform measures, which has helped foster an environment to boost investments and ease banking sector concerns. India has already surpassed France to become the sixth-largest economy. By 2019, it may become the fifth-largest economy and possibly the third-largest in 25 years.

Source: IMF

THE GLOBAL FLAVOUR AND FRAGRANCE INDUSTRY

The global flavours and fragrances (F&F) market size was valued at US$ 27.2 billion in 2018 as compared to US$ 25.9 billion in 2017. Increasing demand from application industries such as food, beverages, and cosmetics & toiletries is projected to drive the growth. Aided by a rising global population and increasing urbanisation, the demand of processed foods and beverages has been witnessing a continuous growth creating a positive impact on the growth of the market. Moreover, driven by rising incomes, changing lifestyle and increasing consciousness towards physical appearance, the market for personal care products, another key growth driver for the F&F industry, has also been witnessing a strong growth. Other major factors driving the F&F market include emerging markets, rising demand for organic and natural products, a growing young population, etc.

In the flavours market, traditional segments like beverages, dairy, savoury and snacks continue to be the primary growth factors. Increasing use in pharmaceutical, dietary supplements, and nutraceuticals has been the new growth driver. The upward trend of health and wellness is anticipated to enhance the preference given to natural flavour ingredients.

In the fragrance market, personal care and soap & detergent categories are the main growth drivers. Growing number of retail stores, new product launches, and growth in lower price point segments are the influential factors contributing to the growth of the fragrance market.

Natural flavour and fragrance is an emerging trend in the F&F industry. Natural flavours and fragrances are perceived to be safe, healthier and therapeutic. This segment is expected to grow rapidly owing to the rising preference for organic ingredients in food and personal

The global flavours and fragrances (F&F) market size was valued at US$ 27.2 billion in 2018 as compared to US$ 25.9 billion in 2017. Increasing demand from application industries such as food, beverages, and cosmetics & toiletries is projected to drive the growth.

care sector. Manufacturers engaged in developing natural flavours and fragrances often charge a green premium on their products.

Another prevailing trend in the F&F industry is the use of encapsulation technology. Fragrance Encapsulation is a technology of covering the fragrance oil with a protective capsule, thus ensuring long-lasting release and heat stability in various product formats notably in Fabric Wash & Fabric Care. This technology is a must-have for fragrances used in Fabric conditioners and other similar formats in Fabric Care.

The US and UK continue to be the biggest markets in the global fragrance and flavour industry with developing markets in Asia Pacific (APAC) witnessing increasing demand growth. Among APAC nations, India and China are exhibiting rapid growth, boosting usage of flavours and fragrances due to the growing population and rapid urbanisation. Increase in per capita spending on consumer products in high-growth economies, such as China, India, South Korea, and Indonesia is expected to drive the F&F market in the Asia Pacific. These markets are expected to become the largest markets globally in the future.

Fragrances – Growth drivers

APAC nations to drive growth: A growing population with rapid urbanisation and increasing disposable incomes is driving growth in these high-growth economies.

Increased preference for naturals segment: As natural fragrances are perceived to be safe, healthier and therapeutic, affluent consumers prefer natural fragrances over synthetic ones.

Premiumisation in personal care: The Personal care market globally is seeing accelerated growth owing to growing affluence for aesthetic appeal. Millennials are driving the premium personal care segment, in turn driving the growth of the fragrances market.

Private labels exploring developing markets: Witnessing tremendous growth in the developing markets, increasing number of big brands in the fragrance industry are expanding businesses to tap the new growth potential.

Encapsulation: Encapsulated fragrances are mainly used in the fabric care and textile industry for manufacturing detergents with long-lasting fragrance. This technique is bringing about a revolution in the segment by enhancing the fragrance longevity multiple times.

Flavours – Growth drivers

Cooking at home losing steam: Increasingly, consumers especially in the US and UK, prefer to eat out or to consume ready-to-eat meals and processed foods. This growth in the food and beverage industry in turn is enabling growth in the flavours market.

Non-food segment growth: Flavours find enhanced application in pharmaceuticals, dietary supplements and nutraceuticals further increasing growth.

Encapsulation: Encapsulated flavours are used to provide improved taste and shelf-life and protection from harsh conditions like oxidation, moisture uptake, evaporation etc. It also enables controlled or triggered release and separation of incompatible flavour constituents to avoid adverse effects.

Outlook

Increasing demand for ready-to-eat and convenience foods, health and wellness foods coupled with technological advancements are predicted to trigger the flavours and fragrances market growth. Increasing disposable income along with rapid industrialisation in developing countries such as India and China is estimated to fuel the flavours and fragrances market.

Challenges

Erratic supply of raw materials and sustainable sourcing are the key challenges facing the global F&F industry. FMCG players are exploiting the use of technology to decipher the blend formulation. With increasing costs on the one hand and limited ability to initiate price increases on the other, players are facing the pressure of reduced profitability. Differentiation stands as the key for global F&F players to stand out and command a premium for their offerings.

THE INDIAN FLAVOUR AND FRAGRANCE INDUSTRY

Overview

The Indian F&F industry is witnessing enormous changes with ever-evolving needs of the consumer. The industry constantly needs to improve, diversify, update, and create new flavours and fragrances to appeal to the end users. High growth in bakery, confectionery, snack food and beverages, in turn bodes well for demand in flavours. Fragrance segment is riding high growth in personal care sector given increasing premiumisation trend. Growing disposable income, ever-increasing use of personal wellness products, urbanisation, premiumisation and increased penetration of FMCG products is driving growth in the F&F industry.

The year gone by was slightly challenging for the F&F industry as small and regional FMCG players deferred orders due to pressure on working capital led by delay in GST refunds, whereas, large FMCG players delayed new launches. Indian Flavour and Fragrance market in 2018 is ₹ 6,000 Cr with Fragrances at ₹ 3,000 Cr and Flavours at ₹ 3,000 Cr. Keva continues to be the largest Indian origin player.

The Indian market is reasonably consolidated, with the top four global players and Keva constituting majority of the F&F industry Players in this space invest a significant amount in R&D so as to develop unique combinations of flavours and fragrances. End users generally tend to have extremely stringent vendor selection processes and quality norms, making it imperative to maintain customer relationships and high brand equity.

The global F&F players and some of the larger Indian players are directly aligned to the major FMCG players and supply specific fragrance or flavour blends for specific products. A few FMCG players also have blending capability for some blends, for which they source ingredients directly from ingredient manufacturers.

Outlook

The growth of the domestic F&F industry is dependent on growth of end user segments, mainly FMCG. With India growing at the fastest pace in the world, all economic factors are in favour of growth of the FMCG sector. Additionally, rapid urbanisation, deepening reach in rural areas, rising disposable incomes, budding nuclear family concept, growing trend for premium products work in favour of FMCG and thereby F&F industry growth.

Outlook for fragrance segment

Evolving categories like deodorants, air fresheners, perfumes and cleaning products are expected to be the key growth drivers for fragrance segment. Growing aspirations and rising disposable incomes with prevalent going-out culture is driving consumers to look for aesthetics and smell rather than just the utility of the product. A new area of growth for the segment is the naturals category which remains largely unexplored hitherto. Manufacturers have the cost advantage in the naturals segment as India has rich sources of raw materials.

Outlook for flavour segment

The Flavours segment is witnessing significant growth riding the growing popularity of low-fat and low-carbohydrate foods which need masking by added flavours to the otherwise bland taste. Other trend giving impetus to flavours segment is emergence of 'dial-a-food' culture which is essentially an outcome of increasing population of working women due to rapid urbanisation. Emergence of new flavours in the packaged beverages and foods and rising demand for basic products in the domestic rural markets is driving demand for flavours. New flavours are also emerging in the health and nutrition category.

INDIAN FLAVOURS AND FRAGRANCES MARKET – OPPORTUNITIES

India's long-term growth is steady, diversified and resilient as it is a consumption-led economy, not dependent on world economy for growth. As per Boston Consulting Group report, India is expected to be the third-largest consumer economy in the world by 2025 as its consumption is expected to triple to US$ 4 trillion, owing to shift in consumer behaviour and expenditure pattern. Another report by PricewaterhouseCoopers, predicts India to surpass US to become the second-largest economy in terms of purchasing power parity (PPP) by the year 2040.

India's rate of growth has become more stable which is driven by stabilisation of growth within each sector – agriculture, industry and services led by various Government policies. By 2027, the GDP is expected to reach US$ 6 trillion. The growth is slated to be driven by digitisation, globalisation, favourable demographics and reforms. By 2025, as per McKinsey Global India, the country will have 69 cities with a population of more than one million each. Economic growth will be centred around these cities. The output of Indian cities will come to resemble that of cities in middle-income nations.

Given this background, the consumption of FMCG products will witness significant growth, translating in strong growth for the F&F industry.

Financial Performance Analysis

On a consolidated basis, the Company's total income (net of excise duty) stood at ₹ 1,071.48 Cr in FY 2018-19 as compared to ₹ 1,046.72 Cr in FY 2017-18. Regional and small players in some categories witnessed a transitory slow-down due to delayed GST refund leading to uncertainty among certain customers. The Company anticipates business in these segments to recover going forward.

Fragrance segment, which contributes 90% to total revenue, clocked 2% degrowth in domestic business and 14% growth in the international business. Flavours segments clocked 19% degrowth in domestic business and 14% growth in the international business.

Pricing pressures on key raw materials impacted profitability. The Company undertook price increases to partially cover the unprecedented raw material inflation. This, combined with the several cost-optimisation measures undertaken over the last several quarters, resulted in stable gross margins. The Company expects gross margins to stabilise once the Mahad facility operations fully ramp up.

EBITDA stood at ₹ 160 Cr in FY 2018-19 as compared to ₹ 171 Cr in FY 2017-18. The Company registered a PAT of ₹ 88.3 Cr in FY 2018-19 as compared to ₹ 93.9 Cr in FY 2017-18. Cash profit was at ₹ 119.6 Cr in FY 2018-19 as compared to ₹ 116.7 Cr in FY 2017-18.

BUSINESS SEGMENT - 1

Fragrances

In FY 2018-19, the segment contributed 90% of business revenues. The Company has a highly motivated and experienced team of specialised perfumers. This team creates innovative complex compounds and ingredients used across a wide range of the fragrance portfolio. A variety of daily consumables comprise of various fragrance products and ingredients created by the Company.

Vashivali Unit

Products and applications

With a rich heritage of more than nine decades of presence in the Indian fragrance market, the Company enjoys unparallel brand equity. Deep understanding of the customer needs comes naturally, thereby earning preference over both domestic and international peers. The Company's leadership is the combined result of long-standing customer relations, wide and unique product portfolio, five state-of-the-art manufacturing facilities and a skilled team of 13 perfumers. From big FMCG players, mid-sized companies, small and medium enterprises, smaller traders to small blenders, the Company services all possible sectors. Thereby, the Company's fragrances find wide application across personal care products like soaps, shower gels, deodorants, fine fragrances etc.

Key Macro Highlights

- Overall, the segment recorded 10% YoY growth led by dedicated focus on key categories across customers
- The Company has introduced the concept of channel partners to partner the organisation's growth agenda. These channel partners have strong regional hold and will assist the Company in strengthening its reach and catering to the needs of its 2,500+ customer base, especially in unorganised sector where some business was negatively impacted due to GST implementation. This will also help Company's existing field force of 35 people to focus on key accounts
- Roll-ons are apparel perfumes in roll-on (roller ball) format designed for direct application. It has launched 47 high quality premium products for general trade and organised retail segments. It also participated in various trade exhibitions and consumer fairs to increase its brand awareness and reach a larger mass. The Company plans to leverage the existing brand equity of Keva to harness opportunities in this category further
- Aroma ingredients division: The Company is focussed to accelerate returns on investment it has made in the aroma ingredients division. The Company ramped up production in the state-of-the-art greenfield facility at Mahad. The facility was commissioned in September 2018 and is running at full capacity. The facility is manufacturing Tonalid and other key materials used by the Fragrance industry. It has been successfully audited by key customers. Following the acquisition of a majority equity stake in Anhui Ruibang Aroma Chemical Co., China in May 2018, the Company has optimised the capacity at its Tonalid manufacturing facility in China at nominal capex. The installed capacity is now optimised to 400 MTPA.

Domestic sales

Highlights of FY 2018-19

The Company reported a decline in domestic revenues owing to considerable slowing of demand and customer churn in certain categories. Operating profit was negatively impacted by volatility in raw material prices, though the margin remained stable.

Domestic sales, constituting 67% of total fragrance segment, de-grew by 1.7% in FY 2018-19.

The Company entered into Paints category by initiating pilot projects with certain market leaders.

Outlook

Though smaller players have been severely impacted by GST implementation, the larger FMCG players continue to launch new products by responding to evolving tastes and preferences of its consumers. The Company has successfully tackled unexpected extended raw material inflation with price hikes initiated during the year. The Company is still competitively placed and on-track to expand its operations to newer clients and geographies.

Exports

Highlights of FY 2018-19

The Company's exports have witnessed a growth of 14% exporting to over 50 countries through a distributor model. The major market is the Middle East followed by South East Asia. There are five creative centres in India, Amsterdam, Indonesia, Singapore and Milan (CFF).

The Company also entered the fabric care market in Myanmar.

Outlook

The Company aims to consolidate its position in the fine fragrance and fabric care segments by expanding its international footprint and building talent pool. With the acquisition of fragrance encapsulation technology a couple of years ago and further improvisation of the same, the Company is set to expand its presence in the premium fabric care segment.

BUSINESS SEGMENT - 2

Flavours

Amongst flavours manufacturers, the Company holds a position of pride due its innovative and superior quality products. The Company has a state-of-the-art facility having FSSAI approval. The Company has earned a distinguished name in the flavours segment in sectors like beverages, dairy products, confectioneries, bakery products, savouries, nutraceuticals, and more. The edge over competition is attributable to a highly motivated team of flavourists who understand the ever-changing consumer needs and innovate accordingly.

In FY 2018-19, the segment contributed 10% of business revenues. The flavours team creates new and unique flavour blends to strengthen the brand equity of the various brands. Currently, natural flavours created from carefully sourced ingredients are high on demand given the rising popularity of health and wellness sectors.

The Company, in association with flavourists, evaluators, consumer opinion researchers and subject matter experts, is strategising to create a range of natural flavours to excel in food science.

Scale with agility

The Company has excelled in the use of various technologies and creates flavours in multiple forms like liquids, dry mixes and encapsulations. The Company is accredited with US FDA registration, reflecting

Herbal Extraction Plant, Vapi

superior quality controls are in place. Halal certified flavours are also manufactured by the Company. With a high clarity of purpose and process design, the Company is able to formulate and create an array of flavours.

The Company caters to both domestic and international clients successfully given its strong manufacturing processes and high level of agility. The use of advanced planning techniques and variable capacity enables the Company to alter production as per demand. Strong relationships with reputed logistics companies ensure high efficiency in logistics.

Products and applications

The Company produces flavours covering the entire spectrum – all forms i.e. natural, nature-identical and artificial; and states i.e. dry, mix, liquid and encapsulated. The Company earns an edge over competition with differentiation as reflected in producing flavours for shakes and smoothies in the dairy segment, flavours for fruit-based and health drinks in beverages, different flavours encompassing all cultures and age groups in confectionery, in bakery and pharmaceuticals.

Domestic sales

Highlights of FY 2018-19

- Domestic revenue stood at ₹ 51.98 crore in FY 2018-19 registering a decline of ₹ 12.42 crore owing to churn in some orange-based flavours owing to orange oil price situation
- To increase market visibility, a new range of products under brand "Auris" was launched during the year for sale on e-commerce platform. The range comprises of around 10 flavours
- The Company improved its distribution network in North and South India
- The Company participated in Food Ingredients India to enhance brand equity. It also undertook several social media initiatives to create positive impact on student community in food technology and home users

Outlook

The Company is committed to making investments in research and development and enhancing its production facilities. The Company has recently come up with a food innovation centre in Mulund, Mumbai and is on track to launch another in Gurugram. The Company endeavours to enhance customer awareness through participation in food ingredient expos. The next growth wave in the flavours segment is expected to be driven by growth in beverages, bakery, confectionery, nutraceuticals and dairy. In these segments, the Company is making necessary investments. It upgraded some of its existing equipment base, while also bought new machinery to cater to the evolving needs and trends. Seasoning is a big category, wherein the Company expects tremendous growth opportunities going forward. The Company is also exploring newer domestic geographies in Central and East India which are hitherto underserviced.

Exports

Highlights of FY 2018-19

- The international flavours business reported 34% growth as compared to the previous year
- International sales increased led by strong demand in export markets especially Africa, Jordan, Turkey and Egypt
- The Company faced challenges owing to trade tension between Iran, Qatar and rest of the Gulf countries
- The Company initiated a focussed coverage for food flavours in the Middle-East and Bangladesh. To promote the flavours segment, the Company participated in Gulf Food Ingredients – one of the largest food shows around the world. This led to improved brand visibility

Outlook

The Company is targeting the high growth beverages, bakery and confectionery segments especially in the neighbouring and South East Asian countries. In the Middle-East, Africa and Thailand, flavours present a good growth opportunity for the Company which it is looking to explore.

Quality Management and Knowledge Capital

Quality management

Overview

- The Company qualifies high on compliance having achieved USFDA registration and various certifications including FSSAI, ISO 9001:2008, ISO 14001:2015, FSSC 22000, ISO 22000:2005 and ISO/TS 22002-12009
- The Company's processes are SAP enabled that provide better work efficiencies
- The Company boasts of state-of-the-art plant and machinery which are technologically advanced. The Company has the latest equipment including, gas chromatographs, density meters, automatic polarimeters, tintometers, flash-point testers and microbiological testing, etc. in its fragrance and flavour testing laboratory
- The Company follows stringent HSE (Health, Safety and Environment) policy ensuring a safe working environment for its workers
- The Company's effluent treatment plants alongside its facilities ensures operations do not pollute the environment
- The Company has in place world standard quality control practices

Outlook

Consistency in Keva's product quality is the result of strict quality norms. The Company is abreast with newer certifications from regulatory bodies around the globe. Department of Scientific and Industrial Research (DSIR) acknowledges Keva's state-of-the-art research centre in India as an in-house R&D centre developing innovative molecules

Knowledge capital

- The Company hires talented candidates from reputed educational institutions and through lateral hiring. This ensures high quality and driven individuals come on board
- High potential talent is recognised and accordingly groomed through management training programmes to assume higher responsibilities and climb up the corporate ladder
- Existing employees undergo motivational and skill improvement training through the in-house LEAD training programme

Highlights of FY 2018-19

Keva has been conferred upon as "The National Best Employer Brands 2018" by Employer Branding Institute – India during the 13th Employer Branding Awards in February 2019. Keva was adjudged the 23rd Dream Company to Work For at the 8th Edition of ET Now – Dream Companies to Work For by the World HRD Congress in February 2019. Under Keva's Global Talent Management Program – LeAP (Leadership Advancement Program), 3 batches were successfully completed this year. LeAP is a focussed talent development journey which involves planning of journey of individual employees to groom them for senior leadership roles through Individual projects and a specific e-learning programme.

The Company hired over 32 managers for the Mahad facility and several management trainees/new recruits from prestigious technical institutes to build a strong talent pipeline.

Employee restructuring was carried out in the Netherlands to align with Milan and Amsterdam.

The Company is using technology to improvise HR functions to provide a seamless unified experience to all employees, moving away from a paper environment to a more digital one.

Outlook

The Company is constantly endeavouring to become one of the most admired organisations in the global F&F industry. The Company is strengthening its workforce with talented and driven people to achieve the growth targeted in the next five years. With a view to improve productivity and efficiency, the Company's policies are aimed at building a high performance culture at all levels.

Risk Identification and Mitigation

Exports risk: With operations spreading in various countries, your Company is exposed to changes in the macro environment of different countries.

Mitigation: Your Company endeavours to expand business in countries mimicking the demographic profile of India. A close watch on the macro-economic development in the various countries by an enabled team of experts helps to minimise export risk.

Innovation risk: To ensure long-term businesses sustainability and viability, your Company needs to constantly develop new flavours and fragrances.

Mitigation: As innovation is a high priority, your Company is strategising acquisitions. Also, relentless focus on in-house R&D will help mitigate risk from failure to innovate.

Raw material risk: Short supply or unavailability of any of the 1,500+ raw materials used by your Company poses operational risk and chances of failing to honour order commitments.

Mitigation: Your Company boasts of a long-lasting relationship with suppliers. In addition, it enters into long-term contracts for raw material supply and maintains adequate inventory to minimise risk from the raw material shortage.

Risk from acquisition: An acquisition poses an enormous task of integration and alignment of the strategies of two businesses, posing a significant risk.

Mitigation: Your Company follows a careful appraisal criteria to make any acquisition process more objective and less subjective. The Board's decision is based on a set of principles clearly outlined leaving minimal scope of ambiguity. Stringent processes help minimise risk from failure to establish strategic fit. The integration team ensures that the acquired businesses / entities are successfully integrated into the group.

Risk from regulatory compliance: As your Company operates in various geographies, it has to ensure compliance to all applicable regulatory requirements.

Mitigation: An online statutory compliance management system ensures adherence to regulatory requirements. In addition, internal financial control systems are periodically reviewed by an external and internal auditor and findings thereof are reported to the Audit Committee of the Board every quarter along with the proposed action points. A summary of point actioned upon is presented to the Audit Committee from time to time.

Forex risk: With exposure to more than 50 countries, your Company faces the risk of cross-currency volatility.

Mitigation: Your Company enters into hedging contracts to minimise impact from forex fluctuations. Forex operations are managed by a team of experts.

Receivables risk: Export receivable cycles are longer in duration with the risk of converting to bad debts.

Mitigation: Credit insurance and a strong process of selecting trade partners based on your Company's sound knowledge of local environment helps minimise risk from long receivable cycles.

Client concentration risk: Your Company's revenue stream can be at risk if only a few large clients drive the business.

Mitigation: Client attrition is minimised, given that most clients are small. Over 4,100 clients make up the total revenue pie of your Company with not much dependency on the large clients. Involvement of commission agents and collaborative engagements with clients further reduces any risk to business.

Succession risk: Business sustainability can be a risk if operational responsibility is concentrated in the hands of a few key personnel.

Mitigation: A strong in-house talent management programme and focussed training for critical employees ensure all employees are well groomed to handle higher responsibilities. Experts from downstream industries hold most key positions. A well chalked out succession plan from employee promotion within the Company and a diversified structure help to minimise risk of over-dependency on a few personnel.

Competition risk: Competition in the segment is high given good growth opportunities the industry provides.

Mitigation: With over nine decades of presence in the industry, your Company has established strong client relationships and unmatched brand equity, with superior quality of products and services and a desirable turnaround time.

Sectoral concentration risk: High dependence of revenue on a few downstream sectors may put business sustainability at risk.

Mitigation: Your Company supplies to a variety of downstream sectors like personal care, air care, skin & hair care, beverages and fine fragrances. Your Company does not depend on any particular sector for its revenue generation.

Wage inflation risk: Your Company faces the risk of heightened unexpected rise in wages putting margins under pressure.

Mitigation: Work contracts/agreements with workers are generally long-term in nature to avoid any surprises in wage costs.

Corporate Social Responsibility

Your Company continuously strives to evolve and ramp up its CSR activities in both social and environmental spheres. Your Company engages with all the stakeholders in a responsible manner by supporting various Government as well as private initiatives. Your Company focusses on environmental sustainability, communal welfare near plants, education and employability.

During the year, the Company supported various national causes like relief for Kerala flood victims and support to the families of martyrs in Pulwama attack.

The employees were also encouraged to participate in the Daanotsav festival, celebrating the joy of giving, wherein students from two NGOs being supported by the Company received support from employees.

Your Company supported the Government of India's 'Namami Gange' mission of Ganga Rejuvenation, as a part of its contribution to the environment.

Working towards improving dignity of Indian women, your Company has taken the responsibility to upgrade the educational infrastructure and uplift the sanitation facilities at schools and colleges surrounding its manufacturing units at Vapi and Vashivali.

Along with Udaan India Foundation, your Company works to provide holistic education to children from low-income. Similarly, in co-ordination with Shabari Seva Samiti, your Company provides basic education through Balwadis at six centres in rural areas of Karjat and Murbad. During the year, the Company launched KEVA academic excellence awards around plants to have deeper connect with the students. Also, to minimise student dropouts, the Company undertook infrastructure capability development, provided e-learning digitised classrooms and other academics excellence for the schools associated.

The Company has tied up with National Society for Equal Opportunities for the Handicapped (NASEOH) to support and rehabilitate the differently-abled through computer training courses and supporting them by providing mobility appliances.

Significant Changes in Key Financial Ratios:

Sr. No.	Particulars	2018-19	2017-18	Reason for Change
1	EBITDA Margin (%)	11.77	16.41	Decline in profit due to price pressure on key raw materials change in customer mix.
2	Net Profit Margin (%)	6.31	9.69	Fall in profit due to, price pressure on key raw materials, change in customer mix and interest cost.
3	Interest Coverage Ratio (times)	11.88	35.98	High interest cost resulting from increased borrowings.
4	Current Ratio	1.41	1.96	Due to increase in working capital borrowings.
5	Debt Equity Ratio	0.15	0.03	Due to increase in borrowings.
6	Return on Net Worth (%)	7.54	10.99	Decline in profit due to price pressure on key raw materials, change in customer mix and interest cost.

Board's Report

Dear Shareholders,

Your Directors take pleasure in presenting their 63rd Annual Report on the business and operations of S H Kelkar And Company Limited (SHK / the Company) and audited financial statements for the financial year ended March 31, 2019.

Financial Highlights & Business Review

Financial Highlights:

(Currency : Indian Rupees in crores)

Particulars	Standalone			Consolidated		
	2018-19	2017-18	Growth %	2018-19	2017-18	Growth %
Sales (excluding Excise Duty / GST)	692.09	680.79	1.66	1041.15	1019.27	2.15
Other operating income	1.69	0.89	89.88	2.45	1.75	40.22
EBITDA	102.40	136.01	24.71	159.96	170.97	(6.44)
Royalty Expense	18.50	19.16	(3.44)	-	-	-
Finance Costs	6.51	3.16	106.10	13.95	3.97	251.35
Depreciation	15.18	10.53	44.16	31.15	23.84	30.66
Profit before Tax (PBT) before exceptional items	62.21	103.16	(39.69)	114.85	156.01	(26.38)
Profit before Tax (PBT) after exceptional items	62.21	103.16	(39.69)	114.85	143.16	(19.77)
Taxation	17.24	34.20	(49.60)	27.01	50.58	(46.60)
Profit after Tax (PAT)	44.97	68.96	(34.79)	87.84	92.58	(5.12)
Share of profit from Associates	-	-	-	0.41	1.30	(68.46)
Total Profit after Tax (PAT)	44.97	68.96	(34.79)	88.25	93.88	(6.00)

Business Review:

Keva (consolidated SHK) is a leading innovator of sensorial experiences, co-creating unique products that consumers taste, smell, or feel in fine fragrances and cosmetics, detergents and household goods, food and beverages. Keva's flavour and fragrance compounds combine a number of ingredients to produce proprietary formulae created by its flavorists and perfumers. Keva believes that its diversified business platform, wide geographic coverage, broad product portfolio and customer base, position it to achieve long-term growth as the flavours and fragrances markets expand.

Financial Year 2018-19 has been a challenging fiscal for Keva as it witnessed multiple macro-headwinds that impacted its performance in certain customer categories. Despite these broader market challenges, Keva has gained a higher wallet share in its key customer accounts during the fiscal gone by. Keva's internal analysis of industry trends post GST implementation also suggests that there has been a structural shift towards larger and mid-sized players, leading to a notable decline in smaller accounts.

On a consolidated basis, sales (excl. excise duty / GST) in FY 2018-19 stood at ₹ 1,041.15 crore, higher by 2.15%. On the profitability front, EBITDA during FY 2018-19 stood at ₹ 159.96 crore, with margins at 15%. Pricing pressures on key raw materials continued to impact profitability margins on a YoY basis. Gross margins in FY 2018-19 stood at 43% as against 45% in FY 2017-18 due to the change in customer mix. Finance costs during the year increased to ₹ 13.95 crore from ₹ 3.97 crore in FY 2017-18, primarily owing to the commissioning of new facility at Mahad. Fragrance segment continued to account for 90% of the total business in FY 2018-19, similar to 89% in FY 2017-18. The overseas business saw an increased momentum with both flavours and fragrance segments growing at a healthy rate of 14% leading to change in domestic and export segment constitution from 68:32 in FY 2017-18 to 65:35 ratio in FY 2018-19.

Fragrance division delivered a steady topline growth of 3% in FY 2018-19. Domestic revenues were lower by 2% led by a slowdown in the demand environment in certain customer categories; while overseas revenues grew by 14%. The volatility in raw material prices resulted in subdued operating profit during the year, which stood at ₹ 130 crore as against ₹ 140 crore in FY18. Operating margins stood stable at 14% in FY 2018-19.

Flavours division reported subdued performance during the period with a decline in domestic revenues, down by 5%. The domestic business saw a decline of 19%, while overseas business marked a growth of 14% YoY. In FY 2018-19, the segment recorded an operating profit of ₹ 15 crore, with margins at 14%.

On a standalone basis, the Company achieved a topline growth of 2% due to growth in domestic fragrance business despite the macro-headwinds faced by the business and the challenging environment. EBITDA stood at ₹ 102.40 Cr and the company achieved a net profit of ₹ 44.97 Cr.

A new state- of- art herbal extraction manufacturing facility has been set-up by Keva at Vapi during the year. With the growing consumer preference for natural and herbal products over chemical-based products, there lies a huge potential for growth in this market.

The aroma ingredients manufacturing facility at Mahad, Maharashtra was successfully commissioned during the year and we have reached optimal utilization levels. With a total installed capacity of 1,200 MTPA, the facility is one of the largest manufacturing facilities for Tonalid worldwide. Operationalization of this facility will help improve availability of key raw materials, leading to increased cost efficiencies for Keva going forward.

Keva made its foray into extension of its BSP (Branded Small Packs) Segment by launching an extensive portfolio of roll-ons in the retail market during the year. "Keva Roll-ons" portfolio that boasts of 47 variants spread over traditional, Arabic and French notes is made to satiate the needs of varied consumer base.

During the year, Keva launched a new range of food flavours under a new brand – Auris. The products are available for purchase on e-commerce sites.

Management Discussion and Analysis Report

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

Corporate Governance

Keva is committed to the highest standards of corporate governance and considers it as more of an ethical requisite than a regulatory necessity. Our goal is to promote and protect the long-term interest of all stakeholders and to that end, our philosophy of Corporate Governance is built on a foundation of ethical and transparent business operations and is designed to inspire trust among all stakeholders, strengthen the Board and management accountability.

A Report on Corporate Governance along with a Certificate from the Statutory Auditors of the Company confirming of corporate governance requirements as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") forms an integral part of this Annual Report.

Business Responsibility Report

A detailed information on the initiatives of the Company as enunciated in the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, 2011 is provided in the Business Responsibility Report, a copy of which will be available on the Company`s website www.keva.co.in. For Business Responsibility Report as stipulated under Regulation 34 of the Listing Regulations, kindly refer to Business Responsibility Report section which forms part of this Annual Report.

Dividend

In consonance with the dividend distribution policy of the Company, the Board has not recommended any dividend for the financial year ended March 31, 2019. The Company continues to be committed to distributing the distributable profits to the shareholders in an efficient manner to maximize the value for shareholders.

The list of unpaid dividend declared upto the financial year 2017-18 is available on Company`s website www.keva.co.in. Shareholders are requested to check the said list and if any dividend due to them remains unpaid in the said list, can approach the Company for release of their unpaid dividend.

Consolidated Financial Statements

The consolidated financial statements of your Company for the financial year 2018-19, are prepared in compliance with applicable provisions of the Companies Act, 2013, Accounting Standards and as prescribed by Securities and Exchange Board of India (SEBI) under Listing Regulations. The consolidated financial statements have been prepared on the basis of audited financial statements of the Company and its subsidiary companies, as approved by their respective Board of Directors. The Financial Statements as stated above are also available on the website of the Company at www.keva.co.in.

Acquisitions

Over the years, your Company has developed extensive and successful experience performing acquisitions and is working towards integrating the acquisitions and exploiting the many commercial and operational synergies they provide, in order to achieve maximum benefit of continued improvement to profit margins and competitive capabilities.

The Company, through its subsidiary Keva Fragrance Industries Pte. Ltd., entered into an agreement to acquire 90% stake in Anhui Ruibang Aroma Co. Ltd. on May 25, 2018 of which 66.7% was acquired during the financial year 2018-19. Headquartered in Fuyang, Anhui is a leading aroma ingredients company in China. The acquisition has given Keva access to alternate tonalid manufacturing facility thereby ensuring no supply disruptions to customers. It has also enabled Keva to consolidate its market position for tonalid.

The Company, through its subsidiary Keva Fragrances Pvt. Ltd., acquired 50% equity stake in Purandar Fine Chemicals Pvt. Ltd. ("Purandar") on November 01, 2018. Purandar is in the business of manufacturing and trading of aroma ingredients and has manufacturing facility at Jejuri, Maharashtra with annual production capacity of 180 tons. The acquisition would allow seamless utilisation of Purandar facility together with Mahad and Vapi facilities of the group which would facilitate sharing of resources and deputation of trained personnel for quality enhancement.

Subsidiaries And Joint Ventures

As on March 31, 2019, the Company had subsidiaries and joint ventures in India, United Kingdom, the Netherlands, Italy, Singapore, China and Indonesia as mentioned hereunder:

- Keva Fragrances Pvt. Ltd.
- Keva Flavours Pvt. Ltd.
- Saiba Industries Pvt. Ltd.
- Rasiklal Hemani Agencies Pvt. Ltd.
- Keva Chemicals Pvt. Ltd.
- Creative Flavours & Fragrances S.p.A, Italy
- Keva UK Ltd., United Kingdom
- Keva Fragrance Industries Pte. Ltd., Singapore
- V N Creative Chemicals Pvt. Ltd. *(step-down subsidiary)*
- Tanishka Fragrance Encapsulation Technologies LLP *(step-down subsidiary)*
- PFW Aroma Ingredients B.V., the Netherlands *(step-down subsidiary)*
- PT SHKKEVA Indonesia, Indonesia *(step-down subsidiary)*
- Anhui Ruibang Aroma Company Ltd, China
- Purandar Fine Chemicals Pvt. Ltd. *(Joint Venture)*

The Company has incorporated Keva Europe B.V., a wholly owned subsidiary, in the Netherlands on April 02, 2019 in furtherance of Keva's business strategy of consolidating European operations under one company based in Europe.

A statement containing the salient features of the financial statements of the subsidiaries in the prescribed format AOC-1 is appended as Annexure A to this Report.

Financial and operational performance of the subsidiaries and joint ventures is given hereunder:

Keva Fragrances Private Limited:

Keva Fragrances Private Limited (formerly K V Arochem Private Limited) is involved in the business of manufacture and exports of fragrances, flavours and aroma ingredients. The company registered a total revenue from operations of ₹ 373.19 Crores in financial year 2018-19 as against ₹ 316.11 Crores in financial year 2017-18 and loss of ₹ 8.32 Crores in financial year 2018-19 as against loss of ₹ 15.00 Crores in financial year 2017-18. Herbal Extraction Plant at Vapi was approved by Food and Drugs Control Administration during the year under review.

Keva Flavours Private Limited:

Keva Flavours Private Limited develops flavours that underpin food and beverage brands in India. The company registered a total revenue of ₹ 49.01 crores in financial year 2018-19 as against ₹ 65.17 crores in financial year 2017-18 and a loss of ₹ 4.69 crores in financial year 2018-19 as against a loss of ₹ 1.43 crores in financial year 2017-18.

Saiba Industries Private Limited:

Saiba Industries Private Limited is involved in the business of manufacture and sale of plant extracts. During the year under review, the company registered an operating revenue of ₹ 1.73 Crores in the financial year 2018-19 as against ₹ 5.07 Crores in financial year 2017-18 and profit after tax of ₹ 0.27 Crores in the financial year 2018-19 as against ₹ 1.57 Crores in financial year 2017-18.

Rasiklal Hemani Agencies Pvt. Ltd.:

Rasiklal Hemani Agencies Pvt. Ltd. was acquired by the Company on April 02, 2016 to strengthen the base in the northern region and reach closer to the customers. During the year under review, the company registered an operating revenue of ₹ 3.03 Crores in the financial year 2018-19 as against ₹ 5.14 Crores in financial year 2017-18 and profit after tax of ₹ 3.53 Crores in the financial year 2018-19 as against ₹ 4.23 Crores in financial year 2017-18.

PFW Aroma Ingredients B.V.:

PFW Aroma Ingredients B.V. is involved in the business of manufacture and sale of aroma ingredients. During the year under review, the company registered an operating revenue of ₹ 146.93 Crores as against ₹ 174.50 Crores during the previous year and profit of ₹ 17.27 Crores as against loss of ₹ 13.20 Crores during the previous year.

Keva UK Limited:

Keva UK Limited is authorised by its constitutional documents to manage the investment of your Company in the Netherlands - PFW Aroma Ingredients B.V. The company did not carry any business during the year. During the year under review, the company did not register any revenue. Loss after tax was ₹ 0.05 Crores as against loss after tax of ₹ 0.25 Crores during the previous year.

Keva Fragrance Industries Pte. Ltd.:

Keva Fragrance Industries Pte. Ltd. is involved in the business of providing sales and marketing assistance to us in South East Asia. In order to spearhead our market access and growth plans of South East Asia, we have formed this Company through which our operating subsidiary has been created in Indonesia. During the year under review, the company registered a revenue of ₹124.56 Crores as against ₹ 36.05 Crores during the previous year and a profit of ₹ 4.39 Crores as against a profit of ₹ 1.04 Crores during the previous year.

PT SHKKeva Indonesia:

PT SHKKeva Indonesia is involved in the business of trading and distribution of perfumery compounds. During the year under review, the company registered an operating revenue of ₹ 12.02 crores as against ₹ 6.47 crores during the previous year and a loss of ₹ 4.93 crores as against profit of ₹ 0.22 crores during the previous year.

Keva Chemicals Private Limited:

Keva Chemicals Private Limited is involved in the business of aroma ingredients and owns fragrance encapsulation technology. During the year under review, the Company registered an operating revenue of ₹ 0.23 crores as against ₹ 0.20 crores in Financial Year 2017-18. Company incurred a loss of ₹ 0.27 crores as against a loss of ₹ 0.42 crores during the previous year.

VN Creative Chemicals Private Limited:

VN Creative Chemicals Private Limited was acquired for setting up of India Tonalid manufacturing facility at Mahad. During the year under review, Company registered an operating revenue of ₹ 24.67 crores. During the previous year, Company earned no income from operations as the Company undertook no business activity. The company incurred a loss of ₹ 1.63 crores as against a loss of ₹ 0.58 crores.

Creative Flavours & Fragrances S.p.A:

Creative Flavours & Fragrances S.p.A (Italy) is a leading fragrance company in Italy having presence throughout Europe. During the year ended December 31, 2018, the company registered an operating revenue of ₹ 266.19 crores and a profit of ₹ 5.50 crores.

Tanishka Fragrance Encapsulation Technologies LLP:

The Company, through Keva Chemicals Pvt. Ltd., step-down subsidiary of the Company, acquired Fragrance Encapsulation Technology from Tanishka Fragrance Encapsulation Technologies LLP ("TFET LLP") in April 2017. During the year under review, no business activity was undertaken by TFET LLP.

Anhui Ruibang Aroma Company Ltd, China

Headquartered in Fuyang, Anhui is a leading aroma ingredients Company in China having tonalid manufacturing facility. During the year, the company registered an operating revenue of ₹ 28.30 crores and a loss of ₹ 0.70 crores.

Purandar Fine Chemicals Pvt. Ltd.

During the year under review, the company registered a total revenue of ₹ 3.88 crores as against ₹ 1.72 crores during the previous year and a profit of ₹ 0.35 crores as against loss of ₹ 0.17 crores during the previous year.

Share Capital

There has been no change in the capital structure during the year under review. The Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

Public Deposits

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year.

Particulars of Loans given, Investments made, Guarantees given and Securities provided

Particulars of loans given, investments made, guarantees given and securities provided as covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Contracts or Arrangements With Related Parties

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 in the prescribed Form AOC-2 is appended as Annexure B to this Report.

Directors

Mr Amit Dixit stepped down as Non-Executive Director on May 25, 2018. Mr Deepak Raj Bindra and Mr Shrikant Oka were appointed as Non-Executive Director and Independent Director respectively on May 25, 2018 and the said appointments were approved by the Members at the Annual General Meeting held on August 09, 2018. In the forthcoming Annual General Meeting, Mr Amit Dalmia will retire by rotation and will be considered for re-appointment because of his eligibility.

Mr Ramesh Vaze, 78 years, has expressed his desire to relinquish his role of Managing Director and continue guiding the Company and mentoring the leadership team by acting as Non-Executive Director and Chairman of the Board. Considering his request, the Board of Directors of the Company, at its meeting held on May 22, 2019, has approved the change in role and designation of Mr Ramesh Vaze from Managing Director to Non-Executive Director and Chairman of the Board with effect from September 01, 2019 subject to the approval of Members. Mr Ramesh Vaze's experience of over 45 years in the F&F industry will immensely benefit the Company to move upward in its growth trajectory and achieve its vision.

Neither the Managing Director nor the Whole-time Director of the Company receives any remuneration or commission from any of its subsidiaries. None of the Directors of the Company has been disqualified to be a Director of the Company on account of non-compliance with any of the provisions of the Companies Act, 2013. The Independent Directors have been familiarised with the Company, their roles, rights and responsibilities in the Company etc. The details of the Familiarization Programme are available on the website of the Company www.keva.co.in. All the Independent Directors have given their declaration of independence as required under Section 149(6) of the Companies Act, 2013. This has been noted by the Board of Directors.

Board Meetings

During the year, 7 (seven) Board Meetings were convened and held on 25.05.2018, 09.08.2018, 24.09.2018, 01.11.2018, 10.01.2019, 06.02.2019 and 25.03.2019. The particulars of attendance of the Directors at the said meetings are detailed in the Corporate Governance Report of the Company, which forms a part of this Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Listing Regulations.

Meeting of Independent Directors

The Independent Directors of the Company meet without the presence of the Managing Director or Executive Director or other Non-Independent Directors. These meetings are conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to, *inter alia*, review of performance of Non-Independent Directors and the Board as a whole, assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. One such meeting was held during the year on March 25, 2019.

Committees of the Board

The Company has constituted various Board level committees in accordance with the requirements of Companies Act, 2013. The Board has the following committees as under:

- Audit Committee
- Nomination & Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders' Relationship Committee

Details of the above Committees alongwith composition and meetings held during the year under review are provided in the Corporate Governance Report forming part of this Report.

Annual Evaluation of Board's Performance

Pursuant to the provisions of the Companies Act, 2013 read with Rules issued thereunder and the Corporate Governance requirements as prescribed by Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its Committees and individual Directors.

The performance of the Board and individual Directors was evaluated by the Board seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members. The Nomination and Remuneration Committee reviewed the performance of the individual Directors. A separate meeting of Independent Directors was held to review the performance of Non-Independent Directors, performance of the Board as a whole and performance of the Executive Directors of the Company. This was followed by a Board Meeting that discussed the performance of the Board, its Committees and individual Directors.

The criteria for performance evaluation of the Board included aspects like Board composition and structure, effectiveness of Board processes, information and functioning etc. The criteria for performance evaluation of Committees of the Board included aspects like composition of Committees, effectiveness of Committee meetings etc. The criteria for performance evaluation of the individual Directors included aspects on contribution to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc.

Nomination and Remuneration Policy

The broad objectives of the Nomination and Remuneration policy are i) to guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management; ii) to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board; c) to recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

The guiding principles of the policy are to ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

In accordance with the Nomination and Remuneration Policy, the Nomination and Remuneration Committee formulates the criteria for appointment as a Director, Key Managerial Personnel and Senior Management, identifies persons who are qualified to be Directors and nominates candidates for Directorships subject to the approval of Board, evaluates the performance of the individual directors, recommends to the Board, remuneration to Managing Director / Whole-time Directors, ensures that the remuneration to Key Managerial Personnel, Senior Management and other employees is based on Company's overall philosophy and guidelines and is based on industry standards, linked to performance of the self and the Company and is a balance of fixed pay and variable pay and recommends to the Board, sitting fees/commission to the Non-Executive Directors.

The remuneration has been paid as per the Nomination and Remuneration Policy of the Company. The policy may be accessed on the website of the Company at www.keva.co.in.

Key Managerial Personnel

During the year under review, Mr Ratul Bhaduri ceased to be Executive Vice President and Group CFO of the Company. Mr Shrikant Mate was appointed as Executive Vice President and Group CFO with effect from December 04, 2018.

The Key Managerial Personnel in the Company as per Section 2(51) and 203 of the Companies Act, 2013 as on March 31, 2019 are as follows:

- Mr Ramesh Vaze - Managing Director
- Mr Kedar Vaze - Whole Time Director and Group Chief Executive Officer
- Mr Shrikant Mate - Executive Vice President and Group Chief Financial Officer
- Mrs Deepti Chandratre - Company Secretary & DGM – Legal

Directors' Responsibility Statement

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

a) In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to the material departures (if any);

b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;

c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The directors have prepared the annual accounts on a going concern basis;

e) The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and

f) The directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Statutory Auditors

M/s. B S R & Co. LLP (Registration No. 101248W) were appointed as Statutory Auditors of the Company for a period of 5 years from the conclusion of the 58th Annual General Meeting until the conclusion of 63rd Annual General Meeting (i.e. from FY 2014-15 to Financial year 2018-19). Prior to M/s. B S R & Co. LLP, its affiliates M/s. B S R & Co were serving as Statutory Auditors of the Company in respect of financial years 2011-12 to 2013-14. As per the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, an audit firm can be appointed as statutory auditor for not more than two terms of five consecutive years. M/s. B S R & Co. LLP having served as statutory auditors (by itself/through its affiliated firms) for a period of 8 financial years, can be re-appointed as statutory auditors for a further term of 2 years. Accordingly, it is proposed to re-appoint M/s. B S R & Co. LLP as Statutory Auditors of the Company for a period of two years to hold office from the conclusion of 63rd Annual General Meeting (i.e. ensuing Annual General Meeting) until the conclusion of 65th Annual General Meeting to be held in 2021.

The Statutory Auditors have confirmed their eligibility to the effect that their re-appointment is within the prescribed limits under the Companies Act, 2013 and that they are not disqualified for appointment.

The Auditors' Report on the Annual Accounts of the Company is unqualified and when read with notes on financial statements, is self- explanatory, and hence, does not call for any further comments under Section 134 of the Companies Act, 2013.

Cost Auditors

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, M/s. Kishore Bhatia & Associates, Cost Accountants, have been appointed as the Cost Auditors of the company for financial year 2019-20. Cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, as required to be maintained by the Company had been made and maintained during the year.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Mehta & Mehta, Practising Company Secretaries, as its Secretarial Auditor to undertake the secretarial audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith as Annexure C to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Internal Control Systems

Your Company believes that internal control is a prerequisite of the principle of governance. The Company implemented suitable controls to ensure its operational, compliance and reporting objectives are achieved. The Company has adequate policies and procedures in place for its current size as well as the future growing needs. These policies and procedures play a pivotal role in the deployment of the internal controls. The management, Statutory and Internal Auditors undertake rigorous testing of the control environment of the Company to identify areas, where business process controls are ineffective or may need enhancement. Corrective actions, if any, are taken promptly by the respective functions.

A summary of the Internal Audit Reports containing significant findings by the Internal Auditor alongwith follow-up actions thereafter is placed before the Audit Committee periodically for review. The Audit Committee reviews the comprehensiveness and effectiveness of the report and provides valuable suggestions and observations from time to time.

Risk Management

The risk landscape in the current business environment is changing dynamically. To effectively mitigate the risks impacting the organisation, Keva has employed an integrated enterprise risk management framework which helps proactively identify, prioritize, monitor, mitigate and report key risks that impact its ability to meet the strategic objectives. There is an overarching risk management policy in place that was reviewed and approved by the Board. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Vigil Mechanism

The Company promotes ethical behaviour in all its business activities and in line with the best governance practices, has implemented Vigil Mechanism through Whistle Blower Policy and Fraud Risk Management Policy. The policies provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee. The Audit Committee periodically reviews the status of complaints received under this policy on a quarterly basis.

The policy may be accessed on the website of the Company at www.keva.co.in. During the year under review, no protected disclosure from any Whistle Blower was received by the designated officer.

Going Concern Status

During the year under review, no significant or material orders were passed by the Regulators or Courts or Tribunals which may impact the going concern status and Company's operations in future.

Disclosure on Sexual Harassment of Women at Workplace

Appreciating the diversity, Keva firmly believes in creating a respectful workplace. The Company has a gender neutral policy on prevention of sexual harassment at workplace and framework for employees to report sexual harassment cases at workplace and its process ensures complete anonymity and confidentiality of information. An Internal Complaints Committee (ICC) has been constituted in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder.

On an ongoing basis, Keva's employees and managers are oriented on creating a safe and conducive work culture. During the year, an e-learning module on "Prevention of Sexual Harassment" was launched to sensitize and raise awareness on appropriate workplace conduct amongst all. Keva's ICC members underwent skill development program to judiciously handle complaints and discharge their responsibilities.

During the year, no complaints with allegations of sexual harassment were reported.

Stock Appreciation Rights Scheme

In terms of SEBI (Share based Employee) Benefits Regulations, 2014, as amended from time to time ('SEBI Regulations'), the Nomination and Remuneration Committee of the Board, inter alia, administers and monitors the SH Kelkar Stock Appreciation Rights Scheme, 2017 of your Company.

Your Company has lent ₹ 75 crore to SH Kelkar Employee Benefit Trust ("Trust") for making secondary acquisition of equity shares, subject to statutory ceilings. The Trust has purchased 33,73,663 equity shares of the Company upto March 31, 2019 representing 2.33% of paid up capital of the Company.

The Nomination and Remuneration Committee, at its meeting held on February 20, 2019, has granted 10,26,403 Stock Appreciation Rights (STARs) under SH Kelkar Stock Appreciation Rights Scheme, 2017 to the eligible employees. Each STAR is represented by one equity share of the Company.

The disclosures in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014, and Section 62 1(b) read with Rule 12(9) of the Companies (Share Capital & Debentures) Rules, 2014 are set out in Annexure D.

Corporate Social Responsibility

Keva strives for a positive impact in the communities where we operate. Towards this end, your Company adopted a comprehensive CSR Policy that defines the framework for your Company's CSR Programme. The CSR Policy may be accessed on the Company's website at the link: www.keva.co.in.

The Company focuses on areas like environmental sustainability, conservation of energy, child education and empowerment, equipping and upgradation of educational infrastructure set-up with an aim to provide improved and advanced education system, support visually challenged people through perfumery trainings and employability and rural development. It also partners in relief operations in rural areas in case of natural calamity or disaster.

The Company also undertakes other need based initiatives in compliance with Schedule VII to the Companies Act, 2013. During the year, the Company has spent ₹ 1.85 Crore on CSR activities.

The Annual Report on CSR activities is annexed herewith marked as Annexure E.

Conservation of Energy

The Company has crafted extensive strategies to ensure sustainable consumption of energy, water and other resources in its businesses. Some of the measures adopted across the Company for energy conservation are as under:

- Replacement of reciprocating compressor by new energy efficient noiseless screw compressor
- Use of PNG fuel in canteens instead of LPG.
- Installation of solar power generation units at Mulund and Vashivali Units.
- Installation of Energy Efficient LED lights in place of conventional lights
- Introduction of auto on-off system of exhaust fan in lift rooms
- Use of light sensors for street lights
- Motion sensor for wash room passage
- Installation of Solar day light reflector for better illumination on the shop floor.

The capital expenditure on energy conservation during the year under review was not substantial.

Environment, Health and Safety

The Company believes that natural resources are for everyone and nobody has the right to damage them. The Company has made substantial investments to ensure all its units have necessary infrastructure to restrict pollution emanation and minimise impact on environment.

To provide its employees with a safe working environment, the Company endeavours to follow best practices in health and safety management across its operations. The Company is committed to ensure safety of its workers. The Company's goal is to enhance safety in its units and prevent accidents.

During the year, Keva has installed robotic fire fighting system at its aroma ingredients facility in Mahad and has become the first company in India to install such avant garde system. Robotic firefighting systems are designed to perform tasks like analyzing and locating fires, conducting search and rescue and the primary task of fire control and suppression.

Other EHS initiatives taken by Keva are as under:

- Installation of foodie machines at Mulund and Vashivali Units which convert waste food into manure.
- Segregation and sale of waste to the authorized recyclers for recycling.
- Installation of Reverse Osmosis Plant and Multi Effect Evaporator
- Distribution of cloth bags to employees at Vapi Unit to promote message of "Say No To Plastic".
- Non-hazardous paper & cardboard wastes are given to a NGO called "Sampurn Earth" for recycling. "Sampurn Earth" returns the writing pads prepared from the waste to company, for use in office stationary work.
- Participation of employees in Environment, Health & Safety trainings organised by National Safety Council.
- Celebration of Road Safety Week, National Safety Week, Fire Service Week, World Environment Day
- Participation in "Best Safety Practises" competition organised by Directorate of Industrial Safety & Health (DISH).
- Participation in On site and Off site mock drills organized by Directorate of Industrial Safety & Health and Mutual Aids Response Group
- Annual Health Check-up was organized for the employees
- Implementation of online incident reporting system at Mulund Unit. Accident Incident Management System (AIMS) is an integrated online application system for capturing records of accidents and incidents at Corporate office and Plant locations.
- Celebration of National Safety Week, Fire Service Week, World Environment Day
- Imparting training in first aid, road safety, fire safety, ergonomics, use of PPEs, safe handling of chemicals, contract labour safety, SCBA training etc

Innovation

Innovation is essential for Keva's future success and creates opportunities for business as well as cutting-edge solutions for customers. Innovation is at the heart of what Keva commits to its customers: creating and discovering new fragrances and flavours that delight consumers with the unexpected. Your Company considers its R&D infrastructure to be one of its key competencies in driving innovation and focusses and invests substantial resources in the research and development. The Discovery and R&D teams focus on the development of novel molecules, technologies and sensory solutions to enable us to create high-performing, consumer preferred fragrances. The flavourists focus on innovation to support its business strategy and to help build the growth of Keva's food and beverage customers' brands.

Keva's Creative Centres at Amsterdam, Jakarta, Mumbai and Milan (CFF) are continuously striving for innovative creations through research activities. Keva recently established a Creation and Development Centre (CDC) in Singapore to sharpen focus on certain categories and strengthen foothold in South East Asian markets. The CDC in Singapore will help the team to carry out local market and consumer research, thereby enabling stronger knowledge of local preferences that will help Keva to develop innovative products and further enhance its presence in South East Asia. You would be glad to know that Keva has also established a Food Innovation Centre in Mumbai recently.

Your Company has a strong Intellectual Property Rights support team, which enables it to patent its innovations globally and in developing unique products. With the robust product pipeline, your Company is confident that impactful innovations will fuel the Company's growth in the years to come. Expenditure on R & D and creative development during the year under review was ₹ 54.75 Crores on standalone basis and ₹ 64.77 Crores on consolidated basis.

Rotary Extractors and Distillations for Herbal extraction were installed during the year at Vapi Unit which has reduced production cycle time for each batch from 6 days to 2 days. It has led to drastic improvement in product yields resulting in cost optimization. ETO (Ethylene Oxide gas) Steriliser for in-house ETO Sterilization of Powder Extracts has been installed at Vapi Unit. HPLC (High-Performance Liquid Chromatography) for quality control has been installed at Vapi plant where active marker component of our product can be measured with precision.

Foreign Exchange Earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the financial year 2018-19 was ₹ 30.18 Crores as against ₹ 7.35 Crores in financial year 2017-18. The Foreign Exchange outgo in terms of actual outflows during the financial year 2018-19 was ₹ 217.96 Crores as against ₹ 133.18 Crores in financial year 2017-18.

Human Resources

Intellectual capital is one of the key pillars of the Company's growth which ensures business sustainability. The ongoing focus is on attracting, retaining, training and engaging talent with the objective of creating a robust talent pipeline at all levels.

Your Company has laid high emphasis on driving an effective and transparent performance culture. Top performers and high achievers are recognized for their exemplary performance through Keva Star - Keva's Global Employee Recognition Program.

Your Company is committed to creating an environment of learning and development, promote internal talent and develop cross functional expertise. Your Company provides learning opportunities through facilitator led learning, workshops as well as through learning platform - LEAD (Leveraging E-learning for Accelerated Development). LeAP (Leadership Advancement Program) – Keva's Global Talent Management Program, aims to develop its internal talent pool through a focused, customized and guided intervention.

To facilitate open channels of feedback and communication with the CEO on business and strategy of the organization, Keva has instituted half yearly town halls. 'Ear2Hear' is an Employee Assistance Program (EAP) enables employees to reach out to counsellors 24x7 in-person and/or on phone to seek assistance for issues pertaining to personal or professional life.

Disclosures with respect to the remuneration of Directors, Key Managerial Personnel and employees as required under section 197 of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure F to this Report. Details of employee remuneration as required under provisions of section 197 of the Companies Act, 2013 read with Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 also forms part of this Report. However, as per the provisions of Section 136 of the Companies Act, 2013, the report and accounts are being sent to the Members and others entitled thereto, excluding the said information which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

Industrial Relations

In financial year 2018-19, your Company has continued to maintain amicable industrial relation footprint by focusing on increased worker level engagement through formal and informal communication and training forums.

Information Technology

IT systems are the backbone which support timely decisions through conversion of data into actionable information.

The Company's robust IT infrastructure includes:

- Centralised ERP system based on SAP – it is capable of covering business functions across finance, inventory management, procurement and logistics.
- Qlikview - it provides a wide array of data analysis facilities.
- Cupid – it is a a homegrown ERP application for a Customer Project Integrated Development Process which provides a state of the art solution for project management.
- BMango – it is a customer project management application for flavours.
- Success Factors – it is a cloud based online system which is a single HR platform through which employees across the globe have an easy access to HR related information viz. policies, newsletters, news flash, team information, Performance Development Process, Learning and Development and other HR processes on real time basis.

In yet another digital transformation roadmap, during the year, Keva embarked its journey with cloud CRM (Customer Relationship Management) solution to empower the sales team with cutting edge technology on the go to manage customer engagements. Your Company has also rolled out K4C – Keva4Customer application during the year. With this application, business now shall be able to oversee sales projects on real time basis and keep track of its sales.

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT- 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as Annexure G to this Report.

Awards and Recognition

Keva's manufacturing plant at Vapi has been certified in Integrated Management System (OHSAS 18001 & ISO 14001) during the year. This certification is an acknowledgement of Keva's compliance towards the requirements set by International Standard Organization (ISO) for Environmental Management and Occupational Health and Safety Management.

With the change in the new international standard for Quality Management Systems (QMS) ISO 9001:2015, which replaces ISO 9001:2008, Keva's Domestic Fragrances and Flavours plant at Vashivali has been recertified for ISO 9001:2015.

Keva has been conferred upon as "The National Best Employer Brands 2018" by Employer Branding Institute – India during the 13th Employer Branding Awards in February 2019. Keva was adjudged 23rd Dream Company To Work For at the 8th Edition of ET Now – Dream Companies To Work For by the World HRD Congress in February 2019. In its 4th year of participation, Keva has enhanced its ranking over the previous years.

Cautionary Statement

Statements in the Annual Report, including those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

Acknowledgements

Your Directors would like to express their sincere appreciation of the positive co-operation received from the Government Authorities, Financial Institutions and the Bankers. The Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers, workers and staff of the Company resulting in the successful performance of the Company during the year. The Board also takes this opportunity to express its deep gratitude for the continued co-operation and support received from its valued shareholders.

For and on behalf of the Board of Directors of
S H KELKAR AND COMPANY LIMITED
CIN: L74999MH1955PLC009593

Mumbai	**RAMESH VAZE**	**KEDAR VAZE**
May 22, 2019	Managing Director	Director & Chief Executive Officer
	DIN: 00509751	DIN: 00511325

Annexure A

FORM AOC 1

Statement containing the salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

[pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014]

(Currency : Indian Rupees in crores)

Sr. No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Name of the subsidiary	Keva Fragrances Private Limited	Keva Flavours Private Limited	Saiba Industries Private Limited	Rasiklal Hemani Agencies Private Limited	Keva UK Limited#	Keva Fragrance Industries Pte Ltd#	PFW Aroma Ingredients BV#	PT SHKKEVA Indonesia#	Keva Chemicals Private Limited	VN Creative Chemicals Private Limited	Tanishka Fragrance Encapsulation Technologies LLP	Creative Flavours & Fragrances S.p.A	Anhui Ruibang Aroma Co. Ltd	Purandar Fine Chemicals Pvt Ltd
Financial Period ended	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	December 31, 2018	March 31, 2019	March 31, 2019
Exchange rate (year ended)		-			90.48	50.98	77.70	69.17	-	-	-	79.78	10.33	-
Exchange rate (Average Rate)	-	-	-	-	91.74	51.42	80.93	69.89	-	-	-	81.20	10.38	-
Share Capital	7.43	0.1	0.22	0.25	7.21	7.85	0.12	7.80	4.03	0.01	0.00^	15.96	28.29	0.01
Reserves & Surplus	354.14	17.54	9.53	41.05	19.69	4.49	56.86	(12.38)	(0.74)	(2.21)	0.00^	8.85	3.46	0.41
Total assets	494.37	77.82	17.15	42.07	26.95	148.93	150.99	12.68	3.31	121.71	0.00^	169.11	37.00	1.86
Total Liabilities	132.80	60.21	7.40	0.77	0.06	136.59	94.02	17.26	0.01	123.91	0.00^	144.30	5.25	1.44
Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Turnover	373.19	49.01	1.73	3.03	-	124.56	146.93	12.02	0.23	24.67	-	266.19	28.30	3.88
Profit / (loss) before taxation	12.82	(6.53)	0.31	5.15	(0.03)	5.30	22.65	(6.30)	(0.27)	(2.15)	0.00^	8.42	(0.70)	0.49
Provision for taxation	21.14	(1.84)	0.04	1.62	0.02	0.91	5.38	(1.36)	-	(0.53)	-	2.93	-	0.14
Profit / (loss) after taxation	(8.32)	(4.69)	0.27	3.53	(0.05)	4.39	17.27	(4.93)	(0.27)	(1.63)	0.00^	5.5	(0.70)	0.35
% of shareholding*	100	100	100	100	100	100	100	100	100	100	51$	51	66.67	50

* Representing aggregate % of shares held by the Company and /or its subsidiaries

^ Less than 0.01

\# Adjusted to align with group accounting policies

$Share of capital contribution

RAMESH VAZE
Managing Director
DIN: 00509751

KEDAR VAZE
Director & Chief Executive Officer
DIN: 00511325

Mumbai
May 22, 2019

Annexure B

FORM AOC -2

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Details of contracts or arrangements or transactions not at Arm's length basis: Nil

Details of contracts or arrangements or transactions at Arm's length basis:

(Currency : Indian Rupees in crores)

Name of related party	Nature of relationship	Duration of contract	Salient terms	Amount
Rent income:				
Keva Fragrances Pvt Ltd	Subsidiary	5 years	As per Agreement	3.42
Keva Flavours Pvt Ltd	Subsidiary	3 years	As per Agreement	0.57
Rent paid:				
Keva Constructions Pvt Ltd	Common Directors	5 years	As per Agreement	5.06
Saiba Industries Pvt Ltd	Subsidiary	5 years	As per Agreement	0.88
Keva Fragrance Industries Pte Ltd	Subsidiary	5 years	As per Agreement	1.22
Sale of goods:				
Keva Fragrances Pvt Ltd	Subsidiary	ongoing	As per Transfer Pricing Guidelines	76.73
Keva Flavours Pvt Ltd	Subsidiary	ongoing	As per Transfer Pricing Guidelines	5.78
PFW Aroma Ingredients B.V.	Subsidiary	ongoing	As per Transfer Pricing Guidelines	0.81
Purchase of goods:				
Keva Fragrances Pvt Ltd	Subsidiary	ongoing	As per Transfer Pricing Guidelines	62.29
Keva Flavours Pvt Ltd	Subsidiary	ongoing	As per Transfer Pricing Guidelines	4.80
Keva Fragrance Industries Pte Ltd	Subsidiary	ongoing	As per Transfer Pricing Guidelines	45.90
Keva Chemicals Pvt Ltd	Subsidiary	ongoing	As per Transfer Pricing Guidelines	0.23
VN Creative Chemicals Pvt Ltd	Subsidiary	ongoing	As per Transfer Pricing Guidelines	3.57
Purandar Fine Chemicals Pvt Ltd	Joint Venture	ongoing	As per Transfer Pricing Guidelines	0.23
Keva Biotech Pvt Ltd	Common Directors	ongoing	As per Transfer Pricing Guidelines	0.25
Keva Aromatics Pvt Ltd	Common Directors	ongoing	As per Transfer Pricing Guidelines	0.71
Sale of Fixed Assets				
VN Creative Chemicals Pvt Ltd	Subsidiary	ongoing	As per Transfer Pricing Guidelines	0.08
Salary Cross Charge -Income				
Keva Fragrance Industries Pte Ltd	Subsidiary	ongoing	As per Transfer Pricing Guidelines	0.60
VN Creative Chemicals Pvt Ltd	Subsidiary	ongoing	As per Transfer Pricing Guidelines	2.22
Keva Constructions Pvt Ltd	Common Directors	ongoing	As per Transfer Pricing Guidelines	0.12
PFW Aroma Ingredients B.V.	Subsidiary	ongoing	As per Transfer Pricing Guidelines	1.75
Reimbursement (for expenses incurred by Company on behalf of related party)				
KNP Industries Pte. Ltd	Common Directors	ongoing	As per Transfer Pricing Guidelines	0.20
Salary Cross Charge -Expenses				
Keva Fragrance Industries Pte Ltd	Subsidiary	ongoing	As per Transfer Pricing Guidelines	0.49
Reimbursement (for expenses incurred by related party on behalf of Company)				
PFW Aroma Ingredients B.V.	Subsidiary	ongoing	As per Transfer Pricing Guidelines	1.22
PT SHKKeva Indonesia	Subsidiary	ongoing	As per Transfer Pricing Guidelines	0.04
Keva Constructions Pvt Ltd	Common Directors	ongoing	As per Transfer Pricing Guidelines	0.04
Market Research Expenses				
Milena Rubene	Relative of Director	ongoing	As per Transfer Pricing Guidelines	0.19
Recharge Cost Paid				
PFW Aroma Ingredients B.V.	Subsidiary	ongoing	As per Transfer Pricing Guidelines	5.99
Purchase of Fixed Assets				
PFW Aroma Ingredients B.V.	Subsidiary	ongoing	As per Transfer Pricing Guidelines	54.01
Brokerage & Commission paid				
Rasiklal Hemani Agencies Pvt Ltd	Subsidiary	ongoing	As per Transfer Pricing Guidelines	3.03
Processing Charges paid				
Keva Fragrances Pvt Ltd	Subsidiary	ongoing	As per Transfer Pricing Guidelines	0.97
Royalty Expense				
Keva Fragrances Pvt Ltd	Subsidiary	ongoing	As per Transfer Pricing Guidelines	18.50
Royalty Income				
Keva Fragrances Pvt Ltd	Subsidiary	ongoing	As per Transfer Pricing Guidelines	0.96
Development & Research Charges - Expenses				
PFW Aroma Ingredients B.V.	Subsidiary	ongoing	As per Transfer Pricing Guidelines	14.64

Mumbai
May 22, 2019

RAMESH VAZE
Managing Director
DIN: 00509751

KEDAR VAZE
Director & Chief Executive Officer
DIN: 00511325

Annexure C

FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
SH Kelkar and Company Limited,
Devkaran Mansion,
36 Mangaldas Road,
Mumbai - 400002.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SH Kelkar and Company Limited** (hereinafter called "the Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliance' and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (during the period under review not applicable to the Company);

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (during the period under review not applicable to the Company);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (during the period under review not applicable to the Company); and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (during the period under review not applicable to the Company);

We have examined compliance with the applicable clauses of the following:

a) Secretarial Standards issued by the Institute of Company Secretaries of India.

b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has complied with the provisions of Act, Rules, Regulations, Guidelines etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of the Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the Minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had the following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. The Members at the Annual General Meeting held on August 9, 2018 approved dividend of ₹ 1.75 per equity share.
2. The Board of Directors at its meeting held on May 25, 2018 approved the acquisition of 50% stake in Purandar Fine Chemicals Limited
3. The Board of Directors at its meeting held on March 25, 2019 approved the subscription of 11,600 right equity shares of ₹ 100/- each of Keva Flavours Private Limited, a Wholly owned subsidiary at a premium of ₹ 21,530/- per share.

For **Mehta & Mehta,**
Company Secretaries
(ICSI Unique Code P1996MH007500)

Ashwini Inamdar
Partner
FCS No : 9409
CP No. : 11226

Place : Mumbai
Date : May 22, 2019

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

Annexure A

To,
SH Kelkar and Company Limited,
Devkaran Mansion,
36 Mangaldas Road,
Mumbai - 400002.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Mehta & Mehta,**
Company Secretaries
(ICSI Unique Code P1996MH007500)

Ashwini Inamdar
Partner
FCS No : 9409
CP No. : 11226

Place : Mumbai
Date : May 22, 2019

Annexure D

Details related to STAR

SH Kelkar Stock Appeciation Rights Scheme 2017

1	**Description of each Stock Appreciation Rights (STAR) Scheme that existed any time during the year, including the general terms and conditions of each STAR scheme -**		
	a	Date of Shareholders' approval	November 03, 2017 The SH Kelkar Stock Appreciation Rights Scheme 2017 ("Scheme") was initially approved by the Board of Directors of the Company on August 10, 2017. The same had been approved by the Shareholders on November 01, 2017 through postal ballot exerceise. The Nomination and Remuneration Committee ("NRC") of the Board has been authorized for the implementation of the said scheme and vested with the power of administering and supervising the Scheme.
	b	Total number of shares approved under the STAR Scheme	The maximum aggregate number of equity shares to be acquired from the secondary market by SH Kelkar Employee Benefit Trust ("Trust") in a financial year and thereby the Units that may be granted in a financial year under the Scheme shall not exceed the limit as specified under Regulation 3(10) of the SBEB Regulations.
	c	Vesting requirements	As may be determined by the NRC as per the Scheme
	d	STAR price or pricing formula	STAR Price means the product of the number of shares bought by the Trust and the price of each share divided by the total number of shares bought by the Trust. It is clarified herein that the price of each Share while arriving the STAR Price, shall take into account all the costs relating to the acquisition of shares, including but not limited to the applicable securities transaction tax, brokerage and other incidental administrative expenses.
	e	Maximum term of STAR to be granted	As may be determined by the NRC as per the Scheme
	f	Method of settlement (whether in cash or equity)	Cash
	g	Choice of settlement (with the company or the employee or the combination)	Not Applicable
	h	Source of shares (primary, secondary or combination)	Secondary
	i	Variation in terms of scheme	NA
2	Method used to account for STAR - Intrinsic or fair value		Fair Value
3	Where the Company opts for expensing of STAR using the intrinsic value of STAR, difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of STAR, shall be disclosed. The impact of this difference on the profits and on EPS of the company shall also be disclosed.		NA
4	STARs movement during the year		
	Particulars		
	Number of STARs outstanding at the beginning of the year		-
	Number of STARs granted during the year		10,26,403
	Number of STARs forfeited/lasped during the year		-
	Number of STARs vested during the year		-
	Number of STARs exercised/settled during the year		-
	Number of STARS outstanding at the end of the year		10,26,403
	Number of STARS exercisable at the end of the year		-

5	Employee-wise details (name of employee, designation, number of STARs granted during the year, exercise price) of STAR		
	a.	Senior Managerial Personnel	10,26,403*
	b.	any other employee who receives a grant in any one year of amounting to 5% or more of STAR granted during that year; and	Nil
	c.	identified employees who were granted STAR, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil
6	Disclosures in respect of grants made in three years prior to IPO under each STAR scheme untill all STARs granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such STARs shall also be made.		Not Applicable
B	**Details related to Trust**		
1	**The following details, inter alia, in connection with the transactions made by the Trust meant for the purpose of administering the scheme under the regulations are to be disclosed:**		
	Particulars		
	Name of the Trust		SH Kelkar Employee Benefit Trust
	Details of the Trustee(s)		Barclays Wealth Trustees (India) Private Limited
	Amount of loan disbursed by the company/any company in the group, during the year		₹ 42 Crore
	Amount of loan outstanding (repayable to company/any company in the group) as at the end of the year		₹ 75 Crore
	Amount of loan, if any, taken from any other source for which the company/any company in the group has provided any security or guarantee		-
2	**Any other contribution made to the Trust during the year**		-
3	**Shares held by the Trust**		
	Number of shares held at the beginning of the year		10,26,403
	Acquired during the year		23,51,095
	Acquisition (total) as a percentage of paid up equity capital as at the end of the previous financial year		2.33
	Sold during the year		3,835**
	Transferred to the employees during the year (No. of shares vested)		Nil
	Held at the end of the year		33,73,663

*Due to sensitivity of information, only summary is provided

**Sold the shares which were inadvertently acquired by the Trust during closure of trading window.

Annexure E

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2018-19

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs –

The Company is committed to contribute positively towards social and economic development of the community as a whole and specifically for the cause of economically, socially and physically challenged groups to support their sustainable livelihood.

The Board of Directors at its meeting held on December 09, 2014 approved the CSR Policy of our Group pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Committee has identified the following thrust areas around which the group shall be focusing its CSR initiatives and channelizing the resources on a sustained basis:

a. Environment Sustainability –

- We will promote the green concept to reduce the environmental impact.
- Our initiatives in energy conservation vouch for a greener tomorrow.
- Through plantation program we will create a green belt.

b. Education & Employability –

- We will empower people through employability programs to support future livelihood.
- We will support visually challenged people through perfumery trainings and employability.
- We will support the cause of girl child education and empowerment.
- The Group will continuously equip and upgrade educational infrastructure set up with an aim to provide improved and advanced education system.

Our Group has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on our Company's website and can be accessed through the following link: www.keva.co.in

2. The Composition of the CSR Committee.-

The composition of the CSR Committee as on March 31, 2019 is as follows:

a) Mr Ramesh Vaze – Managing Director, Chairman

b) Mrs Prabha Vaze – Non-Executive Director, Member

c) Ms Alpana Parida – Independent Director, Member

Mr Indrajit Chatterjee – EVP & CHRO – CSR Head is a permanent invitee to the CSR Committee meetings.

3. Average net profit of the company for last three financial years:

₹ 92.93 cr

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):

₹ 1.86 cr

5. Details of CSR spent during the financial year:

a) Total amount spent for the financial year: ₹ 1.86 cr.*

b) Amount unspent, if any: ₹ 0.00 crore

*The company has spent ₹ 1.85 crores during the year. Balance amount of ₹ 85,000 has been spent through one of our subsidiary Rasiklal Hemani Agencies Pvt. Ltd. (RHAPL) over and above RHAPL's prescribed CSR expenditure.

c) Manner in which the amount spent during the financial year is detailed below:

(Currency : Indian Rupees in crores)

S. No	CSR project or activity identified.	Sector in which the project is covered	Projects or programs - (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or prograMs 2) overheads	Cumulative expenditure up to the reporting period.	Amount spent: Direct or through implementing agency
1	**Infrastructure Development Project** - Setting up **04 Bus Stops** for students who are required to go to school, market and nearby city by bus and promote rural development to villagers to enhance their surroundings, from Scorching sun and rainfall	Promote rural development and environment protection	Khane Ambivali Village Madap Village Kopari Village Khalapur Phata, Vashivali, Maharashtra	0.120	0.139	0.139	Amount spent: Direct by the company
2	Community Welfare and support by providing **Ambulance** for Satkarma Shradhashray, Deharang, Neral	Promote Rural development project	Satkarma Shradhashray, Deharang, Neral, Maharashtra	0.080	0.102	0.102	Amount spent: Direct by the company
3	Promote education by providing **Keva Academic Excellence Award** to meritorious students to encourage to achieve more and keep them motivated towards education	Promote Education by way of awarding meritorious excellence	Dr. Parnerkar Maharaj Vidyalaya at Vashivali, Maharashtra and Koparli Mukhya Shala, Pandor Prathmik Shala and Salvav Mukhya Kendra Shala, Vapi, Gujarat	0.027	0.019	0.019	Amount spent: Direct by the company
4	**Infrastructure School Development Project -** Set up **02 Classroom**, School benches, cupboard, Computer trolley for students at Dr. Parnerkar Maharaj Vidyalaya and provide improved and advanced education system	Promote education	Dr. Parnerkar Maharaj Vidyalaya at Vashivali, Maharashtra	0.1600	0.1997	0.1997	Amount spent: Direct by the company
5	To provide **E-learning systems with TV and elearning devic**e in support with Navneet Foundation in classrooms to increase the effectiveness & impact of intervention to the students. This also included imparting orientation and training sessions for teachers for efficient usage of the digital learning platform	Promote education	04 Zila Parishad Schools - Kopari, Sarang, Tembhari, Vadgoan, Vashivali, Maharashtra	0.059	0.056	0.056	Amount spent through implementing agency
6	Support to create infrastructure for hygienic drinking water Rotary Club of Bombay to provide Clean Drinking Water, sanitation and hygiene in partnership with Paani Foundation. Additionally provide safe drinking water to a cluster of villages in the Districts of Jalna and Aurangabad in partnership with Watershed Organization trust (WOTR)	Support Environment Sustainability	Districts of Jalna and Aurangabad , Maharashtra	0.160	0.160	0.160	Amount spent through implementing agency
7	Donate and support the kin of the CRPF personnel who were the victims of the Pulwama terror attack and laid down their lives in the line-of-duty.	Cause of Nation	Pulwama, J&K	0.150	0.150	0.150	Amount spent through implementing agency
8	**Youth Program** of Udaan India Foundation - To promote education to facilitate meaningful employment for youth in the age group of 18 to 25 years. Working on the needs of the youth, courses like computer literacy, applied knowledge of communicative and functional English, desired soft skills, life readiness and vocational dexterity programs	Promote Education and Employability	Children from slum areas of Powai to Mulund belt at Mumbai in Maharashtra	0.230	0.230	0.230	Amount spent through implementing agency

(Currency : Indian Rupees in crores)

S. No	CSR project or activity identified.	Sector in which the project is covered	Projects or programs - (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or prograMs 2) overheads	Cumulative expenditure up to the reporting period.	Amount spent: Direct or through implementing agency
9	Provide basic education facility through Balwadi's (pre-school) run at 12 centres & Guardianship of 15 students by Shabari Seva Samiti	Promote Education of girl child and empower them	Karjat and Murbad District, Raigad, Mumbai Maharashtra	0.083	0.120	0.120	Amount spent through implementing agency
10	Run for a Cause - promote to build capacities of the disabled people. Awareness building amongst citizens about NASEOH and our support for the cause of their disabled people	Support Education by empowering people through employability programs to support future livelihood	Mumbai (Maharashtra)	0.080	0.080	0.080	Amount spent through implementing agency
11	Livelihood enhancement projects in the form of basic and specialized Computer Training and English Language to physically challenged youth of NASEOH	Provide education by empowering people through employability programs to support future livelihood	Mumbai (Maharashtra)	0.060	0.060	0.060	Amount spent through implementing agency
12	Support infrastructure of three children's homes (Bal Anand in Chembur, Bal Ashraya in Nagpur and Bal Uday in Bhandara), a permanent home and 'care-farm' in Vanjarwadi, Karjat. Support the rehabilitation centre at Karjat for differently abled young adult orphans with conditions ranging from cerebral palsy to autism in partnership with WORLDCHILDREN WELFARE TRUST INDIA	Support rehabilitation and promote education amongst children	Chembur (Mumbai), Nagpur and Bhandara, Maharashtra	0.005	0.005	0.005	Amount spent through implementing agency
13	Namami Gange – Clean Ganga integrated Project	Environment Sustainability	195 towns in 20 states in India	0.303	0.303	0.303	Amount spent through implementing agency
14	Livelihood enhancement projects of NASEOH in the form of making the physically challenged independent by providing Mobility Appliances to beneficiaries	Education by empowering people through employability programs to support future livelihood	Vashivali, Maharashtra	0.080	0.034	0.034	Amount spent through implementing agency
15	To promote Sports (Olympic Sports) by sponsoring right talent from College	Promote Sports (Olympic Sports)	V.G. Vaze College, Mumbai	0.050	0.050	0.050	Amount spent through implementing agency
16	To support Govt. of Kerala and it's people to overcome the flood situation by way of contribution to Chief Minister's Distress Relief Fund	Natural Calamity	Kerala	0.100	0.100	0.100	Amount spent through implementing agency
17	Support Environment Sustainability projects through Enterprise Social Commitment Plan by providing toilets Solar LED Panels, Furniture and internal village road	Environment Sustainability	Pandor, Salvav and Koparli villages, Vapi, Dist. Valsad, Gujarat	0.043	0.043	0.043	Amount spent: Direct by the company
			Total	1.791	1.850	1.850	

Details of the Implementing Agencies:

1. Udaan India Foundation
2. NASEOH (National Society for Equal Opportunities for Handicapped)
3. Shabari Seva Samiti
4. Navneet Foundation
5. Rotary Club of Bombay
6. Watershed Organization Trust (WOTR)
7. Ministry of Home Affairs
8. National Mission for Clean Ganga(NMCG)

Your Company is committed to focus on inclusive growth and improve lives by contributing towards communities around which it operates. This dedicated commitment towards inclusive growth is manifested through the Company's CSR initiatives undertaken around the manufacturing facilities as well as across National Programs in India during the financial year 2018-19. During the year, your Company has partnered with implementing agencies of repute and has committed to incur expenditure for CSR initiatives in the coming years through structured programs and projects on an ongoing basis. The Company has actively taken steps in this direction and is committed to actively engage with the partners/NGOs to execute the said projects and programs and incur expenditure in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

6. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:**

   Not Applicable

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company:**

   The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of your Company.

For and on behalf of the Board of Directors of
S H KELKAR AND COMPANY LIMITED
CIN: L74999MH1955PLC009593

Mumbai
May 22, 2019

RAMESH VAZE
Managing Director
(Chairman – CSR Committee)
DIN: 00509751

KEDAR VAZE
Director & Chief Executive Officer
DIN: 00511325

Annexure F

Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Particulars			
i)	The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	a)	Mr Ramesh Vaze – Managing Director	1:38
		b)	Mr Kedar Vaze – Wholetime Director & Group Chief Executive Officer	1:25
ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.	a)	Mr Ramesh Vaze – Managing Director	4.68%
		b)	Mr Kedar Vaze – Wholetime Director & Group Chief Executive Officer	2.81%
		c)	Mr Shrikant Mate – Executive Vice President & Group Chief Financial Officer	NA*
		d)	Ms Deepti Chandratre – Company Secretary & DGM Legal	16.92%
iii)	The percentage increase in the median remuneration of employees in the financial year.	3.13%		
iv)	The number of permanent employees on the rolls of the company.	599 (standalone basis) 880 (group basis)		
v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The average % increase in remuneration of employees has been 8.00%. This is based on Remuneration Policy of the Company that rewards people differentially based on their performance contribution to the success of the company and also ensures that external market competitiveness and internal relativities are taken care of. Worker's average increment was 1.64% (normal slap change increase as per Long Term Settlement)		
vi)	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.			

*Appointed as Group Chief Financial Officer on December 04, 2018.

Annexure G

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

i)	CIN	L74999MH1955PLC009593
ii)	Registration Date	01.07.1955
iii)	Name of the Company	S H Kelkar and Company Ltd
iv)	Category/Sub-category of the Company	Public Company / Limited by Shares
v)	Address of the Registered office & contact details	Devkaran Mansion, 36, Mangaldas Road, Mumbai – 400002 Tel: +91 22 2164 9163 Fax: +91 22 2208 1204
vi)	Whether listed company	Yes
vii)	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Link Intime India Pvt Ltd C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400083 Tel: +91 22 4918 6000 Fax: +91 22 4918 6060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Name and Description of main products/ services	NIC Code of the Product/Services	% to total turnover of the Company
Fragrances	20119	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Sections
1.	Keva Fragrances Private Limited Devkaran Mansion, 36, Mangaldas Road, Mumbai – 400002	U24110MH1978PTC020545	Subsidiary	100%	2(87)
2	Keva Flavours Private Limited Devkaran Mansion, 36, Mangaldas Road, Mumbai – 400002	U15134MH1980PTC023361	Subsidiary	100%	2(87)
3	Saiba Industries Private Limited Devkaran Mansion, 36, Mangaldas Road, Mumbai – 400002	U15495MH1960PTC011658	Subsidiary	100%	2(87)
4	Keva Chemicals Private Limited Devkaran Mansion, 36, Mangaldas Road, Mumbai – 400002	U24100MH2007PTC169546	Subsidiary	100%	2(87)
5.	Rasiklal Hemani Agencies Pvt Ltd Devkaran Mansion, 36, Mangaldas Road, Mumbai – 400002	U74899MH1975PTC290035	Subsidiary	100%	2(87)
6.	VN Creative Chemicals Pvt Ltd Devkaran Mansion, 36, Mangaldas Road, Mumbai - 400002	U24290MH2017PTC292382	Subsidiary	100%	2(87)
7.	Purandar Fine Chemicals Pvt Ltd C-44, MICD, Jejuri – 412303	U24299PN2010PTC136761	Joint Venture	50%	2(87)
8.	Keva UK Limited 63 Elliot Road, Hendon, London, NW4 3DN	-	Subsidiary	100%	2(87)

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Sections
9.	Keva Fragrance Industries Pte Ltd 540 Sims Avenue, #3-5 Sims Avenue Centre, Singapore	-	Subsidiary	100%	2(87)
10.	PFW Aroma Ingredients B.V Office – Veemweg 29- 31 , Plant Nijverheidsweg 60 Barneveld, the Netherlands	-	Subsidiary	100%	2(87)
11.	PT SHK Keva Indonesia Jalan Letjen TB. Simatupang No. 1, South Jakarta, Kab Bekasi	-	Subsidiary	100%	2(87)
12.	Creative Flavours & Fragrances SpA Via Borgogna no. 7, Milan, Italy	-	Subsidiary	51%	2(87)
13.	Tanishka Fragrance Encapsulation Technologies LLP LBS Marg, Near R City Mall, Ghatkopar Mumbai	AAJ-0181	Subsidiary	51%**	-
14.	Anhui Ruibang Aroma Co Ltd South of Yumin Road, Economic Development Zone, Taihe Country, Fuyang City, Anhui Province, China	-	Subsidiary	66.7%	2(87)
15.	Keva Europe BV Stadhouderskade 12, 1054 ES, Amsterdam, the Netherlands	-	Subsidiary	100%***	2(87)

* Representing aggregate % of shares held by the Company and/or its subsidiaries

**Share of capital contribution

***Incorporated on April 02, 2019

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 01, 2018)				No. of Shares held at the end of the year (As on March 31, 2019)				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	51397673	-	51397673	35.54	50890464	-	50890464	35.19	(0.35)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	12008757	-	12008757	8.30	14058757	-	14058757	9.72	1.42
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	2030200	-	2030200	1.40	2030200	-	2030200	1.40	-
Sub-total (A) (1)	**65436630**	**-**	**65436630**	**45.24**	**66979421**	**-**	**66979421**	**46.31**	**1.07**
(2) Foreign									
a) NRI - Individuals	-	-	-	-	-	-	-	-	-
b) Other -Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp	17124000	-	17124000	11.84	15324000	-	15324000	10.60	(1.24)
d) Bank / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	**17124000**	**-**	**17124000**	**11.84**	**15324000**	**-**	**15324000**	**10.60**	**(1.24)**
Total shareholding of Promoter (A)= (A)(1) + (A)(2)	**82560630**	**-**	**82560630**	**57.08**	**82303421**	**-**	**82303421**	**56.91**	**(0.17)**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	2827733	-	2827733	1.96	6559949	-	6559949	4.54	2.58
b) Banks / FI	22360	-	22360	0.02	46713	-	46713	0.03	0.01
c) Alternate Investment Funds	-	-	-	-	6382	-	6382	0.00^	0.00^
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Cap Funds	-	-	-	-	-	-	-	-	-
f) Insurance Cos	-	-	-	-	-	-	-	-	-
g) Foreign Portfolio Investor	30582951	-	30582951	21.15	29171672	-	29171672	20.17	(0.98)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	**33433044**	**-**	**33433044**	**23.12**	**35784716**	**-**	**35784716**	**24.74**	**1.62**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	6738197	-	6738197	4.66	1826107	-	1826107	1.26	(4.07)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	3102031	-	3102031	2.14	3736389	-	3736389	2.58	0.44
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	1439945	-	1439945	1.00	1750668	-	1750668	1.21	0.21
c)NBFCs registered with RBI	-	-	-	-	142613	-	142613	0.10	0.10
c) Others	16381401	-	16381401	11.33	15709224	-	15709224	10.86	(0.47)
Sub-total (B)(2)	**27661574**	**-**	**27661574**	**19.13**	**23165001**	**-**	**23165001**	**16.02**	**(3.77)**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**61094618**	**-**	**61094618**	**42.24**	**58949717**	**-**	**58949717**	**40.76**	**(2.15)**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
i) Custodian/DR Holder	-	-	-	-	-	-	-	-	-
ii) Employee Benefit Trust (under SEBI(Share based Employee Benefit) Regulations, 2014)	965553	-	965553	0.67	3367663*	-	3367663*	2.33	1.66
Total shares held (C)	**965553**	**-**	**965553**	**0.67**	**3367663***	**-**	**3367663***	**2.33**	**1.66**
Grand Total (A+B+C)	**144620801**	**-**	**144620801**	**100**	**144620801**	**-**	**144620801**	**100**	**-**

^Less than 0.01%

*6,000 equity shares purchased by SH Kelkar Employee Benefit Trust on market on March 28, 2019 were in pool with clearing members as on March 31, 2019. Hence, the change in holding did not get reflected in Benpos under shares held by Employee Benefit Trust. After taking into consideration the said transaction, the actual shareholding of SH Kelkar Employee Benefit Trust as an March 31, 2019 is 33,73,663 being 2.33% of the total paid up capital of the Company.

B) Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year (As on April 01, 2018)			Shareholding at the end of the year (As on March 31, 2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Ramesh Vaze	25965600	17.95	-	25965600	17.95	-	-
2	Prabha Vaze	5014514	3.47	-	5014514	3.47	-	-
3	Kedar Vaze	14721111	10.18	-	14215100	9.83	3.86	(0.35)
4	Parth Vaze	1325000	0.92	-	1325000	0.92	-	-
5	Nandan Vaze	1325000	0.92	-	1325000	0.92	-	-
6	Nihar Nene	722500	0.50	-	0	0.00	-	(0.50)
7	Neha Karmarkar	761250	0.53	-	761250	0.53	-	-
8	Sumedha Karmarkar	150	0.00	-	150	0.00	-	-
9	Nishant Karmarkar	761250	0.53	-	761250	0.53	-	-
10	Anagha Nene	800100	0.55	-	1522600	1.05	-	0.50
11	Vinayak Ganesh Vaze Charities	2030000	1.40	-	2030000	1.40	-	-
12	Keva Constructions Pvt Ltd	8963757	6.20	-	11013757	7.62	-	1.42
13	ASN Investment Advisors Pvt Ltd	1522500	1.05	-	1522500	1.05	-	-
14	SKK Industries Pvt Ltd	1522500	1.05	-	1522500	1.05	-	-
15	KNP Industries Pte. Ltd.	17124000	11.84	-	15324000	10.60	-	(1.24)
16	Kedar Ramesh Vaze Family Trust	100	0.00^	-	100	0.00^		0.00^
17	Ramesh Vinayak Vaze Family Trust	100	0.00^	-	100	0.00^	-	0.00^

^Less than 0.01%

C) Change in Promoters' Shareholding

Sr No.	Name of shareholder	Date	Transaction	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Ramesh Vaze	**01.04.2018**	**Opening balance**	**25965600**	**17.95**	**25965600**	**17.95**
			Purchase/Sale	-	-	-	-
		31.03.2019	**Closing balance**	**25965600**	**17.95**	**25965600**	**17.95**
2	Kedar Vaze	**01.04.2018**	**Opening balance**	**14721111**	**10.18**	**14721111**	**10.18**
		03.04.2018	Sale	(25000)	(0.02)	14696111	10.16
		04.04.2018	Sale	(8558)	(0.00)	14687553	10.16
		05.04.2018	Sale	(40639)	(0.03)	14646914	10.13
		06.04.2018	Sale	(22414)	(0.02)	14624500	10.11
		09.04.2018	Sale	(36955)	(0.02)	14587545	10.09
		10.04.2018	Sale	(36262)	(0.03)	14551283	10.06
		11.04.2018	Sale	(17205)	(0.01)	14534078	10.05
		12.04.2018	Sale	(2532)	(0.01)	14531546	10.04
		13.04.2018	Sale	(19773)	(0.01)	14511773	10.03
		19.04.2018	Sale	(54430)	(0.04)	14457343	9.99
		20.04.2018	Sale	(22589)	(0.01)	14434754	9.98
		23.04.2018	Sale	(70689)	(0.05)	14364065	9.93
		24.04.2018	Sale	(25576)	(0.02)	14338489	9.91
		25.04.2018	Sale	(16893)	(0.01)	14321596	9.90
		26.04.2018	Sale	(96496)	(0.06)	14225100	9.84
		27.04.2018	Sale	(10000)	(0.01)	14215100	9.83
		31.03.2019	**Closing balance**	**14215100**	**9.83**	**14215100**	**9.83**
3	Prabha Vaze	**01.04.2018**	**Opening balance**	**5014514**	**3.47**	**5014514**	**3.47**
			Purchase/Sale	-	-	-	-
		31.03.2019	**Closing balance**	**5014514**	**3.47**	**5014514**	**3.47**
4	Parth Vaze	**01.04.2018**	**Opening balance**	**1325000**	**0.92**	**1325000**	**0.92**
			Purchase/Sale	-	-	-	-
		31.03.2019	**Closing balance**	**1325000**	**0.92**	**1325000**	**0.92**
5	Nandan Vaze	**01.04.2018**	**Opening balance**	**1325000**	**0.92**	**1325000**	**0.92**
		-	Purchase/Sale	-	-	-	-
		31.03.2019	**Closing balance**	**1325000**	**0.92**	**1325000**	**0.92**
6	Nihar Nene	**01.04.2018**	**Opening balance**	**722500**	**0.50**	**722500**	**0.50**
		18.02.2019	Transfer (Disposal)	(722500)	(0.50)	-	-
		31.03.2019	**Closing balance**	**-**	**-**	**-**	**-**
7	Neha Karmarkar	**01.04.2018**	**Opening balance**	**761250**	**0.53**	**761250**	**0.53**
		-	Purchase/Sale	-	-	-	-
		31.03.2019	**Closing balance**	**761250**	**0.53**	**761250**	**0.53**
8	Sumedha Karmarkar	**01.04.2018**	**Opening balance**	**150**	**0.00^**	**150**	**0.00^**
		-	Purchase/Sale	-	-	-	-
		31.03.2019	**Closing balance**	**150**	**0.00^**	**150**	**0.00^**
9	Nishant Karmarkar	**01.04.2018**	**Opening balance**	**761250**	**0.53**	**761250**	**0.53**
		-	Purchase/Sale	-	-	-	
		31.03.2019	**Closing balance**	**761250**	**0.53**	**761250**	**0.53**
10	Anagha Nene	**01.04.2018**	**Opening balance**	**800100**	**0.55**	**800100**	**0.55**
		18.02.2019	Transfer (Acquisition)	722500	0.50	1522600	1.05
		31.03.2019	**Closing Balance**	**1522600**	**1.05**	**1522600**	**1.05**
11	Vinayak Ganesh Vaze Charities	**01.04.2018**	**Opening balance**	**2030000**	**1.40**	**2030000**	**1.40**
		-	Purchase/Sale	-	-	-	-
		31.03.2019	**Closing balance**	**2030000**	**1.40**	**2030000**	**1.40**
12	Keva Constructions Pvt Ltd	**01.04.2018**	**Opening balance**	**8963757**	**6.20**	**8963757**	**6.20**
		14.08.2018	Purchase	1800000	1.24	10763757	7.44
		29.01.2019	Purchase	250000	0.17	11013757	7.62
		31.03.2019	**Closing balance**	**11013757**	**7.62**	**11013757**	**7.62**
13	ASN Investment Advisors Pvt Ltd	**01.04.2018**	**Opening balance**	**1522500**	**1.05**	**1522500**	**1.05**
		-	Purchase/Sale	-	-	-	-
		31.03.2019	**Closing balance**	**1522500**	**1.05**	**1522500**	**1.05**
14	SKK Industries Pvt Ltd	**01.04.2018**	**Opening balance**	**1522500**	**1.05**	**1522500**	**1.05**
		-	Purchase/Sale	-	-	-	-
		31.03.2019	**Closing balance**	**1522500**	**1.05**	**1522500**	**1.05**
15	KNP Industries Pte Ltd	**01.04.2018**	**Opening balance**	**17124000**	**11.84**	**17124000**	**11.84**
		14.08.2018	Sale	(1800000)	(1.24)	15324000	10.60
		31.03.2019	**Closing balance**	**15324000**	**10.60**	**15324000**	**10.60**
16	Kedar Ramesh Vaze Family Trust	**01.04.2018**	**Opening balance**	**100**	**0.00^**	**100**	**0.00^**
		-	Purchase/Sale	-	-	-	-
		31.03.2019	**Closing balance**	**100**	**0.00^**	**100**	**0.00^**
17	Ramesh Vinayak Vaze Family Trust	**01.04.2018**	**Opening balance**	**100**	**0.00^**	**100**	**0.00^**
		-	Purchase/Sale	-	-	-	-
		31.03.2019	**Closing balance**	**100**	**0.00^**	**100**	**0.00^**

Note: ^Less than 0.01%

D) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr No.	Name of shareholder	Date	Transaction	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Blackstone Capital Partners (Singapore) VI FDI Two Pte. Ltd	**01.04.2018**	**Opening balance**	**14439269**	**9.98**	**14439269**	**9.98**
		-	-	-	-	-	-
		31.03.2019	**Closing balance**	**14439269**	**9.98**	**14439269**	**9.98**
2	Stichting Depositary Apg Emerging Markets Equity Pool	**01.04.2018**	**Opening balance**	-	-	-	-
		03.08.2018	Purchase	2800000	1.94	2800000	1.94
		10.08.2018	Purchase	904001	0.62	3704001	2.56
		17.08.2018	Purchase	88253	0.06	3792254	2.62
		24.08.2018	Purchase	18105	0.01	3810359	2.63
		05.10.2018	Purchase	165000	0.12	3975359	2.75
		12.10.2018	Purchase	1535000	1.06	5510359	3.81
		02.11.2018	Purchase	600000	0.41	6110359	4.23
		30.11.2018	Purchase	1069084	0.74	7179443	4.96
		07.12.2018	Purchase	430916	0.30	7610359	5.26
		14.12.2018	Purchase	700000	0.48	8310359	5.75
		31.03.2019	**Closing balance**	**8310359**	**5.75**	**8310359**	**5.75**
3	Hdfc Trustee Company Ltd. A/C Hdfc Capital Builder Value Fund	**01.04.2018**	**Opening balance**	-	-	-	-
		17.08.2018	Purchase	691611	0.48	691611	0.48
		24.08.2018	Purchase	540000	0.37	1231611	0.85
		14.09.2018	Purchase	250000	0.17	1481611	1.02
		05.10.2018	Purchase	2112	0.00	1483723	1.03
		12.10.2018	Purchase	100000	0.07	1583723	1.10
		19.10.2018	Purchase	190000	0.13	1773723	1.23
		09.11.2018	Purchase	52200	0.04	1825923	1.26
		16.11.2018	Purchase	150000	0.10	1975923	1.37
		07.12.2018	Purchase	2000	0.00	1977923	1.37
		14.12.2018	Purchase	200000	0.14	2177923	1.51
		21.12.2018	Purchase	100000	0.07	2277923	1.58
		28.12.2018	Purchase	800000	0.55	3077923	2.13
		25.01.2019	Purchase	500000	0.35	3577923	2.47
		01.03.2019	Purchaser	500000	0.35	4077923	2.82
		31.03.2019	**Closing Balance**	**4077923**	**2.82**	**4077923**	**2.82**
4	Barclays Wealth Trustees India Private Limited	**01.04.2018**	**Opening balance**	**965553**	**0.67**	**965553**	**0.67**
		06.04.2018	Purchase	95668	0.06	1061221	0.73
		13.04.2018	Purchase	52840	0.04	1114061	0.77
		20.04.2018	Purchase	15685	0.01	1129746	0.78
		27.04.2018	Purchase	72700	0.05	1202446	0.83
		04.05.2018	Purchase	83405	0.06	1285851	0.89
		11.05.2018	Purchase	43590	0.03	1329441	0.92
		18.05.2018	Purchase	54040	0.04	1383481	0.96
		25.05.2018	Purchase	12110	0.01	1395591	0.97
		01.06.2018	Purchase	24260	0.02	1419851	0.98
		08.06.2018	Purchase	33062	0.02	1452913	1.00
		17.08.2018	Purchase	3850	0.00	1456763	1.01
		24.08.2018	Purchase	128095	0.09	1584858	1.10
		31.08.2018	Purchase	13940	0.01	1598798	1.11
		07.09.2018	Purchase	41580	0.03	1640378	1.13
		14.09.2018	Purchase	58350	0.04	1698728	1.17
		21.09.2018	Purchase	28800	0.02	1727528	1.19
		29.09.2018	Purchase	75865	0.05	1803393	1.25

Sr No.	Name of shareholder	Date	Transaction	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No of shares	% of total shares of the company	No of shares	% of total shares of the company
4	Barclays Wealth Trustees India Private Limited	05.10.2018	Purchase	16000	0.01	1819393	1.26
		12.10.2018	Purchase	98250	0.07	1917643	1.33
		19.10.2018	Purchase	73150	0.05	1990793	1.38
		26.10.2018	Purchase	100700	0.07	2091493	1.45
		09.11.2018	Purchase	6400	0.00	2097893	1.45
		16.11.2018	Purchase	86500	0.06	2184393	1.51
		23.11.2018	Purchase	5900	0.00	2190293	1.51
		30.11.2018	Purchase	95180	0.07	2285473	1.58
		07.12.2018	Purchase	33700	0.02	2319173	1.60
		14.12.2018	Purchase	114100	0.08	2433273	1.68
		21.12.2018	Purchase	5565	0.00	2438838	1.69
		01.03.2019	Purchase	162240	0.11	2601078	1.80
		08.03.2019	Purchase	118015	0.08	2719093	1.88
		15.03.2019	Purchase	297620	0.21	3016713	2.09
		22.03.2019	Purchase	163100	0.11	3179813	2.20
		29.03.2019	Purchase	187850	0.13	3367663	2.33
		31.03.2019	**Closing Balance**	**3367663**	**2.33**	**3367663**	**2.33**
5	Virtus Kar Int Small Cap Fund	**01.04.2018**	**Opening balance**	**1035700**	**0.72**	**1035700**	**0.72**
		06.04.2018	Purchase	122000	0.08	1157700	0.80
		11.05.2018	Purchase	19000	0.01	1176700	0.81
		18.05.2018	Purchase	45892	0.03	1222592	0.85
		25.05.2018	Purchase	46959	0.03	1269551	0.88
		01.06.2018	Purchase	123457	0.09	1393008	0.96
		08.06.2018	Purchase	260492	0.18	1653500	1.14
		15.06.2018	Purchase	76700	0.05	1730200	1.20
		22.06.2018	Purchase	523800	0.36	2254000	1.56
		31.08.2018	Purchase	45800	0.03	2299800	1.59
		07.09.2018	Purchase	57598	0.04	2357398	1.63
		14.09.2018	Purchase	74102	0.05	2431500	1.68
		21.09.2018	Purchase	33700	0.02	2465200	1.70
		29.09.2018	Purchase	57300	0.04	2522500	1.74
		05.10.2018	Purchase	27570	0.02	2550070	1.76
		12.10.2018	Purchase	70223	0.05	2620293	1.81
		19.10.2018	Purchase	38652	0.03	2658945	1.83
		26.10.2018	Purchase	140055	0.10	2799000	1.94
		02.11.2018	Purchase	10000	0.01	2809000	1.94
		09.11.2018	Purchase	30437	0.02	2839437	1.96
		07.12.2018	Purchase	36800	0.03	2876237	1.99
		25.01.2019	Purchase	2750	0.00	2878987	1.99
		01.02.2019	Purchase	104232	0.07	2983219	2.06
		08.02.2019	Purchase	10330	0.01	2993549	2.07
		15.02.2019	Purchase	13924	0.01	3007473	2.08
		31.03.2019	**Closing balance**	**3007473**	**2.08**	**3007473**	**2.08**
6	Fiam Group Trust For Employee Benefit Plans - Fiam Emerging Markets Commingled Pool	**01.04.2018**	**Opening Balance**	**0**	**0**	**0**	**0**
		08.03.2019	Purchase	660800	0.46	660800	0.46
		15.03.2019	Purchase	1361205	0.94	2022005	1.40
		22.03.2019	Purchase	174187	0.12	2196192	1.52
		29.03.2019	Purchase	70508	0.05	2266700	1.57
		31.03.2019	**Closing balance**	**2266700**	**1.57**	**2266700**	**1.57**

Sr No.	Name of shareholder	Date	Transaction	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No of shares	% of total shares of the company	No of shares	% of total shares of the company
7	IDFC MULTI CAP FUND	**01.04.2018**	**Opening balance**	**1266438**	**0.88**	**1266438**	**0.88**
		13.04.2018	Sale	(32795)	(0.03)	1233643	0.85
		20.04.2018	Sale	(11656)	(0.01)	1221987	0.84
		27.04.2018	Sale	(31765)	(0.02)	1190222	0.82
		04.05.2018	Sale	(70819)	(0.05)	1119403	0.77
		11.05.2018	Sale	(47051)	(0.03)	1072352	0.74
		18.05.2018	Sale	(42725)	(0.03)	1029627	0.71
		09.11.2018	Purchase	10000	0.01	1039627	0.72
		14.12.2018	Purchase	39148	0.03	1078775	0.75
		21.12.2018	Purchase	50000	0.03	1128775	0.78
		18.01.2019	Purchase	227087	0.16	1355862	0.94
		15.02.2019	Purchase	43366	0.03	1399228	0.97
		01.03.2019	Purchase	44416	0.03	1443644	1.00
		08.03.2019	Purchase	106458	0.07	1550102	1.07
		22.03.2019	Purchase	128400	0.09	1678502	1.16
		29.03.2019	Purchase	335433	0.23	2013935	1.39
		31.03.2019	**Closing Balance**	**2013935**	**1.39**	**2013935**	**1.39**
8	Morgan Stanley India Investment Fund, Inc.	**01.04.2018**	**Opening balance**	**1737398**	**1.20**	**1737398**	**1.20**
		22.02.2019	Purchase	395000	0.27	2132398	1.47
		22.03.2019	Sale	(257409)	(0.18)	1874989	1.29
		31.03.2019	**Closing balance**	**1874989**	**1.29**	**1874989**	**1.29**
9	Fidelity Investment Trust Fidelity Series Emerging Markets Fund	**01.04.2018**	**Opening balance**	**-**	**-**	**-**	**-**
		22.03.2019	Purchase	688119	0.05	688119	0.05
		29.03.2019	Purchase	699325	0.48	1387444	0.96
		31.03.2019	**Closing balance**	**1387444**	0.96	**1387444**	**0.96**
10	Wells Fargo Emerging Markets Equity Fund	**01.04.2018**	**Opening balance**	**1314144**	**0.91**	**1314144**	**0.91**
		-	Purchase/Sale	-	-	-	-
		31.03.2019	**Closing balance**	**1314144**	**0.91**	**1314144**	**0.91**

E) Shareholding of Directors and Key Managerial Personnel:

Sr No.	Shareholding of each Director and Key Managerial Person	Date	Transaction	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Ramesh Vaze	**01.04.2018**	**Opening balance**	**25965600**	**17.95**	**25965600**	**17.95**
		-	Purchase/Sale/Transfer	-	-	-	-
		31.03.2019	**Closing balance**	**25965600**	**17.95**	**25965600**	**17.95**
2	Kedar Vaze	**01.04.2018**	**Opening balance**	14721111	10.18	14721111	10.18
		03.04.2018	Sale	(25000)	(0.02)	14696111	10.16
		04.04.2018	Sale	(8558)	(0.00)	14687553	10.16
		05.04.2018	Sale	(40639)	(0.03)	14646914	10.13
		06.04.2018	Sale	(22414)	(0.02)	14624500	10.11
		09.04.2018	Sale	(36955)	(0.02)	14587545	10.09
		10.04.2018	Sale	(36262)	(0.03)	14551283	10.06
		11.04.2018	Sale	(17205)	(0.01)	14534078	10.05
		12.04.2018	Sale	(2532)	(0.01)	14531546	10.04
		13.04.2018	Sale	(19773)	(0.01)	14511773	10.03
		19.04.2018	Sale	(54430)	(0.04)	14457343	9.99

Sr No.	Shareholding of each Director and Key Managerial Person	Date	Transaction	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No of shares	% of total shares of the company	No of shares	% of total shares of the company
2	Kedar Vaze	20.04.2018	Sale	(22589)	(0.01)	14434754	9.98
		23.04.2018	Sale	(70689)	(0.05)	14364065	9.93
		24.04.2018	Sale	(25576)	(0.02)	14338489	9.91
		25.04.2018	Sale	(16893)	(0.01)	14321596	9.90
		26.04.2018	Sale	(96496)	(0.06)	14225100	9.84
		27.04.2018	Sale	(10000)	(0.01)	14215100	9.83
		31.03.2019	**Closing balance**	**14215100**	**9.83**	**14215100**	**9.83**
3	Prabha Vaze	**01.04.2018**	**Opening balance**	5014514	2.78	5014514	**2.78**
		-	Purchase/Sale/ Transfer	-	-	-	-
		31.03.2019	**Closing balance**	**5014514**	**2.78**	**5014514**	**2.78**
4	Ratul Bhaduri^	**01.04.2018**	**Opening balance**	-	-	-	-
		-	Purchase/Sale/ Transfer	-	-	-	-
		03.12.2018	**Closing balance**	**-**	**-**	**-**	**-**
5	Shrikant Mate#	**04.12.2018**	**Opening balance**	-	-	-	-
		-	Purchase/Sale/Transfer	-	-	-	-
		31.03.2019	**Closing balance**	**-**	**-**	**-**	**-**
6	Deepti Chandratre	**01.04.2018**	**Opening balance**	-	-	-	-
		-	Purchase/Sale/Transfer	-	-	-	-
		31.03.2019	**Closing balance**	**-**	**-**	**-**	**-**

Notes:

^ Mr Ratul Bhaduri ceased to be Group CFO w.e.f December 03, 2018

Mr Shrikant Mate became Group CFO w.e.f December 04, 2018

V. INDEBTEDNESS :-

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Currency : Indian Rupees in crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits*	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	19.08	-	24.29	43.37
ii) Interest due but not paid	-	-	3.93	3.93
iii) Interest accrued but not due	^0.00	-	-	^0.00
Total (i+ii+iii)	19.08	-	28.22	47.30
Change in Indebtedness during the financial year				
* Addition	281.73	-	2.18	283.91
* Reduction	(213.05)	-	(4.34)	(217.40)
Exchange Difference	-	-	-	-
Net Change	68.68	-	(2.16)	66.52
Indebtedness at the end of the financial year				
i) Principal Amount	87.41	-	24.09	111.50
ii) Interest due but not paid	-	-	1.97	1.97
iii) Interest accrued but not due	0.35	-	-	0.35
Total (i+ii+iii)	87.76	-	26.06	113.82

*Not within the purview of the provisions of Section 73 and Section 74 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

^Amount less than Rs. 0.01 crore

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Currency : Indian Rupees in crores)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Ramesh Vaze (MD)	Kedar Vaze (WTD)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.57	1.68	4.25
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	2.57	1.68	4.25
	Ceiling as per Companies Act, 2013	6.67		

B. Remuneration to other directors:

(Currency : Indian Rupees in crores)

SN.	Particulars of Remuneration	Name of Directors					Total Amount
1	Independent Directors	Mr Shrikant Oka	Mr Dalip Sehgal	Mr Jairaj Purandare	Mrs Alpana Parida	Mrs Sangeeta Singh	
	Fee for attending board / committee meetings	0.10	0.13	0.11	0.14	0.16	0.64
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	**0.10**	**0.13**	**0.11**	**0.14**	**0.16**	**0.64**
2	Other Non-Executive Directors	Mrs Prabha Vaze	Mr Deepak Raj Bindra	Mr Amit Dalmia			
	Fee for attending board / committee meetings	0.06	0.11	-			0.17
	Commission	-	-	-			-
	Others, please specify	-	-	-			-
	Total (2)	**0.06**	**0.11**	**-**			**0.17**
	Total (B)=(1+2)						**0.81**
	Ceiling as per Companies Act, 2013	0.67 (exclusive of sitting fees)					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Currency : Indian Rupees in crores)

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	CS	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.68	0.87	0.25	2.80
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.03	0.02	0.05
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	1.68	0.90	0.27	2.85

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalty/ punishment / compounding of offence for breach of any section of Companies Act, 2013 against the Company or its Director or other officers in default, during the year.

For and on behalf of the Board of Directors of
S H KELKAR AND COMPANY LIMITED
CIN: L74999MH1955PLC009593

RAMESH VAZE
Managing Director
DIN: 00509751

KEDAR VAZE
Director & Chief Executive Officer
DIN: 00511325

Mumbai
May 22, 2019

Report On Corporate Governance

COMPANY'S PHILOSOPHY

Your Company's philosophy is to conduct business and its dealings with all stakeholders in compliance with law and high standards of business ethics and to exceed the statutory requirements with regard to Corporate Governance. Your Company would continue to strengthen its principles of transparency, fairness and accountability to generate long-term value for its shareholders on a continuous and sustainable basis in harmony with the interests of all other stakeholders.

THE BOARD OF DIRECTORS

Composition

The Board of Directors along with its Committees provides leadership and guidance to the Company's management as also direct, supervise and control the performance of the Company.

The Board currently comprises of ten Directors out of which eight Directors (80%) are Non-Executive Directors. The Company has five Independent Directors who comprise half of the total strength of the Board. All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Section 149 of the Companies Act, 2013 ("the Act").

All Non-Executive Non-Independent Directors are liable to retire by rotation. Mr Ramesh Vaze is husband of Mrs Prabha Vaze and father of Mr Kedar Vaze. Mr Ramesh Vaze and Mrs Prabha Vaze are parents of Mr Kedar Vaze. None of the other directors is related to any other director on the Board. The appointment of the Executive Directors including the tenure and terms of remuneration are also approved by the members of the Company.

The composition of the Board, attendance at the last Annual General Meeting (AGM), number of other directorships, memberships/ chairmanships of the Committees of other companies as on March 31, 2019 in the Company are as follows:

Name of the Director	DIN	Category	Attendance at last AGM	Number of Other Directorships*	Committee Positions of the Board of other companies^	
					Chairman	Member
Mr Ramesh Vaze	00509751	Managing Director/Promoter	Yes	6	-	-
Mrs Prabha Vaze	00509817	Non-Executive/Promoter	Yes	6	-	-
Mr Kedar Vaze	00511325	Whole-time Director & CEO/ Promoter	Yes	6	-	-
Mr Amit Dalmia	05313886	Non-Executive/Non-Independent	Yes	1	-	2
Mr Deepak Raj Bindra	06835196	Non-Executive/Non-Independent	Yes	-	-	-
Mr Dalip Sehgal	00217255	Non-Executive/Independent	Yes	2	1	3
Mrs Alpana Parida	06796621	Non-Executive/Independent	Yes	6	1	4
Mr Jairaj Purandare	00159886	Non-Executive/Independent	Yes	2	-	3
Mrs Sangeeta Singh	06920906	Non-Executive/Independent	No	6	-	4
Mr Shrikant Oka	08135918	Non-Executive/Independent	Yes	-	-	-

*Excludes directorship in private limited companies (other than wholly owned subsidiaries of public companies), foreign companies, companies incorporated under Section 8 of the Companies Act, 2013 and Alternate Directorships.

^For the purpose of considering the limit of committee memberships and chairmanships of a Director, Audit Committee and Stakeholders' Relationship Committee of public limited companies have been considered.

Details of directorship of listed entities as on March 31, 2019 including category of directorship are as follows:

Name of the Director	Name of the listed entity	Category of directorship
Mr Ramesh Vaze	S H Kelkar and Company Limited	Managing Director
Mrs Prabha Vaze	S H Kelkar and Company Limited	Non – Executive Non - Independent Director
Mr Kedar Vaze	S H Kelkar and Company Limited	Whole- time Director
Mr Amit Dalmia	S H Kelkar and Company Limited	Non – Executive Non - Independent Director
	Mphasis Limited	Non – Executive Non – Independent Director
Mr Deepak Raj Bindra	S H Kelkar and Company Limited	Non – Executive Non – Independent director
Mr Dalip Sehgal	S H Kelkar and Company Limited	Non – Executive Independent Director
	Safari Industries (India) Limited	Non – Executive Independent Director
Mrs Aplana Parida	S H Kelkar and Company Limited	Non – Executive Independent Director
	GRP Limited	Non – Executive Independent Director
	Prime Securities Limited	Non – Executive Independent Director
	Cosmo Films Limited	Non – Executive – Non Independent Director
Mr Jairaj Purandare	S H Kelkar and Company Limited	Non – Executive Independent Director
	RBL Bank Limited	Non – Executive Independent Director
	HDFC Asset Management Company Limited	Non – Executive Independent Director
Mrs Sangeeta Singh	S H Kelkar and Company Limited	Non – Executive Independent Director
	Alkem Laboratories Limited	Non – Executive Independent Director
	Accelya Kale solutions Limited	Non – Executive Independent Director
Mr Shrikant Oka	S H Kelkar and Company Limited	Non – Executive Independent Director

Limit on the number of Directorships/Committee Memberships

None of the Directors on the Company's Board is a Member of more than ten Committees and Chairman of more than five Committees [Committees being, Audit Committee and Stakeholders' Relationship Committee] across all the Indian public limited companies in which he/she is a Director. All the Directors have periodically made necessary disclosures regarding their Directorship and Committee positions held by them in other companies and do not hold the office of Director in more than twenty companies, including ten public companies. Further, none of the Directors who is serving as a Whole Time Director/Managing Director in any Listed Company, is serving as an Independent Director in more than three Listed Companies. None of the directors on the Board of the Company serves as a director in more than eight listed companies or as an Independent Director in more than seven Listed Companies.

Number of Board Meetings

During the year under review, 7 (seven) Board Meetings were held on 25.05.2018, 09.08.2018, 24.09.2018, 01.11.2018, 10.01.2019, 06.02.2019 and 25.03.2019. The intervening gap between any two consecutive meetings did not exceed 120 days.

Details of Directors' attendance at Board Meetings during the year are as follows:

Name of the Director	Details of Board Meetings	
	Held	Attended
Mr Ramesh Vaze	7	6
Mrs Prabha Vaze	7	6
Mr Kedar Vaze	7	7
Mr Amit Dalmia	7	7
Mr Deepak Raj Bindra	7	7
Mr Dalip Sehgal	7	7
Mrs Alpana Parida	7	6
Mr Jairaj Purandare	7	7
Mrs Sangeeta Singh	7	7
Mr Shrikant Oka	7	7

Tenure of Independent Directors

In accordance with Section 149(10) and Section 149(11) of the Companies Act, 2013, the current tenure of Independent Directors of the Company is for a term of 5 consecutive years from the date of their appointment. They shall be eligible for re-appointment for a further term of five years on passing of a special resolution by the Company. No Independent Director shall hold office for more than two consecutive terms but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to be an Independent Director. The Company has issued formal letters of appointment to all the Independent Directors. Terms and conditions of appointment of independent directors are hosted on the website of the Company on weblink https://www.keva.co.in/appointment-of-independent-director. In the opinion of the Board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

Independent Directors' Meeting

One Independent Directors' meeting was convened on March 25, 2019, to review the performance of the Non-Independent Directors including the Chairman and performance of the Board as a whole. The Non-Independent Directors did not take part in the meeting.

Board Effectiveness Evaluation

Pursuant to the provisions of the Listing Regulations and the Act, Board effectiveness evaluation involving evaluation of the Board of Directors, its Committees and Individual Directors, including the role of the Board Chairman, was conducted during the year.

Feedback was sought by way of a structured questionnaire covering various aspects of the functioning of the Board and its Committee, such as, adequacy of the constitution and composition of the Board and its Committees, processes followed at the meeting, Board's focus, Board's strategy and risk management etc. Similarly, for evaluation of Individual Director's performance, the questionnaire covered various aspects like his/her contribution in Board and Committee meetings, knowledge to perform role, understanding of role and responsibilities, business of the Company along with the environment. For evaluation of Independent Director's performance, the questionnaire additionally covered various aspects like ability to bring independent judgment during board deliberations, ability to uphold ethical standards of integrity and probity to name a few.

The Independent Directors discussed the performance of non-Independent Directors and Board as a whole. The Nomination and Remuneration Committee has also carried out evaluation of every Director`s performance. The performance evaluation of all Independent Directors was been done by entire Board, excluding the Director being evaluated.

The Directors expressed their satisfaction with the evaluation process.

Familiarisation Programme

The Company conducts familiarization programmes for Independent Directors to provide them an opportunity to familiarize with the Company, its management and its operations to gain a clear understanding of their roles and responsibilities and contribute significantly towards the growth of the Company. The details of the familiarization programmes are disclosed on the website of the Company at the web link: https://www.keva.co.in/investors-categories/details-familiarization-programmes.

Details of skills/expertise/competence of the Board of directors

The Board of directors of the Company comprises of distinguished individuals who bring together distinguished experience and unparalleled knowledge. Coupled with Keva's extraordinary vision and mission, the Board of directors enables Keva to make a mark for itself in the field of fragrances, flavours and aroma ingredients.

The core skills/competencies/expertise identified by the Board as required in the context of its business and industry for it to function effectively and those available with Board are as under:

- Operations
- Finance
- Legal
- Branding
- Human Resource Management
- Knowledge of F&F and FMCG sector
- Strategy and Business Development

The Board members possess all the above competencies.

Board Procedures

The required information, including information as enumerated in Part A of Schedule II of the Listing Regulations is made available to the Board of Directors for discussions and consideration at Board Meetings. The Board meets atleast once in a quarter to review financial results and operations of the Company. In addition to the above, the Board also meets as and when necessary to address specific issues concerning the businesses of your Company.

The Board periodically reviews compliance reports pertaining to all laws applicable to the listed entity, prepared by the listed entity as well as steps taken by the listed entity to rectify instances of non-compliances. The Board has formulated a Risk Management Policy for the group.

All Board and Committee meetings agenda papers are disseminated electronically thereby eliminating circulation of printed agenda papers. Board Meetings are governed by a structured Agenda. The Agenda along with detailed explanatory notes and supporting material are circulated in advance before each meeting to all the Directors for facilitating effective discussion and decision-making.

All recommendations made by the Committees of the Board had been accepted by the Board during the year under review.

CEO/CFO Certification

The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) have certified to the Board *inter alia*, the accuracy of the financial statements and adequacy of internal controls for the financial reporting, in accordance with Regulation 17(8) of the Listing Regulations, pertaining to CEO and CFO certification for the Financial Year ended March 31, 2019.

Code of Conduct

Your Company is committed to ensure that its business is conducted, in all respects and all the times, according to rigorous ethical, professional and legal standards, which prevail from time to time, in the industrial sector in which Company conducts its normal business. The Company has laid down Code of Conduct for all the Board Members (including Independent Directors), Senior Management and other Employees of the Company. The Code isintended to serve as a source of guiding principles for directors, officers and employees. The Code has been posted on the website of the Company Web link: https://www.keva.co.in/investors-categories/policies. All the Board Members, Senior Management Personnel and all employees up to two levels below CEO of the Company have affirmed compliance with the Code. A declaration signed by the Group CEO to this effect is enclosed at the end of this Report.

Remuneration of Directors

The Nomination and Remuneration Committee (NRC) of the Board has framed a policy on selection and appointment of directors and their remuneration which has been approved by the Board upon recommendation of the NRC. The remuneration of directors is based on this policy. In accordance with the policy, the NRC:

- Formulates the criteria for appointment as a Director
- Identifies persons who are qualified to be Directors
- Nominates candidates for Directorships subject to the approval of Board
- Approves the candidates required for senior management positions
- Evaluates the performance of the Board
- Evaluates the performance of the Managing Director or Whole-time Director and determine the Executive compensation
- Reviews performance and compensation of senior management
- Recommends to the Board, commission to the Non-Executive Directors, if any

The said policy is available on the website of the Company on weblink https://www.keva.co.in/investors-categories/policies.

Details of remuneration paid to Directors for the Financial Year 2018-19 along with their respective Shareholding in the Company are as under:

(Currency : Indian Rupees in crores)

Name of Director	Salary & Perquisites	Contribution to Funds	Performance Linked Variable Incentive	Sitting Fees*	Total	Number of Equity Shares held as on March 31, 2019
Mr Ramesh Vaze	1.97	0.16	0.44	-	2.57	2,59,65,600
Mrs Prabha Vaze	-	-	-	0.06	0.06	50,14,514
Mr Kedar Vaze	1.26	0.07	0.35	-	1.68	1,42,15,100
Mr Deepak Raj Bindra	-	-	-	0.11	0.11	-
Mr Amit Dalmia	-	-	-	-	-	-
Mr Shrikant Oka	-	-	-	0.10	0.10	-
Mr Dalip Sehgal	-	-	-	0.13	0.13	-
Mrs Alpana Parida	-	-	-	0.14	0.14	-
Mr Jairaj Purandare	-	-	-	0.11	0.11	-
Mrs Sangeeta Singh	-	-	-	0.16	0.16	-

*Sitting fees include payments for Board appointed committee meetings also.

Perquisites include performance linked incentives which are payable to the Managing Director and the Whole-time Director & CEO as employees of the Company as per Company policy. Non-Executive Independent Directors are remunerated by way of sitting fees. During the FY 2018-19, the Company did not advance any loan to any of its Directors.

The Company's Board presently consists of two Executive Directors viz. Mr Ramesh Vaze, Managing Director and Mr Kedar Vaze - Whole-time Director & Group CEO. The NRC comprising of Non-Executive Directors recommends to the Board the remuneration payable to the Executive Directors within the overall limits approved by the members of the Company.

The remuneration to Executive Directors comprises two broad terms – Fixed Remuneration and Variable remuneration in the form of performance incentive. The performance incentive is based on the prevailing policy of the Company. Annual revisions in the remuneration within the limits approved by the members are approved by the NRC. The Board notes such annual increases.

COMMITTEES OF THE BOARD

The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference of various Committees. At present, there are 4 committees of the Board – Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders' Relationship Committee.

The Committees operate as empowered agents of the Board as per their terms of reference. The Board of Directors and the Committees also take decisions by circular resolutions which are noted at the next meeting. The minutes of the meetings of all Committees of the Board of the Company and its subsidiaries are placed before the Board for discussions/noting.

Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below. Composition of the Committees is also posted on the website of the Company at the Web Link: https://www.keva.co.in/board-committees.

AUDIT COMMITTEE

Constitution

The Audit Committee was constituted by the Board of Directors at its meeting held on June 24, 2014. The Committee was last re-constituted by the Board of Directors on May 25, 2018.

As on March 31, 2019, the Audit Committee comprised of the following members of which five are Non-Executive Directors and one is an Executive Director:

- Mr Jairaj Purandare – Independent Director, Chairman
- Mr Dalip Sehgal – Independent Director, Member
- Mrs Sangeeta Singh – Independent Director, Member
- Mr Kedar Vaze – Executive Director, Member
- Mr Amit Dalmia – Non-Executive Director, Member
- Mr Shrikant Oka – Independent Director, Member

Mr Shrikant Oka - Independent Director was appointed as member of the Committee on May 25, 2018.

The Members of the Committee possess accounting and financial management knowledge. The Chairman of the Committee is a member of the Institute of Chartered Accountants of India. The Company Secretary is the Secretary to the Committee. The Committee invites the Chief Financial Officer and representative of Internal Auditors and Statutory Auditors and any other such executives to be present at the meetings of the Committee.

Meetings and Attendance

The Committee met 4 (four) times during the year on 25.05.2018, 09.08.2018, 31.10.2018 and 06.02.2019. The gap between two Meetings did not exceed 120 days. The attendance at the Meetings was as under:

Committee Members	Number of Meetings held	Number of Meetings attended
Mr Jairaj Purandare	4	4
Mr Dalip Sehgal	4	4
Mr Shrikant Oka*	3	3
Ms Sangeeta Singh	4	4
Mr Kedar Vaze	4	4
Mr Amit Dalmia	4	4

*Mr Shrikant Oka was appointed as the member of the Committee on May 25, 2018.

The Chairman of the Committee was present at the last Annual General Meeting of the Company held on August 09, 2018.

Terms of Reference

The terms of reference of the Audit Committee, *inter alia*, includes the following:

1) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2) Providing recommendation for appointment, remuneration and terms of appointment of auditors of the company;

3) Review and monitor the auditor's independence and performance and effectiveness of audit process;

4) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

5) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

6) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the 'Director's Responsibility Statement' to be included in the Board's report;
   b. Changes, if any, in accounting policies and practices and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with listing and other legal requirements relating to financial statements
   f. Disclosure of any related party transactions; and
   g. Qualifications in the draft audit report.

7) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

8) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

9) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

10) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

11) Discussion with internal auditors any significant findings and follow up there on;

12) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

13) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

14) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

15) To review the functioning of the whistle blower mechanism, in case the same is existing;

16) Approval of appointment of the chief financial officer (i.e., the whole time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate;

17) To investigate any activity within its terms of reference;

18) To seek information from any employee;

19) To obtain outside legal or other professional advice;

20) To secure attendance of outsiders with relevant expertise, if it considers necessary;

21) Approval or any subsequent modification of transactions of the company with related parties;

22) Scrutiny of inter-corporate loans and investments;

23) Valuation of undertakings or assets of the company, wherever it is necessary;

24) Evaluation of internal financial controls and risk management systems;

25) Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments; and

26) Carry out any other function as mentioned in the terms of reference.

NOMINATION AND REMUNERATION COMMITTEE

Composition

The Nomination and Remuneration Committee was constituted by the Board of Directors at its meeting held on June 24, 2014. The Committee was last re-constituted by the Board of Directors on May 25, 2018.

As on March 31, 2019, the Nomination and Remuneration Committee comprised of the following members, all of them being Non-Executive Directors:

- Mrs Sangeeta Singh – Independent Director, Chairperson
- Mrs Alpana Parida – Independent Director, Member
- Mr Amit Dalmia – Non-Executive Director, Member
- Mr Deepak Raj Bindra – Non – Executive Director, Member

The Company Secretary is the Secretary to the Committee.

Mr Deepak Raj Bindra was appointed as a member of the Committee on May 25, 2018.

Meetings and Attendance

The Committee met 5 (five) times during the year on 25.05.2018, 09.08.2018, 31.10.2018, 20.02.2019 and 25.03.2019. The attendance at the meetings was as under:

Committee Members	Number of Meetings held	Number of Meetings attended
Ms Sangeeta Singh	5	5
Ms Alpana Parida	5	5
Mr Amit Dalmia	5	4
Mr Deepak Raj Bindra*	4	3

*Mr Deepak Raj Bindra was appointed as the member of the Committee on May 25, 2018.

The Committee Chairperson's representative was present at the last Annual General Meeting of the Company held on August 09, 2018.

Terms of Reference

The terms of reference of the Nomination and Remuneration Committee, *inter alia*, include the following:

1) Identifying persons who are qualified to become directors and who may be appointed in senior management positions in accordance with the criteria laid down and recommend to the board their appointment and removal;
2) Carry out evaluation of every director's performance;
3) Devising a policy on the board's diversity;
4) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy, relating to the remuneration for the directors, key managerial personnel and other employees. While formulating the said policy, ensure that:
   (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
   (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
   (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals; and
5) To recommend to the Board remuneration payable to senior management.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Composition

The CSR Committee was constituted by the Board of Directors at its meeting held on June 24, 2014. The Committee was last re-constituted by the Board of Directors on February 28, 2018.

As on March 31, 2019, the CSR Committee comprises of the following members of which two are Non-Executive Directors and one is an Executive Director:

- Mr Ramesh Vaze – Managing Director, Chairman
- Mrs Prabha Vaze – Non-Executive Director, Member
- Mrs Alpana Parida – Independent Director, Member

The Company Secretary is the Secretary to the Committee.

Meetings and Attendance

The Committee met once during the year on May 25, 2018 and was attended by all the Committee Members.

Terms of Reference

The terms of reference of the CSR Committee, *inter alia*, include the following:

1) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by our Company as specified in Schedule VII of the Companies Act, 2013;
2) Recommend the amount of expenditure to be incurred on activities referred in the Corporate Social Responsibility Policy; and
3) Monitor the Corporate Social Responsibility Policy of our Company and its implementation from time to time.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Composition, meetings and attendance

The Stakeholders' Relationship Committee was constituted by the Board of Directors at its meeting held on March 12 2015. The Committee was last re-constituted by the Board of Directors on May 25, 2018.

As on March 31, 2019, the Stakeholders' Relationship Committee comprises of the following members, all of them being Non-Executive Directors:

- Mr Dalip Sehgal – Independent Director, Chairman
- Mrs Alpana Parida – Independent Director, Member
- Mr Deepak Raj Bindra – Non-Executive Director, Member

Mr Amit Dalmia stepped down as member of the Committee and Mr Deepak Raj Bindra was appointed as a member of the Committee on May 25, 2018.

Mrs Deepti Chandratre, Company Secretary & DGM – Legal is the Compliance Officer of the Company. She is also the Secretary to the Committee.

The Committee deals with matters relating to redressal of shareholders'/investors' grievances, Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities and complaints relating to non-receipt of declared dividends, balance sheets etc.

The Committee met twice during the year on 25.05.2018 and 06.02.2019. The attendance at the meetings was as under:

Committee Members	Number of Meetings held	Number of Meetings attended
Mr Dalip Sehgal	2	2
Ms Alpana Parida	2	2
Mr Amit Dalmia	1	1
Mr Deepak Raj Bindra	1	1

*Mr Deepak Raj Bindra was appointed as the member of the Committee on May 25, 2018.

Terms of Reference

1) Considering and resolving the grievances of security holders of the company, including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc;
2) Giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and rematerialization of shares, split and issue of duplicate/consolidated share certificates, allotment and listing of shares, buy back of shares, compliance with all the requirements related to shares, debentures and other securities from time to time;
3) To oversee the performance of the registrars and transfer agents of the Company and to recommend measures for overall improvement in the quality of investor services and also to monitor the implementation and compliance of the code of conduct for prohibition of insider trading pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time and other related matters as may be assigned by the board of directors;
4) Reviewing the measures taken for effective exercise of voting rights by shareholders;
5) Reviewing adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
6) Reviewing of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the company.

Summary of complaints during 2018-19:

As per the certificate issued by the Registrar & Transfer Agent, 1 complaint was received from shareholder/investor during the financial year ended March 31, 2019:

Particulars	Opening Balance	Received	Resolved	Closing Balance
SEBI/NSE/BSE	-	-	-	-
Letters	-	1	1	-
Total	-	-	-	-

DISCLOSURES

General Body Meetings

Annual General Meetings

Year	Venue	Date	Time	Special Resolutions passed
2015-16	Indraprastha Hall, 261, Balrajeshwar Road, Vaishali Nagar, Mulund (West), Mumbai – 400 080	August 09, 2016	3.30 p.m.	NIL
2016-17	Indraprastha Hall, 261, Balrajeshwar Road, Vaishali Nagar, Mulund (West), Mumbai – 400 080	August 10, 2017	3.30 p.m.	NIL
2017-18	Indraprastha Hall, 261, Balrajeshwar Road, Vaishali Nagar, Mulund (West), Mumbai – 400 080	August 09, 2018	5.00 p.m.	NIL

Means of Communication

Quarterly and annual financial results of the Company as also consolidated financial results of the group are usually published in Financial Express, an English financial daily and Mumbai Lakshdeep, a vernacular newspaper. All official news releases and financial results are communicated by the Company through its corporate website www.keva.co.in. Presentations made to Institutional Investors/analysts are also hosted on the website for wider dissemination. Transcripts of teleconferences with analysts are also available on the website of the company. The Management Discussion and Analysis Report forms part of the Annual Report.

The Annual Report, Quarterly Results, Shareholding Pattern, Press Releases, Intimation of Board Meetings and Issuance of shares and other relevant details of the Company are posted through BSE Listing Centre and NSE Electronic Application Processing System (NEAPS) portals for the information of investors.

General Shareholder Information

Annual General Meeting :

Date and Time – August 09, 2019 at 4.30 p.m.

Venue – Indraprastha Hall, 261, Balrajeshwar Road, Vaishali Nagar, Mulund (W), Mumbai - 400080

Financial Year : April 01 to March 31

Financial Reporting for:

Quarter ending June 30, 2019 : Second week of August, 2019

Half-year ending September 30, 2019 : Second week of November, 2019

Quarter ending December 31, 2019 : Second week of February, 2020

Year ending March 31, 2020 : Second week of May, 2020

Note: The above dates are indicative.

Record Date: Not Applicable

Date of Dividend Payment: Not Applicable

Corporate Identity Number : L74999MH1955PLC009593

ISIN : INE500L01026

Registrar & Transfer Agent : Link Intime India Pvt. Ltd.

Plant Locations of the Group : Vashivali, Mulund, Vapi, Mahad, Milan and The Netherlands.

Listing Details

Stock Exchange	Address	Stock / Script Code
BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	539450
National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra Kurla Complex, Mumbai 400 051	SHK

The Company has paid the Listing Fees for the year 2018-19 to the above Stock Exchanges.

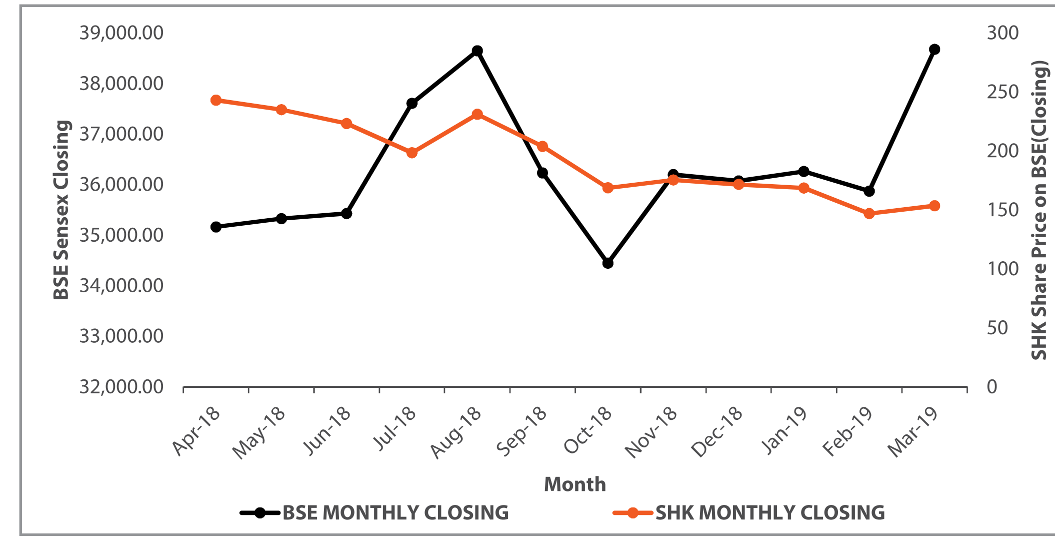
Stock Price Data

(in ₹)

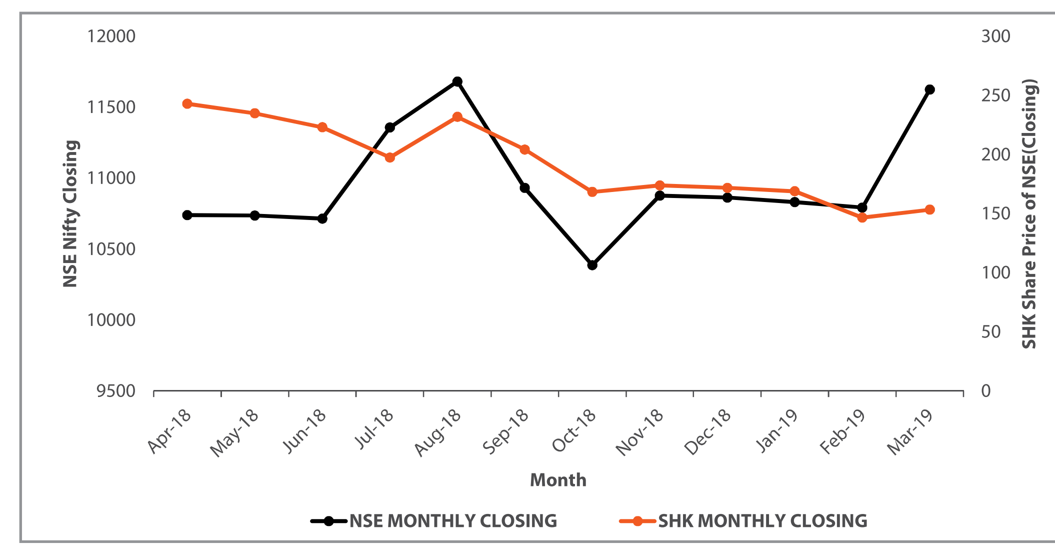
Month	BSE			BSE (Sensex) (Monthly Closing)	NSE			NSE (Nifty) (Monthly Closing)
	High	Low	Close		High	Low	Close	
April 2018	263.50	232.45	242.90	35,160.36	264.90	232.25	242.85	10,739.35
May 2018	263.45	233.10	234.90	35,322.38	263.90	233.50	234.75	10,736.15
June 2018	238.65	221.10	223.15	35,423.48	238.40	221.95	222.95	10,714.30
July 2018	231.10	196.10	198.35	37,606.58	234.75	196.10	197.45	11,356.50
August 2018	238.60	192.35	231.00	38,645.07	238.90	192.50	231.75	11,680.50
September 2018	248.00	200.90	203.75	36,227.14	238.45	201.10	204.20	10,930.45
October 2018	217.20	166.00	168.55	34,442.05	217.70	165.00	168.30	10,386.60
November 2018	198.25	168.45	175.35	36,194.30	197.00	168.35	173.80	10,876.75
December 2018	187.00	168.25	171.45	36,068.33	188.50	168.55	171.80	10,862.55
January 2019	189.40	155.95	168.40	36,256.69	189.80	156.00	168.85	10,830.95
February 2019	171.25	136.65	146.75	35,867.44	171.90	137.00	146.55	10,792.50
March 2019	168.90	146.70	153.45	38,672.91	169.00	146.10	153.35	11,623.90

Stock Performance

The performance of the Company's shares relative to the BSE Sensitive Index is given in the chart below:



The performance of the Company's shares relative to the NSE Nifty Index is given in the chart below:



Share Transfer System and Dematerialisation of Shares

Trading in Equity Shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form. Entire paid-up Equity Share Capital is held in a dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited as on March 31, 2019. The market lot of the Share of your Company is one Share, as the trading in the Equity Share of your Company is permitted only in dematerialised form. Non-Promoters' holding is around 43.08% and the stock is liquid.

Distribution of Shareholding as on March 31, 2019

Category of Shares	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shareholding
1 - 500	22,243	93.07	20,87,525	1.44
501 - 1000	834	3.49	6,70,149	0.46
1001 - 2000	402	1.68	5,88,425	0.41
2001 - 3000	125	0.52	3,18,463	0.22
3001 - 4000	52	0.22	1,86,348	0.13
4001 - 5000	39	0.16	1,83,171	0.13
5001 - 10000	63	0.26	4,48,927	0.31
10001 and above	140	0.59	14,01,37,793	96.90
Total	**23,898**	**100.00**	**14,46,20,801**	**100.00**

Shareholding Pattern as on March 31, 2019

Category of Shareholder	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shareholding
Promoter & Promoter Group	17	0.07	8,23,03,421	56.91
Public	23,580	99.92	5,89,49,717	40.76
Shares held by Employee Trust	1	0.01	33,67,663	2.33
Total	**23,598**	**100.00**	**14,46,20,801**	**100.00**

Outstanding GDRs/ADRs/Warrants or Any Convertible Instruments, Conversion Date

The company has no outstanding GDRs/ADRs/Warrants/Convertible instruments as on March 31, 2019.

Due date for Transfer of Unclaimed Dividend to the Investor Education and Protection Fund (IEPF)

Financial Year	Type of Dividend	Date of Declaration	Due date for transfer to IEPF	Amount (₹) unclaimed as on March 31, 2019
2015-16	Interim	March 10, 2016	May 14, 2023	16,932.00
2016-17	Final	August 10, 2017	October 13, 2024	65,906.75
2017-18	Final	August 09, 2018	October 12, 2025	58,975.00

Address for Correspondence

Shareholders may correspond with the Registrar and Transfer Agents at:

Link Intime India Private Limited
Address: C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai-400083
Tel. No.: +91 22 49186000
Fax No.: +91 22 49186060
Email:rnt.helpdesk@linkintime.co.in

for all matters relating to transfer/dematerialisation of shares, payment of dividend and any other query relating to Equity Shares of your Company.

Your Company has also designated investors@keva.co.in as an exclusive email ID for Investors for the purpose of registering complaints and the same has been displayed on the Company's website.

Shareholders would have to correspond with the respective Depository Participants for Shares held in demateralised form for transfer/transmission of Shares, change of Address, change in Bank details, etc.

For all investor related matters, the Compliance Officer can also be contacted at:

Deepti Chandratre
Company Secretary & DGM – Legal
S H Kelkar and Company Limited
Address: Lal Bahadur Shastri Marg, near Balrajeshwar Temple, Mulund (West), Mumbai - 400 080
Tel. No: +91 22 2164 9163
Fax No.: +91 22 2164 9766
Email:investors@keva.co.in

Your Company can also be visited at its website www.keva.co.in.

Other Disclosures

A. Policy for determining material subsidiaries:

The Company has formulated a policy for determining material subsidiaries in terms of the Listing Regulations. Company amended the policy of determining material subsidiaries in line with the recent amendments to the Listing Regulations. This Policy has been posted on the website of the Company at the Web link: https://www.keva.co.in/investors-categories/policies. In the Financial Year 2018-19, the Company had one material subsidiary viz. Keva Fragrances Private Limited. Mrs Sangeeta Singh - Independent Director of the Company – has been appointed as Independent Director on the Board of the said subsidiary.

The Audit Committee reviews the financial statements and in particular, the investments made by the unlisted subsidiary companies. The summary of minutes of Board meetings of the subsidiary companies are circulated to the Board of the Company along with agenda papers and the minutes are tabled at the Board meeting. The management of the unlisted subsidiary periodically brings to the notice of the Board of Directors of the Company a statement of all significant transactions and arrangements entered into by the unlisted material subsidiary.

B. Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions

The Company has formulated a Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions in line with the requirements of Section 177 (iv) and 188 of the Act read with Rules framed thereunder and the Listing Regulations. Your Company has amended the policy with effect from April 01, 2019 in line with the recent amendments to the Listing Regulations. This Policy has been posted on the website of the Company at the Web link: https://www.keva.co.in/investors-categories/policies.

C. Policy on Dividend Distribution

Your Company has adopted a policy on Dividend Distribution formulated in accordance with the Regulation 43A of the Listing Regulations, and the same can be accessed on the website of the Company at the Web link: https://www.keva.co.in/investors-categories/policies.

D. Disclosure of transactions with Related Parties

Details of related party transactions are presented in notes to Accounts in the Annual Report. As a matter of good corporate governance, the Audit Committee and Board grants omnibus approval of related party transactions. Such omnibus approvals are valid for a period not exceeding one year. Fresh approvals are obtained after the expiry of one year.

E. Fees paid to Statutory Auditors

A total fee of ₹ 0.93 crores was paid by the Company and its subsidiaries, on a consolidated basis, for all services to B S R & Co. LLP, Statutory Auditors and all entities in the network firm/ network entity of which they are part.

F. Vigil Mechanism

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board has adopted a Whistle Blower Policy to provide appropriate avenues to the employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. The employees are encouraged to raise any of their concerns by way of whistle blowing by conducting workshops at various units from time to time. The Whistle Blower Policy is available on the website of the Company at the Web link: https://www.keva.co.in/investors-categories/policies. No personnel has been denied access to the Whistle Officer / CEO / Chairman of the Audit Committee.

G. Code of Conduct to regulate, monitor and report trading by Insiders

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations 2015, the Company has adopted a Code of Conduct to regulate, monitor and report trading by Insiders ("Code"). Your Company has amended the Code in line with the recent amendments to the SEBI (Prohibition of Insider Trading) Regulations, 2015. The objective of the Code is to restrict an insider from dealing in the shares of the company either directly or indirectly when in possession of unpublished price sensitive information (UPSI). The Company maintains structured digital database for insiders. The Code enumerates the procedure to be followed for dealing in the shares of the company and periodic disclosures to be made. It also restricts the insiders from dealing in the Company's shares during the period when the 'Trading Window' is announced closed. The Company Secretary has been designated as the Compliance Officer.

H. Code of Corporate Disclosure Practices

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations 2015, in order to restrict communication of UPSI, the Company has adopted Code of Corporate Disclosure Practices for disclosure of information about the Company to the public including fair disclosure of Unpublished Price Sensitive Information is available on the website of the Company at the https://www.keva.co.in/investors-categories/policies.

I. Disclosure of Accounting Treatment

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) and provisions of the Companies Act, 2013 (the Act) and comply in material aspects with the Ind AS, as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under section 133 and other provisions of the Act.

J. Compliance Reports

The Board has reviewed the compliance reports from all functions pertaining to the respective laws applicable to them at its meetings on quarterly basis.

K. Audit of Reconciliation of Share Capital

As stipulated by SEBI, a Practicing Company Secretary carries out the Audit of Reconciliation of Share Capital on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and paid up capital. The Audit report is submitted to the Stock Exchanges and is placed before the Board at its meetings.

L. Compliance with Mandatory Requirements

Your Company has complied with all the mandatory requirements relating to Corporate Governance under the Listing Regulations. No penalties, strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

M. Compliance with Non-mandatory Requirements

The non-mandatory requirements under the Listing Regulations as adopted by the Company are as under:

- There is no audit qualification in the company's financial statements for the year ended March 31, 2019. Your Company continues to adopt best practices to ensure regime of unqualified financial statements.
- The Internal Auditor of the company reports to the Audit Committee and participates in the meetings of the Audit Committee of the Board of Directors of the Company and presents his internal audit observations to the Audit Committee.
- The company has separate position of Managing Director (who chairs the Board Meetings) and the Chief Executive Officer.

N. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Please refer Board's Report for details.

O. Certificate from a company secretary in practice that none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as directors of companies

A certificate has been received from M/s. Mehta & Mehta, Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

P. Disclosure of commodity price risks and commodity hedging activities.

Details of the same are mentioned in the Notes to Accounts in the Annual Report.

Q. Non-Compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of schedule V of the Listing Regulations.

There are no non-compliances of any requirements of Corporate Governance Report of sub-paras (2) to (10) mentioned in schedule V of the Listing Regulations.

R. The Company has complied with Corporate Governance Requirements specified in regulation 17 to 27 to the extent applicable and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations.

Annexure to Report on Corporate Governance

To the Shareholders of
S H Kelkar and Company Limited

Sub: Compliance with Code of Conduct

I hereby declare that all the directors and senior management personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2019.

Date : May 22, 2019
Place : Mumbai

Ramesh Vaze
Managing Director

Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 2018

To the Members of
S H Kelkar and Company Limited

1. This certificate is issued in accordance with the terms of our agreement dated September 07, 2018.

2. This report contains details of compliance of conditions of corporate governance by S H Kelkar and Company Limited ('the Company') for the year ended March 31, 2019 as stipulated in regulations 17-27, clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 2018 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2019.

6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

Aniruddha Godbole
Partner
Membership No: 105149

Mumbai
May 22, 2019

Business Responsibility Report

Inclusive development is an integral part of social reform process and a foundation pillar for a better tomorrow. Keva has always contributed towards achieving the larger objective of inclusive development and believed it to be an integral part of good corporate governance. Pursuant to Regulation 34 (2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Directors present the Business Responsibility Report of the Company for the financial year ended on March 31, 2019 forming part of the Annual Report. In keeping with the guiding principles of integrated reporting, we have provided cross-references to the reported data within the main sections of this Annual Report for all aspects that are material to us and to our stakeholders.

GENERAL INFORMATION:

1.	Corporate Identity Number (CIN) of the Company:	L74999MH1955PLC009593
2.	Name of the Company:	S H Kelkar and Company Limited
3.	Address of the Registered Office:	Devkaran Mansion, 36, Mangaldas Road, Mumbai - 400002
4.	Website:	www.keva.co.in
5.	E-mail id:	investors@keva.co.in
6.	Financial Year reported:	2018-19
7.	Sector(s) the Company is engaged in (industrial activity code-wise)	Code 201* - Manufacture of organic and inorganic chemical compounds n.e.c.
8.	Key products / services:	Fragrances and flavours
9.	Locations where business activities are undertaken by the Company:	The Company's businesses and operations are spread across the country and in the Netherlands. Details of plant locations are provided in the section, 'General Shareholder Information' in the Corporate Governance Report.
10.	Markets served by the Company:	The Company's products and services have a national presence and several products are exported through its subsidiary/ies.
11.	Subsidiary companies and their BR initiatives:	The Company had 13 subsidiaries, including 6 subsidiaries outside India as on March 31, 2019. 1 subsidiary was incorporated overseas after March 31, 2019. There is no direct participation.
12.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?	The Business Responsibility policies are applicable to the management and all the employees of the Company. In due course of time, the Company intends to take its sustainability policies and initiatives beyond the boundaries of its manufacturing facilities and spread awareness amongst the relevant stakeholders.

*As per National Industrial Classification – Ministry of Statistics and Programme Implementation

FINANCIAL DETAILS:

1.	Paid up Capital (As on March 31, 2019):	₹ 144.62 Crores
2.	Total Turnover:	₹ 692.09 Crores
3.	Total Profit after taxes:	₹ 44.97 Crores
4.	Total Spending on Corporate Social Responsibility (CSR):	₹ 1.85 Crores
5.	As percentage of Profit after taxes:	4.11%
6.	List of CSR activities in which expenditure has been incurred:	Please refer Annexure E to the Board's Report.

BR INFORMATION:

1.	a.	Details of the Director/Directors responsible for implementation of the BR policy/policies:		
		-	DIN:	00511325
		-	Name:	Mr Kedar Vaze
		-	Designation:	Director & CEO
	b.	Details of the BR head:		
		-	DIN:	00511325
		-	Name:	Mr Kedar Vaze
		-	Designation:	Director & CEO
		-	Telephone number:	022 - 21677700
		-	e-mail id:	investors@keva.co.in

2. Principle wise (as per NGV's) BR Policy/ Policies:

Principle 1: Ethics, Transparency and Accountability [P1]

Principle 2: Product Lifecycle Sustainability [P2]

Principle 3: Employee Well-being [P3]

Principle 4: Stakeholder Engagement [P4]

Principle 5: Human Rights [P5]

Principle 6: Protection of Environment [P6]

Principle 7: Responsible Advocacy [P7]

Principle 8: Inclusive Growth and Equitable Development [P8]

Principle 9: Customer Value [P9]

	P1	P2	P3	P4	P5	P6	P7	P8	P9
Do you have Principle-wise policy/policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Has the policy been formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Does the policy conform to any national /international standards? If yes, specify?	The policies are based on the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs.								
Has the policy being approved by the Board? If yes, has it been signed by the MD/owner/CEO/appropriate Board Director?	All the policies have been approved by the Board and have been signed by the CEO.								
Does the company have a specified committee of the Board / Director/Official to oversee the implementation of the policy?	The Board has appointed Mr Kedar Vaze, Director & CEO, to oversee policy implementation.								
Indicate the link for the policy to be viewed online?	www.keva.co.in/policies								
Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been formally communicated to internal stakeholders and are available on www.keva.co.in/policies for information of the external stakeholders.								
Does the company have an in-house structure to implement the policy/ policies?	Yes								
Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes								
Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Yes. The Company's policies and procedures are supported by internal risk controls.								

3. Governance related to BR:

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company? Within 3 months, 3-6 months, Annually, More than 1 year	The CEO periodically assesses the BR performance of the Company for ensuring the effectiveness and relevance of BR initiatives.
Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company publishes its Business Responsibility Report annually alongwith the Annual Report. The Business Responsibility Report for financial year 2018-19 forms part of the Company's Annual Report for financial year 2018-19 and can be accessed at www.keva.co.in.

PRINCIPLE-WISE PERFORMANCE:

Principle 1 – Ethics, Transparency and Accountability:

Ethical action is the cornerstone of sustainable success. Over the past 90+ years, Keva has built a reputation for trust and integrity by doing business the right way. As Keva continues to grow its business both in India and abroad, it ensures that ethical behaviour remains the foundation of all its business practices.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/Others?

   The Company's governance structure, procedures and practices are sound enough to ensure that ethics and not just compliance should be the underlying principle in all its business dealings. The Policy on Ethics, Transparency and Accountability along with the Code of Conduct is based upon the principles of Fairness, Ethics and Corporate Governance. The Company expects all the employees to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct. Vigil Mechanism and Whistle Blower Policy ensure that highest standards of personal and professional integrity are maintained within the organisation. The Code is applicable to employees of the Company. The Company has adopted a Fraud Risk Management Policy to provide a mechanism for employees for reporting actual or suspected, fraud. The Company has also in place Policy for prevention of Sexual Harassment at Workplace to maintain a work environment free from any form of conduct which can be considered as harassing, coercive or disruptive.

2. How many stakeholder complaints were received in the past financial year and what percentage was satisfactorily resolved by the Management?

Nature / Stakeholder	Complaints Received during FY 2018-19	Complaints Resolved during FY 2018-19	Complaints Resolved (%)
Investor complaints	1	1	100
Customer complaints	258	258	100
Sexual Harassment complaint	-	-	NA

Principle 2 – Product Life Cycle Sustainability:

Keva endeavours to embed the principles of sustainability, as far as practicable, into the various stages of product life-cycle, including procurement of raw material/service, manufacturing of product or delivery of service, transportation of raw materials and finished goods etc.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   Keva procures three products derived from White Biotechnology process for use in the production of its fragrances. These products are biotech natural fragrance ingredients and totally renewable and cost-effective.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

   With a diverse portfolio of products and complex production processes, calculating our environmental performance per product poses unique challenges. The Company has designed technologies to enable resource efficient, sustainable manufacturing processes and technologies required to produce our products.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

   The Company has established an effective inter-department communication mechanism enabling the purchases department to act according to production and sales forecasts for the forthcoming quarters to ensure optimum raw material procurement. The Company has also developed over the last 25 years supplier intimacy and goodwill which enables the Company to source quality raw materials even when there is scarcity.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   Recognising that poverty in rural India also gets accentuated by inadequate access to knowledge, information, price discovery, quality agricultural inputs and markets, Keva has devised unique models for farmer empowerment. These interventions not only support sustainable agriculture and enhance productivity, but also contribute to substantial livelihood creation. Towards this end, Keva imparts knowhow of best agriculture practices to farmers and offer aromatic plants for cultivation with guarantee of buy back for essential oils of acceptable quality.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).

   Waste management is a major challenge that can be solved through innovative thinking and concerted efforts. Keva continuously seeks to prevent and minimize generation of waste at our production units. Keva's endeavour is also to improve initiatives for its use, such as reusing and recycling. It is part of Keva's constant efforts to find ways to bring about change that will positively impact the environment without compromising our operational standards

   All units of Keva comply with guidelines issued by the Pollution Control Boards, especially on waste water treatment. The Company recycles 100% of Industrial Effluents and Sewage after treatment. Hazardous wastes which are generated by the Company are given to Approved Transport Storage and Disposal Facility ("TSDF") for disposal. The Company re-uses about 25% of its non-hazardous waste and the balance is sold to authorised parties. 100% of E-waste is given to Authorised E-waste Disposal vendors for disposing off the same pursuant to which we receive a certificate to that effect from such vendors.

Principle 3 – Employee well-being:

A climate of creativity and innovation coupled with a culture of care and concern enables employees of the Company to enhance value creation for all its stakeholders and address the challenges of tomorrow with conviction and confidence. The superior capability of the Keva's talent pool is premised on a work culture that nurtures quality talent and promotes conducive work environment that combines the need to focus on performance and results with a caring and compassionate work ethos.

1.	Total number of employees	599
2.	Total number of employees hired on temporary / contractual /casual basis	160
3.	Number of permanent women employees	104
4.	Number of permanent employees with disabilities	2
5.	Do you have an employee association that is recognized by management?	Yes
6.	What percentage of your permanent employees is members of this recognized employee association?	31%

*Standalone entity data

7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

   Neither does the Company have any child labour, forced labour and involuntary labour nor does it tolerate sexual harassment. Keva has a robust grievance handling mechanism to address the cases against child labour, forced labour, sexual harassment and others. Keva is very firm on these issues and incase any violation is found, strict action is taken by the Company.

Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
Child labour/forced labour/ involuntary labour	Nil	Not Applicable
Sexual harassment	Nil	Not Applicable
Discriminatory employment	Nil	Not Applicable

8. What percentage of your under-mentioned employees were given safety & skill up-gradation training in the last year?

Particulars	Number	%
Permanent Employees	138	23.04
Permanent Women Employees	Nil	Nil
Casual/ Temporary/ Contractual Employees	38	23.75
Employees with disabilities	Not Applicable	Not Applicable

Principle 4 – Stakeholder Engagement:

Keva has always encouraged multi stakeholder participation. Keva has always partnered with its stakeholders and believed in sharing the fruits of socio-economic progress. This business philosophy stems from our belief that we are part of the community and we owe them for what we are.

1. Has the Company mapped its internal and external stakeholders?

   At the Company, identification of stakeholders is an ongoing process. The Company's internal and external stakeholders include employees, customers, NGOs and communities, business partners, suppliers, investors, government, regulators, peers and industry ecosystem. The external shareholders are mapped through defined activities such as customer events, channel partner meet etc.

   The Company has always ensured value creation, safety, skill up-gradation, enhanced living standards and better experience for its partners including employees, contract workers, distributors, suppliers through its good governance and employee friendly policies and practices.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

   The Company identifies marginalized and disadvantaged groups through need assessment and engagement with local underprivileged communities around its business locations. The disadvantaged and vulnerable stakeholders generally include differently-abled employees, women and rural communities in the vicinity of its plants. The Company works with Vanvasi Kalyan Ashram for the upliftment of tribal communities.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?

   Keva is an equal opportunity employer and provides equal opportunities to differently-abled, marginalized and people from economically weaker backgrounds. All employees have equal opportunity on career growth, coaching and mentoring. The Company has employed two visually challenged persons who have been working in Technology & Application Function.

   The initiatives undertaken for disadvantaged, vulnerable and marginalized stakeholders are elaborated in Annual Report on Corporate Social Responsibility activities for financial year 2018-19 which forms Annexure E to the Board's Report.

Principle 5 – Human Rights:

Keva firmly believes in upholding and promoting human rights. Keva's Policies and their implementation are directed towards adherence to applicable laws and to uphold the spirit of fundamental human rights, as enshrined in the Constitution of India and the Universal Declaration of the Human Rights of the United Nations.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

   The Company, on its own initiative, is committed to comply with all human rights and follow it across all stakeholders associated with the Company. The Group does not employ any forced labour and child labour and is committed to promoting the general equality among the employees. Currently, the policy of the Company on human rights covers only the Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   During the financial year 2018-19, the Company did not receive any complaint with regard to violation of human rights.

Principle 6 – Protection of Environment:

Keva strives to consistently improve environmental performance of its manufacturing operations, products and supply chain. Keva believes that sustainable development and environment conservation can be achieved more effectively through a structured and systematic approach.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group /Joint Ventures / Suppliers / Contractors / NGOs /others?

   Keva strives to preserve environmental sustainability at all levels of operations – in its own practice and as a participant in the community. Environment Health & Safety Policy is applicable to all employees of the Company including full-time, partial and contractual employees.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink for webpage etc?

   Yes, Keva is cognizant of the catastrophic effects of continued depletion of natural resources and believes in utilising its business intelligence in developing strategies to address these concerns. The Company has replaced fluorescent lamps with CFL at its Vashivali and Mulund Units. The Company has commissioned rooftop solar panels at its units at Mulund and Vashivali for generation of electricity upto 460 and 120 KW per day, respectively. The Company has full-fledged Effluent Treatment plants, in its all locations and treat all effluent generated in respective processes. Your Company has installed Reverse Osmosis Plant of capacity 240 KL per day and Multiple Effect Evaporator of capacity 24 KL per day at Vashivali Unit thus making it Zero Liquid Discharge Unit. The Company has installed Foodie Machines of 75 Kg per day capacity, for converting canteen and garden waste into manure at Mulund and Vashivali Units. Your Company has planted approx 9,500 trees at Vashivali. Your Company uses PNG instead of LPG in its canteens. The Company is in process of constructing a Green House at Vashivali Unit for nurturing saplings of plants from which essential oils are extracted which shall be given to the farmers for plantation. STP treated water instead of fresh water is used for gardening. RO permeate and WTP backwash water are re-used in Units for cooling tower feed water. Jet pressure pump is used for blending vessel cleaning.

3. Does the Company identify and assess potential environmental risks?

   The Company follows sound environmental management practices across all its manufacturing units to assess and address environmental risks. Keva is consistently putting in efforts to improve the environment protection measures further. Improving energy efficiency in the existing plants and its processes is also one of the key focus areas for the Company.

4. Does the Company have any project related to Clean Development Mechanism? If yes, whether any environmental compliance report is filed?

   While the Company has so far not registered any project related to Clean Development Mechanism, it is continuously endeavouring to identify opportunities to contribute in this regard.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. If yes, please give hyperlink for web page etc.?

   Various initiatives have been undertaken by your Company towards conservation of energy/utilising alternate sources of energy viz. Installation of Energy Efficient LED lights in place of conventional lights, commission of rooftop solar panels, close monitoring of lighting system by providing dedicated team to avoid unwanted lighting power, insulation to FO tank, installation of Reverse Osmosis Plant to reuse the treated water from RO for cooling tower and gardening purpose, installation of Multiple Effect Evaporator, implementation of tertiary treatment system for Effluent treatment plant to reduce COD load in discharge, incorporation of Variable Frequency Drives wherever feasible.

   Light sensors have been installed for all street lights. Reciprocating compressor has been replaced by new energy efficient noiseless screw compressor. Motion sensors have been put up near wash rooMs Solar day light reflector has been installed for better illumination on the shop floor.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   The Company is in compliance with the applicable environmental laws and regulations. The Company's emissions, effluents and waste are within Central and State Pollution Control Boards permissible limits.

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   As at the end of the Financial Year 2018-19, there are no show cause / legal notices received from CPCB / SPCB which are pending resolution.

Principle 7 – Responsible Advocacy:

We believe that working together with the institutions or associations engaged in policy advocacy will help the Company create positive social and environment impact while achieving its business goals. Its intention is not just to be a member of these institutions but also advocating best practices for the benefit of the society at large.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.

   Yes. The Company is a member of several industrial and trade bodies namely:

   - IFRA (International Fragrance Association)
   - European Federation of Essential Oils
   - National Safety Council (NSC)
   - Mulund Kurla MARG (Mutual Aid Response Group)
   - Quality Circle Forum Of India
   - Patalganga & Rasayani Industries Association
   - Bombay Chamber of Commerce & Industry?
   - Indian Chemical Council
   - CHEMEXIL
   - European Federation of Essential Oils
   - Maharashtra Economic Development Council
   - International Federation of Essential Oils and Aroma Trades

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

   Through membership with trade and industry associations, the Company makes efforts to further contribute on specific sustainable business issues, safety reforms etc. The Company regularly nominates its representatives for scheduled Environment, Health & Safety trainings organised by NSC. The Company regularly participates in on-site and off-site mock drills organized by DISH and MARG.

Principle 8 – Inclusive Growth and Equitable Development:

Keva supports the principle of inclusive growth and equitable development through its Corporate Social Responsibility initiatives and also through its business. The Company acknowledges the impact of its activities on social and economic development and strives to create positive environment.

1. Does the Company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

   Keva believes in inclusive growth to facilitate creation of a value-based and empowered society through continuous and purposeful engagement with society around. The Company undertakes the initiatives through the CSR committee of the Board as per the CSR policy of the Company. The CSR projects are in accordance with Schedule VII of the Companies Act, 2013 and rules made thereunder.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

   The aforesaid projects have been carried out by the Company either directly or by partnering with like-minded NGOs and government organizations. Details of CSR initiatives are available in the Annual Report on Corporate Social Responsibility activities for financial year 2018-19 which forms Annexure E to the Board's Report.

3. Have you done any impact assessment of your initiative?

   With a view to enhance the effectiveness of the CSR projects and initiatives, feedback is obtained on regular basis from the concerned stakeholders, including the target beneficiaries of the CSR projects. Feedback is collated and appropriately analysed to understand the efficacy of the projects in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

4. What is your company's direct contribution to community development projects?

   During the year, the Company spent ₹ 1.79 Crore towards various community development projects. Details of CSR projects are available in the Annual Report on Corporate Social Responsibility activities for financial year 2018-19 which forms Annexure E to the Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

   All the business locations of the Company continuously engage with communities surrounding their operations through focused interactions. This is done to gauge the needs, priorities and expectations of the local community. Initiatives are thus designed and delivered in a transparent manner in line with inputs from the community itself.

Principle 9 – Customer Value:

Keva is dedicated to delivering products that satisfy the unmet needs of the customers. We continue to engage with our customers and address their needs through tailored outreach.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

   Keva values its consumers and their grievances are taken with utmost seriousness. All customer complaints / consumer cases received during Financial Year 2018-19 were resolved. No complaints were pending as on March 31, 2019.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

   Yes, the Company displays such product information on its packaging as is mandated by law.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?

   No cases were filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

   A well-established system is in place for dealing with customer feedback. Consumers are provided multiple options to connect with the Company through email, telephone, website, feedback forms, etc. On analysing the feedback received from customers, it was noted that 84% of the customers were highly satisfied with the Company.

For and on behalf of the Board of Directors of
S H KELKAR AND COMPANY LIMITED
CIN: L74999MH1955PLC009593

RAMESH VAZE
Managing Director
DIN: 00509751

KEDAR VAZE
Director & Chief Executive Officer
DIN: 00511325

Mumbai
May 22, 2019

FINANCIAL STATEMENTS

Independent Auditors' Report

To the Members of
S H Kelkar and Company Limited

Report on the audit of consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements 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 which comprise the Consolidated Balance Sheet as at March 31, 2019 and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on financial statements of such subsidiaries and a joint venture as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at March 31, 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained and the evidence obtained by other auditors in terms of their reports to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

I. Intangible assets under development

The Key Audit Matter	How the matter was addressed in our audit
Refer to Note 3.10 (Accounting policies) and Note 2.4(i) (Critical accounting estimates and judgements). During the year ended March 31, 2019, the Group capitalized development costs totaling ₹ 31.34 crores within intangibles assets under development, which relates to the development of formulations/ recipes for Fragrances. As at March 31, 2019, the carrying amount of intangible assets under development totaled ₹ 22.22 crores crores. We identified that significant formulation development costs are being capitalised under intangible assets under development and that there are significant judgements involved in assessing whether the criteria, set out in Ind AS, required for capitalisation of such costs have been met, including the likelihood of the project delivering sufficient future economic benefits and the probability of successful launch of the product. Further, where the costs incurred are internally generated (for example employee costs) there is judgement required in the calculation, such as the accuracy of the amount of time spent on the projects. Also the Group's annual impairment assessment of intangible assets under development contains significant judgments involving forecasting and discounting future cash flows. Accordingly, this was an area of focus for our audit.	Our audit procedures to assess the capitalization of development costs included the following: • We tested comparing, on a sample basis, capitalised development costs recorded during the year with relevant underlying documentation to assess whether these items met the criteria for capitalisation with reference to the requirements of the prevailing accounting standards; • To determine whether internal employee costs were directly attributable to projects, we obtained listing of individuals worked on formulation projects for the employment costs capitalised. We selected a sample of the individual and obtained an understanding of the work performed by the employee. We also checked value of costs capitalised equated to the employee's salary; • For evaluating the future economic benefits and commercial feasibility of the formulation development projects, we held discussions with the Group's stakeholders and inspected the client presentations made; and • We evaluated management's assessment on impairment for any intangible assets under development (including retrospective review of successful launch of the products).

II. Accounting of acquisitions

The Key Audit Matter	How the matter was addressed in our audit
Refer to Note 3.20 (Accounting policies) and Note 2.4(d) (Critical accounting estimates and judgements). During the previous year, the Group acquired interest in a Joint-venture, where the Group availed the one year exemption to complete the purchase price allocation process. The same has been carried out during the current year. There is a requirement to recognise the above acquisitions by the Group in line with the prevailing Ind AS 103 - *Business Combinations*. The identification and determination of the fair value of intangible assets arising from the above acquisitions by the Group and the recognition of fair value adjustments through the associated purchase price allocation process involves complex accounting considerations, including specific consideration to the terms of a call option in one of the acquisitions. The intangible assets identification and valuation process requires management judgement in respect of estimates of future cash flows and associated discount rates in addition to economic lives. Fair value adjustments, in particular those arising from property, plant and equipment, pre-existing intangible assets, property operating leases and contingent liabilities, require significant judgement in relation to fair value at the date of acquisition, for which management also engaged external valuation experts. Accordingly, this was an area of focus for our audit. Further information in relation to this area is discussed in note 49(iv) to the consolidated financial statements.	Our audit procedures included the following: • For the purchase price allocation process in respect of the current/past acquisitions, we obtained the sales and purchase agreements to evaluate the key terms and conditions; • We challenged the management on the identification and valuation of tangible and intangible assets acquired and liabilities identified in the acquisition accounting against the terms of sales and purchase agreements; • We reviewed and assessed the work performed by management's external valuation experts, including valuation methodology for each category of assets and liabilities, along with key judgements made in determining the fair values including any fair value adjustments; • We also involved our internal valuation specialists to consider and evaluate the appropriateness of the valuation methodologies applied to significant fair value adjustments and also, to test the inputs to the valuation models used to determine the value of the intangible assets, including the discount rates, growth rates and useful economic lives, through comparing these against industry benchmarks on similar assets and our understanding of the future prospects of the business; • We tested the appropriateness of the cash flow projections used in the valuations; • We also challenged the duration estimated by management for amortisation of the intangible assets acquired, comparing them to current group accounting policies and other recent acquisitions; and • We validated the appropriateness and completeness of the related disclosures in the note 49(iv) to the consolidated financial statements.

III. Goodwill on consolidation

The Key Audit Matter	How the matter was addressed in our audit
Refer to Note 3.20 (Accounting policies) and Note 2.4(h) (Critical accounting estimates and judgements). The Group has significant intangible assets, including Goodwill arising from the acquisition of businesses. The carrying amount of Goodwill totalled to ₹ 39.84 crores as at March 31, 2019 as disclosed in the Note 6A to the consolidated financial statements. Management performs an annual impairment review of Goodwill. The goodwill is attributable to cash generating units and is reviewed for impairment using a value in use model, as described in note 48 to the consolidated financial statements. We consider the impairment evaluation of Goodwill by management to involve significant estimates and judgement, due to the inherent uncertainty involved in forecasting and discounting future cash flows. Accordingly, this was an area of focus for our audit.	Our audit procedures included the following: • We reviewed the appropriateness of management's basis to identify relevant CGUs for which Goodwill is being tested; • We reviewed the assumptions used in the impairment model for goodwill, including comparison of the input assumptions to externally and internally derived data, and challenged the key inputs used.; • We performed sensitivity analysis on the assumptions noted above; and • Also considered the adequacy of disclosures in respect of the goodwill in note 48 to the consolidated financial statements.

IV. Taxation

The Key Audit Matter	How the matter was addressed in our audit
Refer to Note 3.5 (Accounting policies) and Note 2.4(c) (Critical accounting estimates and judgements). The Group operates in a large number of different jurisdictions and is therefore subject to many tax regimes with differing rulings and regulations. The Consolidated financial statements includes current tax assets of ₹ 28 crores, current tax liabilities of ₹ 31.07 crores, together with deferred tax assets of ₹ 25.51 crores and deferred tax liabilities of ₹ 17.92 crores. The tax expense recognised in the consolidated income statement amounts to ₹ 27.01 crores. Details of all current and deferred tax balances are disclosed in note 35 and 36 to the consolidated financial statements. Significant judgement is required in determining provision for income taxes, both current and deferred, as well as the assessment of provisions for uncertain tax positions including the estimates of interest and penalties where appropriate. Also, during the year, the Group has received large tax demand in one of its Indian subsidiary, from the tax regulating authorities on the uncertain tax position relating to Goodwill amortisation. Management records deferred tax assets in respect of brought forward business losses in cases where it is reasonably certain based on the projected profitability determined on the basis of approved business plans that sufficient taxable income will be available to absorb the brought forward business loss. And so the recognition of deferred tax assets involves judgment regarding the likelihood of the reasonable certainty of realisation of these assets, in particular whether there will be taxable profits in future periods that support recognition of these assets. Accordingly, due to their significance to the financial statements as a whole, combined with level of judgement and estimation required to determine values, the evaluation of current tax and deferred tax balances including the assessment of provision for uncertain tax positions is considered to be a key audit matter.	Our audit procedures included the following: • We assessed the design and implementation of controls in respect to provisions for current tax and the recognition and recoverability of deferred tax assets; • We examined the procedures in place for the current and deferred tax calculations in respect of the entities audited by us for completeness and valuation and audited the related significant tax computations and estimates in the light of our knowledge of the tax circumstances. Our work was conducted with the support of our tax specialists at the individual entity level; • We performed an assessment of the material components impacting the Group's tax expense, balances and exposures. Also we verified the consolidation and analysis of tax balances; • We considered management's assessment of the validity and adequacy of provision for uncertain tax positions, evaluating the basis of assessment and reviewing relevant correspondence and legal advice where available including any information regarding similar cases with the relevant tax authorities. Our work was conducted with the support of our tax specialists at the individual entity level; • For the deferred tax assets and liabilities, we understood the Group's process for recording deferred tax assets and obtained approved business plans and projected profitability statements for each entity; • We have performed sensitivity analysis and inquired into the basis of the projections for the reasonable certainty of utilisation of the brought forward business losses and therefore recognition of deferred tax assets. We tested the underlying data for the key deferred tax calculations; and • We validated the appropriateness and completeness of the related disclosures in Note 35 and 36 to the consolidated financial statements.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and its joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its joint ventures is responsible for overseeing the financial reporting process of each company

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Company and subsidiaries) as well as its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of eleven subsidiaries, whose financial statements reflect total assets of ₹ 637.37 crores as at March 31, 2019, total revenues of ₹ 390.47 crores and net cash outflows amounting to ₹ 28.29 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ 0.13 crores for the year ended March 31, 2019, in respect of one joint venture, whose financial statements/financial information have not been audited by us. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and a joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and a joint venture is based solely on the audit reports of the other auditors.

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 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 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 Company and audited by us.

(b) The consolidated financial statements include the Group's share of net profit (and other comprehensive income) of ₹ 1.50 crores for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of one joint venture, whose 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 financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid 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 financial statements, and our report on Other Legal and Regulatory Requirements below, 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.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143 (3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and a joint venture as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that

a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c) the consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act;

e) on the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and a joint venture, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act; and

f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies and a joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and a joint venture, as noted in the 'Other Matters' paragraph:

i. the consolidated financial statements disclose the impact of pending litigations as at March 31, 2019 on the consolidated financial position of the Group and its joint ventures. Refer Note 38 to the consolidated financial statements;

ii. the Group and its joint ventures did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;

iii. there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and its joint venture incorporated in India during the year ended March 31, 2019; and

iv. the disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in the financial statements since they do not pertain to the financial year ended March 31, 2019.

C. With respect to the matter to be included in the Auditor's report under Section 197 (16) to the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and a joint venture incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies and a joint venture incorporated by India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies and a joint venture incorporated by India is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197 (16) of the Act which are required to be commented upon by us.

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

Aniruddha Godbole
Partner
Membership No: 105149

Mumbai
May 22, 2019

Annexure A to the Independent Auditors' Report – March 31, 2019

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1 A (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to consolidated financial statements of S H Kelkar and Company Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and a joint venture, as of that date.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on financial statements of such subsidiaries and a joint venture as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies and a joint venture have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2019, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies and a joint venture in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to six subsidiary companies and a joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Aniruddha Godbole
Partner
Membership No: 105149

Mumbai
May 22, 2019

Consolidated Balance Sheet

as at March 31, 2019

(Currency : Indian Rupees in crores)

	Note	March 31, 2019	March 31, 2018 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	4	**369.42**	274.38
Capital work-in-progress	4	**15.42**	35.57
Investment property	5	**13.83**	14.30
Goodwill	6A	**39.84**	35.64
Other intangible assets	6B	**38.86**	27.55
Intangible assets under development		**22.22**	24.62
Equity accounted investees	7	**95.84**	94.63
Financial assets			
Investments*	8	**0.00**	0.00
Loans	9	**2.70**	2.25
Others	10	**1.39**	1.37
Deferred tax assets (net)	36	**25.51**	4.44
Other tax assets (net)	35	**28.00**	25.19
Other non-current assets	11	**21.77**	41.19
Total non-current assets		**674.80**	581.13
Current assets			
Inventories	12	**373.94**	347.95
Financial assets			
Investments	13	**1.53**	1.55
Trade receivables	14	**284.45**	276.63
Cash and cash equivalents	15	**37.45**	17.40
Other bank balances	16	**3.44**	6.45
Loans	9	**6.16**	4.09
Others	10	**2.24**	0.20
Other current assets	11	**61.08**	44.21
Total current assets		**770.29**	698.48
TOTAL ASSETS		**1,445.09**	1,279.61
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	**144.62**	144.62
Other equity			
Retained earnings		**425.50**	368.13
Other reserves	18	**293.23**	344.15
Equity attributable to owners of the Company		**863.35**	856.90
Non-controlling interests	51	**10.81**	-
Total Equity		**874.16**	**856.90**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19	**69.97**	48.20
Others	20	**1.98**	1.29
Provisions	21	**0.87**	0.62
Deferred tax liabilities (net)	36	**17.92**	8.22
Total non-current liabilities		**90.74**	58.33
Current liabilities			
Financial liabilities			
Borrowings	22	**264.00**	116.07
Trade payables	23		
- 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
Others	24	**27.09**	28.99
Other current liabilities	25	**13.64**	25.29
Provisions	21	**10.08**	12.41
Current tax liabilities (net)	35	**31.07**	26.00
Total current liabilities		**480.19**	364.38
Total Liabilities		**570.93**	422.71
TOTAL EQUITY AND LIABILITIES		**1,445.09**	1,279.61
Significant accounting policies	1-3		
The notes referred to above and other notes form an integral part of the consolidated financial statements.	4-57		

Amount less than ₹ 0.01 crore

As per our report of even date attached.
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors
S H Kelkar and Company Limited
CIN: L74999MH1955PLC009593

Aniruddha Godbole
Partner
Membership No. 105149

Ramesh Vaze
Managing Director
DIN: 00509751

Kedar Vaze
Director & Chief Executive Officer
DIN: 00511325

Shrikant Mate
Chief Financial Officer
ICAI Membership No: 37556

Deepti Chandratre
Company Secretary
Membership No: A20759

Mumbai
May 22, 2019

Mumbai
May 22, 2019

Mumbai
May 22, 2019

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

	Note	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
Income			
Revenue from operations	26	**1,043.60**	1,038.95
Other income	27	**27.88**	25.70
Total income		**1,071.48**	1,064.65
Expenses			
Cost of materials consumed	28	**609.35**	527.19
Purchase of stock in trade		**13.01**	25.62
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	**(31.59)**	10.12
Excise duty		**-**	17.93
Employee benefits expense	30	**128.09**	125.19
Finance costs	31	**13.95**	3.97
Depreciation and amortisation expense	32	**31.15**	23.84
Other expenses	33	**192.67**	174.78
Total expenses		**956.63**	908.64
Consolidated Profit before exceptional items and tax		**114.85**	156.01
Exceptional items	55	**-**	12.85
Consolidated profit before tax		**114.85**	143.16
Tax expense:			
Current tax			
for current year		**35.14**	51.27
for earlier years		**0.05**	(0.75)
Deferred tax charge			
for current year		**(10.78)**	0.06
for earlier years		**2.60**	-
Consolidated profit before share of profit in equity accounted investee		**87.84**	92.58
Share of profit in equity accounted investee (net of amortisation ₹ 1.22 Crores (Previous year ₹ 0.31 Crores) on identified intangible assets resulting from purchase price allocation adjustment and tax)	50	**0.41**	1.30
Consolidated profit for the year		**88.25**	93.88
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability (asset)		**(0.56)**	0.11
Income tax related to items that will not be reclassified to profit or loss		**0.23**	(0.10)
Items that will be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		**(6.15)**	11.54
Consolidated other comprehensive income for the year, net of income tax		**(6.48)**	11.55
Total consolidated comprehensive income for the year		**81.77**	105.43
Profit attributable to:			
Owners of the Company		**88.48**	93.88
Non-controlling interests		**(0.23)**	-
		88.25	93.88
Other Comprehensive income attributable to:			
Owners of the Company		**(6.48)**	11.55
Non-controlling interests		**-**	-
		(6.48)	11.55
Total comprehensive income attributable to:			
Owners of the Company		**82.00**	105.43
Non-controlling interests		**(0.23)**	-
		81.77	105.43
Earnings per equity share (Nominal value of ₹ 10 each, fully paid-up)	34		
Basic earnings per share (₹)		**6.20**	6.52
Diluted earnings per share (₹)		**6.20**	6.52
Significant accounting policies	1-3		
The notes referred to above and other notes form an integral part of the consolidated financial statements.	4-57		

As per our report of even date attached.
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors
S H Kelkar and Company Limited
CIN: L74999MH1955PLC009593

Aniruddha Godbole
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Shrikant Mate
Chief Financial Officer
ICAI Membership No: 37556

Deepti Chandratre
Company Secretary
Membership No: A20759

Mumbai
May 22, 2019

Mumbai
May 22, 2019

Mumbai
May 22, 2019

Consolidated Statement of Changes in Equity
for the year ended March 31, 2019

(Currency: Indian Rupees in crores)

		March 31, 2019	March 31, 2018 (Restated)
(a)	**Equity share capital**		
	Opening balance as at	**144.62**	144.62
	Changes in equity share capital during the year (refer note 17)	**-**	-
	Closing balance as at	**144.62**	144.62

(b) Other equity

	Attributable to the equity holders of the Holding Company											
	Reserves and Surplus											
	Capital Reserve	Securities Premium Account	Capital Redemption Reserve	General Reserve	Retained earnings	STARs reserve	Other reserves	Foreign Currency Translation Reserve	Treasury Shares	Total	Non-Controlling Interests	Total Equity
Balance at April 1, 2018 (Restated)	17.07	213.80	*0.00	111.16	368.13	-	8.77	23.15	(29.80)	712.28	-	712.28
Total comprehensive income for the year ended March 31, 2019												
Consolidated profit for the year	-	-	-	-	88.48	-	-	-	-	88.48	(0.23)	88.25
Items of OCI for the year, net of tax												
Remeasurements of defined benefit liability	-	-	-	-	(0.33)	-	-	-	-	(0.33)	-	(0.33)
Exchange differences in translating the financial statements of a foreign operation	-	-	-	-	(0.23)	-	-	(6.00)	-	(6.23)	-	(6.23)
Total comprehensive income for the year	-	-	-	-	87.92		-	(6.00)	-	81.92	(0.23)	81.69
Transaction with the owners of the Company, recorded directly in equity												
Contributions and distributions												
Dividends	-	-	-	-	(25.32)	0.23	-	-	-	(25.09)	-	(25.09)
Dividend Distribution Tax (DDT)	-	-	-	-	(5.23)	-	-	-	-	(5.23)	-	(5.23)
Others												
Purchase of treasury shares by the Trust during the year (refer note 52)	-	-	-	-	-	-	-	-	(45.15)	(45.15)	-	(45.15)
Acquisition through business comnbination (refer note 49 ii)	-	-	-	-	-	-	-	-	-	-	11.04	11.04
Balance at March 31, 2019	**17.07**	**213.80**	***0.00**	**111.16**	**425.50**	**0.23**	**8.77**	**17.15**	**(74.95)**	**718.73**	**10.81**	**729.54**

Consolidated Statement of Changes in Equity
for the year ended March 31, 2019

	Attributable to the equity holders of the Holding Company											
	Reserves and Surplus											
	Capital Reserve	Securities Premium Account	Capital Redemption Reserve	General Reserve	Retained earnings	STARs reserve	Other reserves	Foreign Currency Translation Reserve	Treasury Shares	Total	Non-Controlling Interests	Total Equity
Balance at April 1, 2017	17.07	213.80	*0.00	111.16	304.71		8.77	11.61	-	667.12	-	667.12
Total comprehensive income for the year ended March 31, 2018												
Consolidated profit for the year	-	-	-	-	93.88		-	-	-	93.88	-	93.88
Items of OCI for the year, net of tax												
Remeasurements of defined benefit liability	-	-	-	-	0.01		-	-	-	0.01	-	0.01
Exchange differences in translating the financial statements of a foreign operation	-	-	-	-	-		-	11.54	-	11.54	-	11.54
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**93.89**		**-**	**11.54**	**-**	**105.43**	**-**	**105.43**
Transaction with the owners of the Company, recorded directly in equity												
Contributions and distributions												-
Dividends	-	-	-	-	(25.31)		-	-	-	(25.31)	-	(25.31)
Dividend Distribution Tax (DDT)	-	-	-	-	(5.16)		-	-	-	(5.16)	-	(5.16)
Others												
Purchase of treasury shares by the Trust during the year (refer note 52)	-	-	-	-	-		-	-	(29.80)	(29.80)	-	(29.80)
Balance at March 31, 2018 (Restated)	**17.07**	**213.80**	***0.00**	**111.16**	**368.13**		**8.77**	**23.15**	**(29.80)**	**712.28**	**-**	**712.28**

*Amount less than ₹ 0.01 crores

Significant accounting policies	1-3
The notes referred to above and other notes form an integral part of the consolidated financial statements.	4-57

As per our report of even date attached.

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai
May 22, 2019

For and on behalf of the Board of Directors
S H Kelkar and Company Limited
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Managing Director
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Chief Financial Officer
ICAI Membership No: 37556
Mumbai
May 22, 2019

Deepti Chandratre
Company Secretary
Membership No: A20759
Mumbai
May 22, 2019

Consolidated Statement of Cash Flow

for the year ended March 31, 2019

(Currency: Indian Rupees in crores)

	March 31, 2019	March 31, 2018 (Restated)
Cash flow from operating activities		
Consolidated profit before tax	**114.85**	143.16
Adjustments for:		
Depreciation and amortisation	**31.15**	23.84
Unrealised (gain)/loss on foreign exchange (net)	**0.30**	(1.37)
Interest income	**(0.35)**	(1.16)
Profit on sale of investment	**(0.27)**	(2.02)
Loss on sale of property, plant and equipment (net)	**1.96**	(0.03)
Intangible asset under development written off	**23.24**	4.61
Rent income	**(1.24)**	(1.67)
Interest expense	**13.95**	3.97
Provision for doubtful debts	**0.92**	0.20
Financial assets at FVTPL	**-**	(0.03)
Provision / liability no longer required written back	**(10.67)**	(7.83)
Reversal of provision on doubtful debts	**(1.07)**	(4.21)
(Gain) / Loss on derivative contracts	**(0.45)**	2.09
Remeasurements of defined benefit liability	**(0.33)**	-
Bad debts written off	**2.73**	1.14
Consolidated profit before working capital changes	**174.72**	160.69
Decrease/ (Increase) in trade and other receivables	**(9.01)**	(56.26)
(Increase) in loans and advances	**(2.57)**	(1.57)
(Increase) in inventories	**(18.76)**	2.20
Decrease/ (Increase) in other current assets	**0.30**	(16.75)
(Decrease) / Increase in trade and other payables	**(29.37)**	51.34
(Decrease) / Increase in provision	**(2.08)**	(0.19)
	113.23	139.46
Net cash flows from operating activities	**113.23**	139.46
Consolidated cash generated from operations		
Direct taxes paid (net)	**(35.93)**	(36.07)
Effect of exchange differences on translation of subsidiaries	**(0.06)**	(0.06)
Net consolidated cash flows generated from operating activities (A)	**77.24**	103.33
Cash flows from investing activities		
Purchase of property, plant and equipment, investment property and intangibles (including cwip and intangible under development)	**(118.04)**	(120.76)
Proceeds on sale of fixed assets	**2.24**	-
Proceeds from sale of mutual funds	**77.36**	369.50
Investment in mutual funds	**(77.06)**	(319.34)
Increase/ (decrease) in non-current deposits with bank	**3.83**	6.84
Rental income	**1.24**	1.67
Investment in equity shares of joint venture (refer note 49 iii)	**(0.81)**	(93.33)
Interest received	**0.40**	2.06
Payment for acqusition of business/ subsidiary (refer note 49 ii)	**(26.55)**	(10.26)
Net consolidated cash flows (used in) investing activities (B)	**(137.39)**	(163.62)

Consolidated Statement of Cash Flow (Continued)

for the year ended March 31, 2019

(Currency: Indian Rupees in crores)

	March 31, 2019	March 31, 2018 (Restated)
Cash flows from financing activities		
Proceeds from term loans	**32.25**	45.75
Repayment of term loans	**(10.46)**	(9.82)
Proceeds of working capital loans	**536.46**	56.63
Repayment of working capital loans	**(419.40)**	-
(Repayment) of finance lease obligations	**(1.02)**	(0.68)
(Purchase) of Treasury shares by Employee Benefit Trust	**(45.15)**	(29.80)
Dividend paid,including tax thereon	**(30.55)**	(30.47)
Dividend received on treasury shares	**0.23**	-
Interest paid	**(13.70)**	(3.93)
Net consolidated cash flows generated from financing activities (C)	**48.66**	27.68
Net decrease in consolidated cash and cash equivalents D = (A+B+C)	**(11.49)**	(32.61)
Reconciliation of cash and cash equivalents with the balance sheet		
Cash and cash equivalents at the beginning of the year (E)	**11.15**	41.91
Cash taken over on acquisition of subsidiary (F) (refer note 49 ii)	**0.01**	-
Effect of exchange rate changes on cash and cash equivalents (G)	**(0.19)**	1.85
Cash and cash equivalents at the end of the year (D+E+F+G)	**(0.52)**	11.15
Notes:		
Cash and cash equivalents		
Balances with banks in:		
- current accounts	**12.39**	11.45
- exchange earners foreign currency account	**22.20**	5.64
Cash on hand	**2.86**	0.31
Bank overdrafts used for cash management purposes	**(37.97)**	(6.25)
Cash and cash equivalents in the statement of cash flows	**(0.52)**	11.15
Debt reconciliation statement in accordance with Ind AS 7		
Opening balances		
Long-term borrowing	**56.43**	21.18
Short-term borrowing	**109.82**	53.19
Cash flows		
Long-term borrowing	**21.16**	34.60
Short-term borrowing	**117.06**	56.63
Non-cash changes		
Foreign exchange movement	**0.64**	0.65
Closing balances		
Long-term borrowing	**77.59**	56.43
Short-term borrowing	**226.03**	109.82

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 - "Cash Flow Statements".

Cash comprises cash on hand, current accounts and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).

The notes referred to above and other notes form an integral part of the consolidated financial statements.

As per our report of even date attached.

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai
May 22, 2019

For and on behalf of the Board of Directors
S H Kelkar and Company Limited
CIN: L74999MH1955PLC009593

Ramesh Vaze
Managing Director
DIN: 00509751

Kedar Vaze
Director & Chief Executive Officer
DIN: 00511325

Shrikant Mate
Chief Financial Officer
ICAI Membership No: 37556

Deepti Chandratre
Company Secretary
Membership No: A20759

Mumbai
May 22, 2019

Mumbai
May 22, 2019

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

1 Company and Group overview

S H Kelkar and Company Limited ('SHK' or 'the Holding Company') was incorporated under the provisions of the Companies Act, 1913 ('the Act'), and has its registered office at Devkaran Mansion, 36, Mangaldas Road, Mumbai – 400002. The Holding Company has its equity shares listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. These Consolidated financial statements comprise the Holding Company along with its subsidiaries, collectively referred to as 'the Group' and the Group's interest in joint ventures. The Group and its joint ventures are focused on its core business of manufacture, supply and exports of fragrances, flavours and aroma ingredients.

2 Basis of preparation of the consolidated financial statements

2.1 Statement of compliance

The accompanying consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

As more fully explained in the note 49 (iv), the consolidated financial statements of the Group for the year ended 31 March 2018 have been re-stated as per the requirements of Ind AS 103 - Business combinations in respect of the consequential impact of completion of the purchase price allocation excercise in connection with an acquisition completed by the Group in the previous year.

The consolidated financial statements for the year ended March 31, 2019 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on May 22, 2019.

2.2 Functional and presentation currency

These consolidated financial statements are presented in Indian rupees, which is also the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest crores, unless otherwise indicated.

2.3 Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- net defined benefit (asset)/ liability that are measured at fair value of plan assets less present value of defined benefit obligations; and
- contingent consideration in business combination is measured at fair value.

2.4 Use of estimates and judgements

The preparation of the consolidated financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviews on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2020 and subsequent years are as follows:

a. Property, plant and equipment:

Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalised. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act. In cases,

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b. Recognition and measurement of defined benefit obligations:

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

c. Recognition of deferred tax assets:

Deferred tax assets are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

d. Business combinations and intangible assets:

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilites of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

e. Allowances for doubtful debts:

The Group and its joint ventures make allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

f. Discounting of long-term financials instruments:

All financial instruments are required to be measured at fair value on intial recognition. In case of financial instruments which are required to be subsequently measured at amortized cost, interest is accrued using the effective interest method.

g. Fair value of financial instruments:

Derivatives are carried at fair value. Derivatives include Foreign Currency Forward Contracts, Fair value of which, is dertmined using the fair value reports provided by respective merchant bankers.

h. Impairment of Goodwill:

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

i. **Intangible assets under development:**

Development expenditure is capitalised as part of the cost of the fragrance development, only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group and its joint ventures intends to and has sufficient resources to complete development and sell the asset.

2.5 Measurement of fair values

The Group and its joint ventures accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group and its joint ventures, have an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3 fair values by the management. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Group and its joint ventures use observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group and its joint ventures recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.6 Current / non-current classification

An entity shall classify an asset as current when-

(a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

(b) it holds the asset primarily for the purpose of trading;

(c) it expects to realise the asset within twelve months after the reporting period; or

(d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

An entity shall classify all other assets as non-current.

An entity shall classify a liability as current when-

(a) it expects to settle the liability in its normal operating cycle;

(b) it holds the liability primarily for the purpose of trading;

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

(c) the liability is due to be settled within twelve months after the reporting period; or

(d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification."

An entity shall classify all other liabilities as non-current.

Operating cycle

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

Based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group and its joint ventures have ascertained their operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

3 Significant accounting policies

3.1 Revenue

The Group and its joint ventures have adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers.

The Group and its joint ventures have adopted Ind AS 115 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. 1 April, 2018). Accordingly, the comparative information in the statement of profit and loss is not restated.

Sale of goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Group and its joint ventures expect to receive in exchange for those goods. Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Rental income

Rental income , included under other income, is recognised on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation.

Export incentives

Export incentives principally comprises of focus market scheme, and other export incentive schemes. The benefits under these incentive schemes are available based on the guidelines formulated for respective schemes by the government authorities. These incentives are recognised as revenue on accrual basis to the extent it is probable that realisation is certain.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the Group's functional currency at the exchange rates at the dates of the transactions.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are not translated.

In respect of foreign branch, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate at the date of transaction. Branch monetary assets and liabilities are restated at the year end rates.

Foreign currency exchange differences are recognised in the consolidated statement of profit and loss, except exchange difference arising from the translation of the following items which are recognised in OCI:

- On Consolidation the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at average rate during the year. The exchange differences arising on translation for consolidation are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in profit and loss.

3.3 Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. These benefits include bonus and compensated absences such as paid annual leave and sickness leave. A liability is recognised for the amount expected to be paid if the Group and its joint venture has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the amount of obligation can be estimated reliably.

Post employment employee benefits

i. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

The Group and its joint ventures' contributions to Employee State Insurance and Labour Welfare Fund are recognised in the consolidated statement of profit and loss on an accrual basis.

Contribution to Superannuation Fund, a defined contribution scheme, is made at pre-determined rates to the Superannuation Fund Trust and is charged to the Statement of profit and loss. There are no other obligations other than the contribution payable to the Superannuation Fund Trust.

The Group and its joint ventures also make specified monthly contribution towards employee provident fund in India for certain class of employees. The Group and its joint ventures' such contribution is considered as defined contribution plan and is recognised as expenses in the Consolidated Statement of Profit and loss during the year. The Group and its joint ventures' contribution towards defined contribution benefit plan is accrued in compliance with the domestic laws of the country in which the consolidated foreign entities operate.

The Group's contribution towards defined contribution benefit plans is accrued in compliance with the domestic laws of the country in which the consolidated foreign entities operate.

ii. Defined benefit plans

The Group and its joint ventures' gratuity benefit scheme and provident fund managed by the Group and its joint ventures' trust are defined benefit plans.

The Group's provident fund is managed by the trust set up by the Group. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall if any shall be made good by the Group and its joint ventures. The Group and its joint ventures makes specified monthly contributions towards employee provident fund.

The Group and its joint ventures' net obligation in respect of defined benefit plan is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group and its joint ventures, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined liability (asset) after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to gratuity benefit scheme are recognised in the consolidated statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the consolidated statement of profit and loss. The Group and its joint ventures recognise gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Gratuity

Certain group entities in India have an obligation towards gratuity, a defined benefit scheme covering eligible employees. The Group accounts for gratuity benefits payable in future based on an independent actuarial valuation method as stated above. Also, the Group's contribution paid/ payable to the Gratuity fund managed by the trust set up by the Holding Company is recognised as expense in the consolidated statement of profit and loss during the period in which the employee renders the related service.

Provident fund trust

Eligible employees of certain Group entities in India also receive benefits from a provident fund which is a defined benefit plan and managed by the trust set up by the Holding Company. Both the employee and the Group entities in India make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The rate at which the annual interest is payable to the beneficiaries of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952. Accordingly, the Group has an obligation to make good the shortfall, if any, between the return from the and reserves of the Trust and the notified interest rate. An obligation in this respect is measured and accounted on the basis of independent actuarial valuation as stated above.

Other long-term employee benefits

The Group and its joint venture's net obligation in respect of compensated absences such as paid annual leave, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method, as at the date of the consolidated balance sheet. Actuarial gains or losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the consolidated statement of profit and loss.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

Other long-term employee benefits also include long-term incentive plan provided to eligible employees. Vesting of the long-term incentive would be contingent on achievement of certain performance conditions. The obligation for the long-term incentive plan is calculated arithmetically as a perentage of fixed salary.

Termination benefits

Termination benefits are expensed at the earlier of when the Group and its joint ventures can no longer withdraw the offer of those benefits and when the Group and its joint ventures recognise the costs for restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

3.4 Recognition of dividend income, interest income or expense

Interest income or expense is recognised using the effective interest rate method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

Dividend income is recognised in the consolidated statement of profit and loss on the date on which the Group and its joint ventures' right to receive payment is established.

3.5 Income Tax

Income tax expense comprises current and deferred tax. It is recognised in the consolidated statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates enacted or substantively enacted by the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and current tax liabilities are offset only if, the Group and its joint ventures:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries and joint ventures to the extent that the Group and its joint ventures are able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) the Group and its joint ventures have a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable Company.

Minimum Alternate Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as deferred tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent it is probable evidence that the Group will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of profit and loss and is included in Deferred tax assets. The Group reviews the same at each balance sheet date and if required write down the carrying amount of MAT credit entitlement to the extent it is no longer probable that Group wil be able to absorb such credit during the specified period.

3.6 Inventories

Inventories which comprise raw materials, packing materials, work-in-progress and finished goods are carried at the lower of cost and net realisable value.

The cost of inventories is based on weighted average formula and includes expenditure incurred in acquiring the inventories, costs of production or conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of fixed production overheads based normal operating capacity of production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

3.7 Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) any directly attributable cost of bringing the asset to its location and condition necessary for it to be capable of operating in the manner intended by management.

c) the estimated costs of dismantling and removing the item and restoring the site on which it is located.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the consolidated statement of profit and loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the consolidated statement of profit and loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and its joint ventures.

iii. Depreciation

Depreciation is calculated using the straight-line method on cost of items of property, plant and equipment less their estimated residual values over the estimated useful lives prescribed under Schedule II of the Act, except for certain assets in 'Plant and Machinery', where based on internal assessment and technical evaluation carried out, management believes that the useful life is 20 years, which is higher and different from the useful life of 15 years as prescribed under Part C of Schedule II of the Companies Act, 2013.

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group and its joint ventures will obtain ownership by the end of the lease term, in which case the depreciation rates applicable for similar assets owned by the Group and its joint ventures are applied. Leasehold improvements are depreciated over the shorter of the lease term and their useful lives. Freehold land is not depreciated.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

The estimated useful lives of items of property, plant and equipment are as follows:

Tangible assets	Life defined	Useful life as per Schedule II
Building	30-60 years	30-60 years
Research & decvelopment- equipments	10-15 years	10-15 years
Computers	3 years	3 years
Office equipments	5 years	5 years
Plant & machinery	15-20 years	8-15 years
Furniture and fixtures	10 years	10 years
Electirc installation	10 years	10 years
Motor cars & vehicles	8 years	8 years
Motor cars under lease	4-5 years	4-5 years
Office equipments under lease	5 years	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.8 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.9 Investment property:

i Recognition and measurement

Property (building-or part of a building-or both) that is held for long term rental yields or for capital appreciation or both, rather than for:

i. use in the production or supply of goods or services or for administrative purposes; or

ii. sale in the ordinary course of business

is recognized as Investment Property in the books and is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

ii. Subsequent expenditure

Subsequent expenditure is capitalized to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and its joint ventures and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

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iii. Depreciation

Depreciation is provided on all Investment Property on straight line basis, based on useful life of the assets determined in accordance with para 3.7 (iii) above. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Tangible assets	Life defined	Useful life as per Schedule II
Buildings	30 years	30 years

iv. Fair value

Fair value of investment property is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The fair value of investment property is disclosed in the Note 5.

3.10 Intangible assets

i. Recognition and measurement

Internally generated: Research and development

Expenditure on research activities is recognised in the consolidated statement of profit and loss as incurred.

Development expenditure is capitalised as part of the cost of the research and development, only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group and its joint ventures intends to and has sufficient resources to complete development and sell the asset. Otherwise, it is recognised in the consolidated statement of profit and loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible asset under development includes formulations.

Other intangible assets

Other intangible assets, include technical know-how, computer software, brand, customer relationships, non-compete fees and formulations which are acquired by the Group and its joint ventures are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the consolidated statement of profit and loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is included in depreciation and amortisation in the consolidated statement of profit and loss.

Other intangible assets are amortised over the estimated useful lives as given below:

- Computer Software	5 years
- Brand	5 years
- Formulations	5-10 years
- Licenses	10 years
- Customer relationship	5 years
- Non-compete fees	5 years
- Formulations (internally generated)	3 years
- Patent and trade marks	5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

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3.11 Financial Instruments

a. Financial assets

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets are initially recognised when the Group and its joint ventures become a party to the contractual provisions of the instrument.

A financial asset is initially measured at fair value, in case of financial asset which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the consolidated statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

ii. Classification

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- fair value through profit or loss (FVTPL);
- fair value through other comprehensive income (FVOCI) - debt investment or equity investment

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group and its joint ventures change their business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group and its joint ventures may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group and its joint ventures may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

iii. Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the consolidated statement of profit and loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the consolidated statement of profit and loss. Any gain or loss on derecognition is recognised in the consolidated statement of profit and loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the consolidated statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the consolidated statement of profit and loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in the consolidated statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the consolidated statement of profit and loss.

iv. Derecognition

The Group and its joint ventures derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group and its joint venture neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group and its joint ventures enter into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

b. Financial liabilities

i. Recognition and initial measurement

All financial liabilities are initially recognised when the Group and its joint ventures become a party to the contractual provisions of the instrument.

A financial liability is initially measured at fair value, in case of financial liability which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the consolidated statement of profit and loss. In other cases, the transaction costs are attributed to the issue of a financial liability.

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ii. Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the consolidated statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the consolidated statement of profit and loss. Any gain or loss on derecognition is also recognised in the consolidated statement of profit and loss.

iii. Derecognition

The Group and its joint ventures derecognise a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group and its joint ventures also derecognise a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the consolidated statement of profit and loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group and its joint ventures currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

c. Derivative financial instruments

The Group and its joint ventures use derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks . Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting period. Any changes therein are generally recognised in the profit and loss account.

3.12 Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Group and its joint ventures have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

3.13 Leases

i. Lease payments

Payments made under operating leases are recognised in the consolidated statement of profit and loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

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Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

ii. Assets held under lease

Leases of property, plant and equipment that transfer to the Group and its joint ventures substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to the similar owned asset.

Assets held under leases that do not transfer to the Group and its joint ventures substantially all risks and rewards of ownership are classified as operating leases and are not recognised in the Group and its joint venture's statement of financial position.

3.14 Impairment of non-financial assets

The Group and its joint ventures' non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the consolidated statement of profit and loss.

The recoverable amount is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of the assets for which impairment loss has been recognised in prior periods, the Group and its joint ventures reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, impairment loss is reversed to the extent to the extent the amount was previously charged to the consolidated statement of profit and loss. In case of revalued assets, such reversal is not recognised.

3.15 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group and its joint ventures' cash management.

3.16 Employee Stock Appreciation Rights Scheme:

Liability for the Holding Company's Employee Stock Appreciation Rights (STARs), granted pursuant to the Holding Company's Employee Stock Appreciation Rights Plan, 2017 of the Holding Company which was adopted by the Board on August 10, 2017 and approved by shareholders of the Holding Company on November 01, 2017, shall be measured, initially and at the end of each reporting period until settled, at the fair value of the STARs, by applying an option pricing model, be and is recognised as employee benefit expense over the relevant service period. The liability is presented as employee benefit obligation in the consolidated balance sheet.

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3.17 Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Consolidated Balance Sheet date of material size or nature are only disclosed.

3.18 Earnings per Share (EPS)

Basic EPS is computed by dividing the Profit or loss attributable to the equity shareholders of the Group and its joint ventures by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

3.19 Recent accounting pronouncement

Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified the following new Ind AS which the Group and its joint ventures have not applied as they are effective for annual periods beginning on or after April 1, 2019:

IND AS 116 - Leases

The new standard on leases sets out the principles for the recognition, measurement, presentation and disclosure of the leases. The core objective of this standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represent those transactions.

The Group and its joint ventures are required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Group and its joint ventures have completed an initial assessment of the potential impact on its standalone financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the standalone financial statements in the period of initial application is not reasonably estimable as at present. The total assets and liabilities on the balance sheet will increase with a decrease in net total assets, due to the depreciation of right of use assets being on a straightline basis. Whilst the lease liability reduces by the principal amount of repayments;

- Interest expense will increase due to the unwinding of the effective interest rate implicit in the lease liability. Interest expense will be greater earlier in a lease's life, due to the higher principal value, causing profit variability over the term of lease. This effect may be partially mitigated due to the number of leases held by the Group and its joint ventures at various stages of their terms; and
- Operating cash flows will be higher and financing cash flows will be lower, as repayment of the principal portion of all lease liabilities will be classified as financing activities.

The Group and its joint ventures plan to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

In addition to the above, the following amendments to existing standards have been issued, are not yet effective and are not expected to have a significant impact on the consolidated financial statements:

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- Amendments to Ind AS 103, Business Combinations, and Ind AS 111, Joint Arrangements: This interpretation clarifies how an entity accounts for increasing its interest in a joint operation that meets the definition of a business.

- Amendments to Ind AS 109, Financial Instruments: amendments relating to the classification of particular pre payable financial assets.

- Amendments to Ind AS 12, Income Taxes, clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income or equity. Further Appendix C, uncertainty over income tax treatments has been added to clarify how entities should reflect uncertainties over income tax treatments, in particular when assessing the outcome a tax authority might reach with full knowledge and information if it were to make an examination.

- Amendment to Ind AS 19, Employee Benefits - The amendment to Ind AS 19 clarifies that on amendment, curtailment or settlement of a defined benefit plan, the current service cost and net interest for the remainder of the annual reporting period are calculated using updated actuarial assumptions – i.e. consistent with the calculation of a gain or loss on the plan amendment, curtailment or settlement. This amendment also clarifies that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. The entity then determines the effect of the asset ceiling after plan amendment, curtailment or settlement. Any change in that effect is recognized in other comprehensive income (except for amounts included in net interest).

- Amendments to Ind AS 23, Borrowing Costs, clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction.

Impact on adoption of above changes in standards is not material.

3.20 Basis of consolidation

i. Business combinations

In accordance with Ind AS 103, the Group and its joint ventures account for business combinations using the acquisition method when control is transferred to the Group and its joint ventures. The consideration transferred for the business combination is measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are recognised in the consolidated statement of profit and loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the consolidated statement of profit and loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the consolidated statement of profit and loss or OCI, as appropriate.

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Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103 – Business Combinations.

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date, allocated to each of the Group and its joint ventures' cash generating units (CGUs) that are expected to benefit from the combination. A CGU is the smallest identifiable unit of Group and its joint venture of assets that generates cash inflows that are largely independent of the cash inflows from other assets or Group and its joint ventures of assets. Each CGU or a combination of CGUs to which goodwill is so allocated represents the lowest level at which goodwill is monitored for internal management purpose and it is not larger than an operating segment of the Group and its joint venture.

A CGU to which goodwill is allocated is tested for impairment annually, and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU. If the recoverable amount of the CGU exceeds the carrying amount of the CGU, the CGU and the goodwill allocated to that CGU is regarded as not impaired. If the carrying amount of the CGU exceeds the recoverable amount of the CGU, the Group and its joint ventures recognize an impairment loss by first reducing the carrying amount of any goodwill allocated to the CGU and then to other assets of the CGU pro-rata based on the carrying amount of each asset in the CGU. Any impairment loss on goodwill is recognized in the Consolidated Statement of Profit and Loss. An impairment loss recognized on goodwill is not reversed in subsequent periods.

On disposal of a CGU to which goodwill is allocated, the goodwill associated with the disposed CGU is included in the carrying amount of the CGU when determining the gain or loss on disposal.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iii. Equity accounted investee

The Group's interest in equity accounted investee comprise interests in a joint ventures.

A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangements, rather than rights to its assets and abligations for its liabilities.

Interest in joint ventures is accounted for using the equity method. It is initially recognised at cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investee until the date on which joint control ceases.

iv. Consolidation procedure

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group and its joint ventures use accounting policies other than those

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adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group and its joint ventures' member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group and its joint ventures' accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company, i.e., year ended on 31 March.

The procedure followed is as follows:

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Eliminate in full intraGroup and its joint venture assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group and its joint ventures (profits or losses resulting from intraGroup and its joint ventures' transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intraGroup and its joint ventures' transactions.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from tranactions with equity accounted investees are eliminated against the investment to the extent of Group's interest in the investee. Unrealised lossed are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence that there is no evidence of impairement.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the holding Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group and its joint ventures' accounting policies. All intra-Group and its joint ventures' assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group and its joint ventures are eliminated in full on consolidation.

The list of companies, controlled directly or indirectly by the Holding Company and the joint ventures which are included in the consolidated financial statements are set out in Note no. 47 (I).

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4 Property, plant and equipment and capital work-in-progress

Block of asset	Gross Block						Accumulated Depreciation					Net Block	
	As at April 1, 2018 (Restated)	Additions	Additions on subsidiary/ business acquisition	Disposals during the year	Translation difference	As at March 31, 2019	As at April 1, 2018 (Restated)	Charge for the year	Disposals during the year	Translation difference	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018 (Restated)
Land	31.32	-	-	-	(0.38)	**30.94**	-	-	-	-	**-**	**30.94**	31.32
Leasehold land	0.08	-	-	-	-	**0.08**	*0.00	0.01	-	-	**0.01**	**0.07**	0.08
Leasehold building improvement	14.80	0.94	-	(0.02)	0.02	**15.74**	2.20	1.99	-	(0.02)	**4.17**	**11.57**	12.60
Buildings	100.87	19.20	15.67	(2.60)	(0.45)	**132.69**	12.74	5.15	(0.14)	(0.27)	**17.48**	**115.21**	88.13
Research and development equipments	9.59	3.44	-	(1.20)	(0.01)	**11.82**	2.46	1.30	-	(0.04)	**3.72**	**8.10**	7.13
Factory building and sheds	21.56	4.00	-	(0.06)	(0.01)	**25.49**	3.53	1.08	(0.04)	(0.04)	**4.53**	**20.96**	18.03
Office equipment	3.06	0.51	-	(0.02)	(0.01)	**3.54**	1.14	0.65	(0.03)	(0.04)	**1.72**	**1.82**	1.92
Furniture and fixtures	10.63	0.39	-	(0.23)	(0.35)	**10.44**	4.08	0.85	(0.04)	(0.35)	**4.54**	**5.90**	6.55
Electrical equipment and installations	6.00	4.94	-	-	-	**10.94**	2.35	0.77	-	-	**3.12**	**7.82**	3.65
Plant and machinery	147.77	67.46	8.91	(1.05)	(5.14)	**217.95**	45.60	8.83	(0.73)	(0.41)	**53.29**	**164.66**	102.17
Motor cars and vehicles	0.95	0.53	-	(0.14)	(0.01)	**1.33**	0.25	0.11	(0.14)	0.02	**0.24**	**1.09**	0.70
Computer and printers	4.11	-	-	(0.01)	(0.29)	**3.81**	2.36	0.77	(0.01)	(0.29)	**2.83**	**0.98**	1.73
Assets under lease:													
Motor cars	1.13	-	-	-	-	**1.13**	0.76	0.07	-	-	**0.83**	**0.30**	0.37
Office equipments	0.34	-	-	-	-	**0.34**	0.34	-	-	-	**0.34**	**0.00**	-
	352.21	101.41	24.58	(5.33)	(6.63)	**466.24**	77.81	21.58	(1.13)	(1.44)	**96.82**	**369.42**	274.38
Capital work in Progress												**15.42**	35.57

*Amount in less than ₹ 0.01 crores

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4 Property, plant and equipment and capital work-in-progress (Previous Year)

Block of asset	Gross Block						Accumulated Depreciation					Net Block	
	As at April 1, 2017	Additions	Additions on subsidiary/ business acquisition	Disposals during the year	Translation difference	As at March 31, 2018	As at April 1, 2017	Charge for the year	Disposals during the year	Translation difference	As at March 31, 2018 Restated	As at March 31, 2018 Restated	As at March 31, 2017
Land	29.12	-	-	-	2.20	31.32	-	-	-	-	-	31.32	29.12
Leasehold land	0.08	-	-	-	-	0.08	*0.00	*0.00	-	-	*0.00	0.08	0.08
Leasehold building improvement	5.38	9.81	-	(0.39)	-	14.80	1.33	1.07	(0.19)	(0.01)	2.20	12.60	4.05
Buildings	82.53	16.09	-	-	2.25	100.87	8.67	2.71	-	1.36	12.74	88.13	73.86
Research and development equipments	5.40	4.13	-	-	0.06	9.59	1.57	0.79	-	0.10	2.46	7.13	3.83
Factory building and sheds	19.88	1.64	-	-	0.04	21.56	2.55	0.92	-	0.06	3.53	18.03	17.33
Office equipment	1.63	1.33	-	(0.01)	0.11	3.06	0.59	0.45	(0.02)	0.12	1.14	1.92	1.04
Furniture and fixtures	6.56	2.89	-	(0.16)	1.34	10.63	2.05	0.72	(0.02)	1.33	4.08	6.55	4.51
Electrical equipment and installations	5.16	0.84	-	-	-	6.00	1.79	0.56	-	-	2.35	3.65	3.37
Plant and machinery	114.46	9.19	-	(0.86)	24.98	147.77	20.97	7.00	(0.77)	18.40	45.60	102.17	93.49
Motor cars and vehicles	0.87	0.27	-	(0.25)	0.06	0.95	0.25	0.13	(0.10)	(0.03)	0.25	0.70	0.62
Computer and printers	2.00	0.96	-	-	1.15	4.11	0.73	0.54	-	1.09	2.36	1.73	1.27
Assets under lease:			-										
Motor cars	1.13	-	-	-	-	1.13	0.59	0.17	-	-	0.76	0.37	0.54
Office equipments	0.34	-	-	-	-	0.34	0.34	-	-	-	0.34	-	*0.00
	274.54	47.15	-	(1.67)	32.19	352.21	41.43	15.06	(1.10)	22.42	77.81	274.38	233.11
Capital work in Progress												35.57	2.44

Amount in less than ₹ 0.01 crores

Notes for the years ended March 31, 2019 and March 31, 2018:

(a) The Group has acquired office equipments and motor cars under a number of finance lease agreements. The assets acquired under lease secures related lease obligations. (Refer note 19 for details on charge created.)

(b) Factory Land and Buildings and Plant and machinery ₹ 77.89 crores of certain subsidiaries have been pledged against the long term borrowings. (Refer note 19 for details on charge created).

(c) Capital work in progress as at March 31, 2019 includes the borrowing cost capitalised during the year ₹ 2.17 crores by a subsidiary, with the capitalisation rate of 8.8% and for March 31, 2018 borrowing cost capitalised was ₹0.53 crores by a subsidiary, with the capitalisation rate of 7.7%.

(d) The Group and its joint ventures have not capitalised any foreign exchange differences during the current and previous year.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

5 Investment property

Block of asset	Gross Block				Accumulated Depreciation			Net Block	
	As at April 1, 2018 (Restated)	Additions during the year	Disposals during the year	As at March 31, 2019	As at April 1, 2018 (Restated)	Charge for the year	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018 (Restated)
Buildings	14.72	-	-	14.72	0.42	0.47	0.89	13.83	14.30
	14.72	-	-	14.72	0.42	0.47	0.89	13.83	14.30

Investment property *(previous year)*

Block of asset	Gross Block				Accumulated Depreciation			Net Block	
	As at April 1, 2017	Additions during the year	Disposals during the year	As at March 31, 2018 (Restated)	As at April 1, 2017	Charge for the year	As at March 31, 2018 (Restated)	As at March 31, 2018 (Restated)	As at March 31, 2017
Buildings	-	14.72	-	14.72	-	0.42	0.42	14.30	-
	-	14.72	-	14.72	-	0.42	0.42	14.30	-

Notes:

1. Buildings are classified as Investment property by the Group in accordance with IND AS-40 "Investment Property".
2. Fair value of Investment Property is ₹ 19.50 crores (31 March, 2018 18.90 crores).

Fair Value

The fair value of investment property has been determined by external independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The fair value measurement for all of the investment property has been categoried as a level 3 fair value based on the inputs to the valuation techniques used.

Description of Valuation

The Group obtains Independent Valuations of its investment property as at the year end. The fair value of the investment property has been derived using the Direct Comparison Method.The direct comparison approach involves a comparison of the investment property to similar properties that have actually been sold in arms-length distance from investment property or are offered for sale in the same region. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market, and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This approach leads to a reasonable estimation of the prevailing price. Given that the comparable instances are located in close proximity to the investment property; these instances have been assessed for their locational comparative advantages and disadvantages while arriving at the indicative price assessment for investment property.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

6 Goodwill and Other Intangible Assets

Block of asset	Gross Block							Accumulated Depreciation					Net Block	
	As at April 1, 2018 (Restated)	Additions during the year	Additions Internally generated	Additions on subsidiary/ business acquisition	Disposal during the year	Translation difference	As at March 31, 2019	As at April 1, 2018 (Restated)	Charge for the year	Disposal during the year	Translation difference	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018 (Restated)
A. Goodwill														
Goodwill on Consolidation	22.19	4.47	-	-	-	(0.27)	**26.39**	-	-	-	-	**-**	**26.39**	22.19
Goodwill (Acquired seperately)	13.45	-	-	-	-	-	**13.45**	-	-	-	-	**-**	**13.45**	13.45
	35.64	4.47	-	-	-	(0.27)	**39.84**	-	-	-	-	**-**	**39.84**	35.64
B. Others														
Land Rights	-	-	-	6.27	-	-	**6.27**	-	-	-	-	**-**	**6.27**	-
Formulations	25.57	0.37	2.84	-	-	0.03	**28.81**	7.98	5.25	-	-	**13.23**	**15.58**	17.59
Brand	2.00	-	-	-	-	-	**2.00**	0.50	0.40	-	-	**0.90**	**1.10**	1.50
Licenses	-	10.41	-	-	-	-	**10.41**	-	0.36	-	-	**0.36**	**10.05**	-
Customer relationship	2.77	-	-	-	-	-	**2.77**	1.10	0.55	-	-	**1.65**	**1.12**	1.66
Computer software	12.60	1.00	-	-	-	(0.52)	**13.08**	6.77	2.29	-	-	**9.06**	**4.02**	5.83
Non-compete fees	1.26	-	-	-	-	-	**1.26**	0.29	0.25	-	-	**0.54**	**0.72**	0.97
	44.20	11.78	2.84	6.27	-	(0.49)	**64.60**	16.64	9.10	-	-	**25.74**	**38.86**	27.55
	79.84	16.25	2.84	6.27	-	(0.76)	**104.44**	16.64	9.10	-	-	**25.74**	**78.70**	63.19

Other intangible assets (previous year)

Block of asset	Gross Block							Accumulated Depreciation					Net Block	
	As at April 1, 2017	Additions during the year	Additions Internally generated	Additions on subsidiary/ business acquisition	Disposal during the year	Translation difference	As at March 31, 2018 (Restated)	As at April 1, 2017	Charge for the year	Disposal during the year	Translation difference	As at March 31, 2018 (Restated)	As at March 31, 2018 (Restated)	As at March 31, 2017
A. Goodwill														
Goodwill on Consolidation	20.64	-	-	-	-	1.55	22.19	-	-	-	-	-	22.19	20.64
Goodwill (Acquired seperately)	13.45	-	-	-	-	-	13.45	-	-	-	-	-	13.45	13.45
	34.09	-	-	-	-	1.55	35.64	-	-	-	-	-	35.64	34.09
B. Others														
Formulations	21.33	3.28	0.96	-	-	-	25.57	3.43	4.55	-	-	7.98	17.59	17.90
Brand	2.00	-	-	-	-	-	2.00	0.10	0.40	-	-	0.50	1.50	1.90
Customer relationship	2.77	-	-	-	-	-	2.77	0.55	0.55	-	-	1.10	1.66	2.21
Computer software	10.04	2.56	-	-	-	(0.20)	12.60	3.97	2.62	-	0.18	6.77	5.83	6.07
Non-compete fees	1.10	0.16	-	-	-	-	1.26	0.05	0.24	-	-	0.29	0.97	1.05
	37.24	6.00	0.96	-	-	(0.20)	44.20	8.10	8.36	-	0.18	16.64	27.55	29.13
	71.33	6.00	0.96	-	-	1.35	79.84	8.10	8.36	-	0.18	16.64	63.19	63.22

Note :

The Group has not capitalised any borrowing cost and foreign exchange differences during the current and previous year.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

7 Equity Accounted Investee

	Number of shares / units		Amount	
	March 31, 2019	March 31, 2018 (Restated)	March 31, 2019	March 31, 2018 (Restated)
Investment in Joint venture (unquoted)				
Creative Flavours & Fragrances SpA (face value Euro 1 per share) (refer note 49 iv.)	**10,20,000**	10,20,000	**94.91**	94.63
Purandar Fine Chemicals Pvt.Ltd. (face value ₹ 10 per share) (refer note. 49 iii)	**5,000**	-	**0.93**	-
Total (A) + (B)			**95.84**	94.63

8 Non-current investments

	Number of shares		Amount	
	March 31, 2019	March 31, 2018 (Restated)	March 31, 2019	March 31, 2018 (Restated)
Quoted equity shares at FVTPL				
Hico Products Ltd. (face value ₹ 10 per share)*	**19,250**	19,250	**-**	-
Reliance Industries Limited (face value of ₹ 10 per share)	**16**	16	***0.00**	*0.00
			***0.00**	*0.00
The aggregate book value and market value of quoted non-current investments are as follows:				
Aggregate book value of quoted investments			***0.00**	*0.00
Aggregate market value of quoted investments			***0.00**	*0.00
Aggregate value of unquoted investments			**-**	-
Aggregate amount of impairment in the investments			**-**	-

*Amount less than ₹ 0.01 crore

**The shares have been suspended from trading and the entity is under liquidation. The Investment has been written off in the books of the Holding Company and the market value is considered Nil.

9 Loans *(unsecured)*

	Non-Current		Current	
	March 31, 2019	March 31, 2018 (Restated)	March 31, 2019	March 31, 2018 (Restated)
To other than related parties				
Security deposits				
- considered good	**2.70**	2.25	**2.97**	1.94
- considered doubtful	**0.18**	0.18	**-**	-
	2.88	2.43	**2.97**	1.94
Loss Allowance for bad and doubtful loans	**(0.18)**	(0.18)	**-**	-
	2.70	2.25	**2.97**	1.94
Loans to employees	**-**	-	**3.19**	2.15
	2.70	2.25	**6.16**	4.09

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

10 Other financial assets *(unsecured, considered good)*

	Non-Current		Current	
	March 31, 2019	March 31, 2018 (Restated)	March 31, 2019	March 31, 2018 (Restated)
To other than related parties				
Term deposits with banks with remaining maturity more than 12 months**	1.34	1.37	-	-
Interest receivable from Income tax	-	-	1.47	-
Interest accrued and due on fixed deposits	-	-	0.02	0.07
Derivatives assets - Foreign currency forward exchange contracts	-	-	0.45	-
Other receivables (advance rent fair value adjustment)	0.05	-	0.21	0.13
To related parties				
Other receivables (expense cross charge)*	-	-	0.09	-
	1.39	1.37	2.24	0.20

**Bank deposits of ₹ 1.34 crores (March 31, 2017 : ₹ 1.37 crores) are lien with bank for tax matters.

* Details of other receivables from companies/ body corporates in which a director of the Company is a director or firms in which a director of company is a partner

	March 31, 2019	March 31, 2018 (Restated)
Keva Constructions Private Limited	0.09	-
	0.09	-

11 Other assets *(unsecured, considered good)*

	Non-Current		Current	
	March 31, 2019	March 31, 2018 (Restated)	March 31, 2019	March 31, 2018 (Restated)
To other than related parties				
Capital advances	2.51	5.43	-	-
Prepaid expenses	0.03	0.23	7.75	4.88
Balances with government authorities	16.65	31.17	37.78	27.80
VAT/Sales tax refund receivable	2.58	4.36	1.71	1.55
Others (inventory receivable on returns, rent receivable)	-	-	10.41	1.98
Advance to suppliers	-	-	3.36	8.00
To related parties				
Advance to suppliers**	-	-	0.07	-
	21.77	41.19	61.08	44.21

** Details of Advance to suppliers from companies/ body corporates in which a director of the Company is a director or firms in which a director of company is a partner

	March 31, 2019	March 31, 2018 (Restated)
Keva Constructions Private Limited	0.07	-
	0.07	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

12 Inventories

	March 31, 2019	March 31, 2018 (Restated)
Raw materials	234.19	236.98
Raw materials in transit	4.33	8.13
Packing materials	7.70	6.72
Work-in-process	76.48	57.09
Finished goods	49.07	37.91
Stock-in-trade	2.17	1.12
	373.94	347.95

Inventories which comprise raw materials, packing materials, work-in-progress, finished goods and stock-in-trade are carried at the lower of cost and net realisable value. (see detailed accounting policy note no: 3.6)

The write-down of inventories to net realisable value during the year amounted to ₹ 2.77 crores (March 31, 2018: ₹ 4.55 crores) The write down of inventories are included in cost of materials consumed or changes in inventories of finished goods and work-in-progress in the consolidated statement of profit or loss.

Borrowings are secured by way of hypothecation of Inventories both in hand and transit (refer note 22).

13 Current investments

	Number of units		Amount	
	March 31, 2019	March 31, 2018 (Restated)	March 31, 2019	March 31, 2018 (Restated)
Unquoted mutual funds				
Mutual funds at FVTPL				
Kotak Floater Short Term-Direct-Growth	-	5,446	-	1.55
DHFL Pramerica Insta Cash Fund	62,829	-	1.53	-
			1.53	1.55
Aggregate book value of unquoted investments			1.53	1.55
Aggregate amount of impairment in value of investments			-	-

Information about the Group's exposure to credit and market risks, and fair value measurement, is included in Note 45.

14 Trade receivables *(unsecured)*

	March 31, 2019	March 31, 2018 (Restated)
- Considered good**	284.45	276.63
- Significant increase in credit risk	-	-
- Credit impaired	7.02	7.17
Loss allowance*	(7.02)	(7.17)
Net trade receivables	284.45	276.63

*The loss allowance on trade receivables has been computed on the basis of Ind AS 109, Financial Instruments, which requires such allowance to be made even for trade receivables considered good on the basis that credit risk exists even though it may be very low.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

The Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 45.

Borrowings are secured by way of hypothecation of book debts and other receivables (refer note 22).

** Trade receivables (unsecured, considered good) as at March 31, 2019 include ₹ 0.24 crores (March 31, 2018: ₹ 0.04 crores) due from firms, body corporates or private companies in which a director is a partner or a director or member.

	March 31, 2019	March 31, 2018 (Restated)
Purandar Fine Chemicals Pvt.Ltd.	**0.04**	0.04
KNP Industries Pte Ltd.	**0.20**	-
	0.24	0.04

15 Cash and cash equivalents

	March 31, 2019	March 31, 2018 (Restated)
Balance with banks in:		
- current accounts	**12.39**	11.45
- exchange earners foreign currency account	**22.20**	5.64
- deposits accounts (with original maturity of 3 months or less)	**-**	-
Cash on hand	**2.86**	0.31
Cash and cash equivalents in the balance sheet	**37.45**	17.40
Bank overdrafts used for cash management purposes	**(37.97)**	(6.25)
Cash and cash equivalents in the statement of cash flows	**(0.52)**	11.15

16 Other bank balances

	March 31, 2019	March 31, 2018 (Restated)
Bank deposits due to mature within 12 months of the reporting date**	**3.26**	3.22
Current account of Holding Company's employee benefit trust (refer note 54)	**0.17**	3.23
Unclaimed dividend accounts	**0.01**	*0.00
	3.44	6.45

**Bank deposits of ₹ 1.74 crores (March 31, 2018 : ₹ 0.35 crores) are pledged with bank for guarantees issued.

*Amount in less than ₹ 0.01 crores

17 Share capital

	Number of shares		Amount	
	March 31, 2019	March 31, 2018 (Restated)	March 31, 2019	March 31, 2018 (Restated)
Authorised				
Equity shares of ₹ 10 each	**154,064,500**	154,064,500	**154.06**	154.06
Preference shares of ₹ 10 each	**11,935,500**	11,935,500	**11.94**	11.94
			166.00	166.00
Issued, subscribed and paid up				
Equity shares of ₹ 10 each, fully paid-up	**144,620,801**	144,620,801	**144.62**	144.62
			144.62	144.62

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

a Reconciliation of number of shares outstanding at the beginning and end of the year :

	Number of shares		Amount	
	March 31, 2019	March 31, 2018 (Restated)	March 31, 2019	March 31, 2018 (Restated)
i) Equity share of ₹ 10 (Previous year ₹ 10) each fully paid-up				
Outstanding at the beginning of the year	**144,620,801**	144,620,801	**144.62**	144.62
Shares issued during the year	**-**	-	**-**	-
Outstanding at the end of the year	**144,620,801**	144,620,801	**144.62**	144.62

b Terms / Rights attached to each classes of shares

Terms / Rights attached to Equity shares

The Holding Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Holding Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Holding Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Holding Company, the holders of equity shares will be entitled to receive the residual assets of the Holding Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

c Shareholders holding more than 5% shares in the Company is set out below:

	March 31, 2019		March 31, 2018	
	Number of Shares	%	Number of Shares	%
Equity shares of ₹ 10 (Previous year ₹ 10) each, fully paid-up				
Blackstone Capital Partners (Singapore) VI FDI Two Pte. Ltd.	**14,439,269**	**9.98%**	14,439,269	9.98%
Ramesh V. Vaze	**25,965,600**	**17.95%**	25,965,600	17.95%
KNP Industries Pte. Ltd.	**15,324,000**	**10.60%**	17,124,000	11.84%
Kedar R.Vaze	**13,325,000**	**9.21%**	14,722,309	10.18%
Stichting Depositary Apg Emerging Markets Equity Pool	**8,310,359**	**5.75%**	-	0.00%
Keva Constructions Private Limited	**7,615,000**	**5.27%**	8,963,757	6.20%

d Shares issued for a consideration other than cash

(i) On September 18, 2014, the Holding Company has allotted 119,043,900 bonus equity shares of ₹ 10 each to the existing equity shareholders of the Company in ratio of 9 bonus equity shares for every 1 equity share held.

(ii) 0.10% Redeemable Preference Shares (RPS): Pursuant to the scheme of the Amalgamation & Arrangement between Kelkar Investment Company Private Limited (KICPL) and S H Kelkar and Company Limited and Keva Aromatics Private Limited and Keva Constructions Private Limited and their respective shareholders and creditors under Section 391 to 394 read with Sections 78, 80 & 100 to 103 of the Companies Act ,1956 vide order dated December 10, 2013 issued by the Hon'ble High court of judicature of Bombay, S H Kelkar and Company Limited has issued and alloted 100 fully paid up 0.10% Redemable Preference shares (RPS) of ₹ 10 each at par on March 28, 2014, on proportionate basis, to the shareholders of KICPL (other than S H Kelkar and Company Limited) whose names appeared in the Register of Members of KICPL as on effective date of merger viz February 12, 2014.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

(iii) On October 17, 2014, the Holding Company has allotted 8,275,500 bonus preference shares of ₹ 10 each to the existing preference shareholders of the Company in ratio of 9 bonus preference shares for every 1 peference share held.

e There are no shares reserved for issue under options as of March 31, 2019 (Nil as of March 31, 2018)

18 Other equity

Other reserves	Note	March 31, 2019	March 31, 2018 (Restated)
Capital reserve	i	**17.07**	17.07
Capital redemption reserve	ii	***0.00**	*0.00
Securities premium account	iii	**213.80**	213.80
Other reserves	iv	**8.77**	8.77
General reserve	v	**111.16**	111.16
Foreign currency translation reserve	vi	**17.15**	23.15
Treasury Shares	vii	**(74.95)**	(29.80)
STARs reserves	viii	**0.23**	-
		293.23	344.15

A. Notes:

	March 31, 2019	March 31, 2018 (Restated)
i. Capital reserve		
Opening balance	**17.07**	17.07
Addition during the year	**-**	-
Closing balance	**17.07**	**17.07**
ii. Capital redemption reserve		
Opening balance	***0.00**	*0.00
Addition during the year	**-**	-
Closing balance	***0.00**	***0.00**
iii. Securities premium account		
Opening balance	**213.80**	213.80
Addition during the year	**-**	-
Closing balance	**213.80**	**213.80**
iv. Other reserves		
Opening balance	**8.77**	8.77
Change during the year	**-**	-
Closing balance	**8.77**	**8.77**
v. General reserve		
Opening balance	**111.16**	111.16
Addition during the year	**-**	-
Closing balance	**111.16**	**111.16**
vi. Foreign currency translation reserve		
Opening balance	**23.15**	11.61
Add: change during the year	**(6.00)**	11.54
Closing balance	**17.15**	**23.15**
vii. Treasury shares		
Opening balance	**(29.80)**	-
Add : Purchase of treasury shares 23,47,260 shares (previous year 10,26,403 shares) by the S H Kelkar Employee Benefit Trust (EBT) during the year	**(45.15)**	(29.80)
Closing balance	**(74.95)**	**(29.80)**
viii. STARs reserve		
Opening Balance	**-**	-
Add: income of the S H Kelkar Employee Benefit Trust (EBT) for the year	**0.23**	-
Closing Balance	**0.23**	**-**

* Amount less than ₹ 0.01 crore

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

B. Nature and purpose of reserves

i. Capital reserve

Capital reserve is mainly arising on account of conversion of a subsidiary to associate.

ii. Capital redemption reserve

Capital redemption reserve is created by transferring funds from free reserves in accordance with the provisions of the Companies Act, 2013 (the 'Act') and its utilisation is also governed by the Act.

iii. Securities premium account

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Act.

iv. Other reserves

The Group had received a private equity investment in the form of equity shares and preference shares. Such amounts received were classified as financial liability with reference to the terms and conditions attached with such investment. On completion of the initial public offering, the private equity investor's rights were contractually extinguished and consequently, the liability was derecognised on such date, with corresponding credit to equity share capital and other relevant components of equity (including related gain on extinguishment).

v. General reserve

General Reserve is a free reserve which is created by transferring funds from retained earnings to meet future obligations or purposes.

vi. Foreign currency translation reserve

Foreign currency translation reserve comprises of all exchange differences arising from translation of financial statements of foreign operations.

vii. Treasury shares and STARs reserves

The Holding company has formed S H Kelkar Employee Benefit Trust (EBT) for implementation of the shcemes that are notified or may be notified from time to time by the Holding Company under the plan providing share based payments to its employees. EBT purchases shares of the Holding Company out of funds borrowed from the Holding company.The Holding Company treats EBT as its extension and shares held by EBT are treated as treasury shares. Further profit/loss on sale of treasury shares and dividend earned on the same by the trust is recognised in STARs reserves.

Dividends

The following dividends were declared and paid by the Group and its joint ventures during the years ended:

	March 31, 2019	March 31, 2018 (Restated)
Final equity dividend of 2017-2018 paid at ₹ 1.75 (2016-17 at ₹ 1.75) per equity share	**25.32**	25.31
Dividend distribution tax on the equity dividend paid above	**5.23**	5.16
	30.55	30.47

After the reporting dates the following dividend was proposed by the directors subject to the approval at the annual general meeting. These dividend and tax thereon have not been recognised as liabilities in the year which they pertain to and will be recorded in the year in whcih they would be approved by the shareholders in Annual General Meeting. Dividends would attract dividend distribution tax when declared or paid.

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(Currency : Indian Rupees in crores)

	March 31, 2019	March 31, 2018 (Restated)
Dividend proposed to equity shareholders at ₹ Nil per equity share (March 31, 2018: ₹ 1.75 per equity share)	-	25.32
Dividend distribution tax on the equity dividend proposed	-	5.43
	-	30.55

19 Non-current Borrowings

	March 31, 2019	March 31, 2018 (Restated)
Secured		
Term loans from bank (refer note 'a' below)	**46.88**	20.00
Finance lease obligations (refer note 'c' below)	**2.09**	3.11
Unsecured		
Term loans from bank (refer note 'b' below)	**21.00**	25.09
	69.97	48.20

Terms of repayment and security

a) Term Loan from banks includes loan from a bank taken by a subsidiary company in INR Currency (₹). It is a long-term loan availed for an amount of ₹ 500,000,000. This loan is repayable in 16 quarterly installments after moratorium period of 12 months i.e. from March 12, 2019. The loan is secured by way of Pari-Passu charge on Moveable fixed assets and Corporate Guarantee from Holding Company. Applicable Interest Rate is mutually agreed rate, that will be fixed with reference to then prevaling Bank MIBOR (6.72% to 7.61%) of appropriate Tenor.

b) Term Loan from banks includes loan from a bank taken by a subsidiary company in INR Currency. It is a long-term loan availed for an amount of ₹ 280,000,000. This loan is repayable in 16 equal quarterly installments after moratorium of 12 months for each Tranche i.e. from June 20, 2019. The loan is backed by way of Corporate Guarantee from holding company. Applicable Interest Rate is MCLR plus applicable Margin. Applicable Margin will be mutually agreed between bank and borrower. Current Rate of Interest is 7.69% p.a. The current maturity of this long term loan ₹ 7 Crores have been disclosed under note 24.

c) Finance lease obligation are towards certain vehicles, office equipments and plant and machinery obtained on finance lease basis. The legal title to these items vests with their lessors until all lease payments have been paid. The lease term for such vehicles ranges between 36-96 months with equated monthly payments beginning from the month subsequent to the commencement of the lease. The total future minimum lease payments at the balance sheet date, element of interest included in such payments, and present value of these minimum lease payments are as follows:

The maturity profile of finance lease obligation is as follows:

Period	**Future minimum lease payments**	
	March 31, 2019	March 31, 2018 (Restated)
Payable within 1 year	**0.16**	0.16
Payable between 1-5 years	**2.35**	3.44
Payable later than 5 years	-	-
	2.51	3.60

(Currency : Indian Rupees in crores)

Period	**Present value of minimum lease payments**	
	March 31, 2019	March 31, 2018 (Restated)
Payable within 1 year	**0.14**	0.13
Payable between 1-5 years	**2.09**	3.11
Payable later than 5 years	-	-
	2.23	3.24

Period	**Interest element of MLP**	
	March 31, 2019	March 31, 2018 (Restated)
Payable within 1 year	**0.02**	0.03
Payable between 1-5 years	**0.26**	0.33
Payable later than 5 years	-	-
	0.28	0.36

Finance lease obligations are secured against the respective assets taken on lease.

20 Other non-current financial liabilities

	March 31, 2019	March 31, 2018 (Restated)
Security deposits	**1.98**	1.29
	1.98	1.29

21 Provisions

	Non-current		Current	
	March 31, 2019	March 31, 2018 (Restated)	March 31, 2019	March 31, 2018 (Restated)
Provision for employee benefits				
Gratuity (refer note 43)	**0.60**	0.36	**1.07**	1.22
Compensated absences (refer note 43)	**0.27**	0.26	**9.01**	11.19
	0.87	0.62	**10.08**	12.41

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22 Current Borrowings

	March 31, 2019	March 31, 2018 (Restated)
Secured		
Working capital loans (refer note 'a' & 'b')	**153.18**	73.57
Bank over draft (refer note 'c')	**37.97**	6.25
Unsecured		
Working capital loan (refer note 'd' & 'e')	**53.85**	32.25
Packing credit from bank (refer note 'f')	**19.00**	4.00
	264.00	116.07

a) Working capital loans from banks by the holding company and an Indian Subsidiary of ₹ 94 crores (previous year: ₹ 30 crores) carry interest ranging between 7.65% p.a. to 8.60% (previous year :7.7% p.a. to 7.95% p.a.) also outstanding of an overseas subsidiary ₹ 59.18 crores as on 31 March 2019 (previous year: ₹ 23.3 crores) carry interest ranging @ Libor (2.30% to 2.58%) + 90 to 150 basis points, computed on a monthly basis on the actual amount utilised, and are repayable on demand. Working capital loans from banks are secured by way of hypothecation of inventories both on hand and in transit and book debts and other receivables both present and future.

b) Debt with a bank taken by a foreign subsidiary company sanctioned credit facility of EUR 2.6 Mio and utilisation Nil as on March 31, 2019 (March 31, 2018 : EUR 2,622,048.24 equivalent to ₹ 20.27 Crores) equivalent to ₹ 20.27 Crores (March 31, 2018 : ₹20.27 crores) to finance working capital. The interest rate for this is the 1-month Euribor average (-0.38% to -0.37%) and repayable on demand. The loan is secured by (i) A mortgage for land and buildings on Nijverheidsweg 60, Barneveld, The Netherlands for EURO 3,500,000.(ii) Plegde on debtors, inventories and equipment.

c) Bank overdraft from banks by the holding company of ₹ 3.13 crores carry interest ranging @9.55% and outstanding of an overseas subsidiary ₹ 34.84 crores as on 31 March 2019 (previous year: ₹ 6.25 crores) carry interest ranging @ Libor (2.30% to 2.58%) + 90 to 150 points, computed on a monthly basis on the actual amount utilised, and are repayable on demand. Working capital loans from banks are secured by way of hypothecation of inventories both on hand and in transit and book debts and other receivables both present and future.

d) Working Capital Loans/ Packing Credit Loans from bank by an Indian Subsidiary of ₹ 15 crores as at 31 March 2019 carries interest at 7% to 7.50% computed on a monthly basis on the actual amount utilised, and are repayable on demand. All the loans are backed by way of Corporate Guarantee from Holding Company.

e) Debt with banks taken by a foreign subsidiary company is a credit facility of total EUR 5,000,000.00 (March 31, 2018 : EUR 4,000,000) equivalent to ₹ 38.85 crores (March 31, 2018 : ₹ 32.25 crores) to finance working capital. The interest rate for this is the 1-month Euribor (-0.38% to -0.37%) plus 1.5%. The loan is backed by way of Corporate Guarantee from holding company.

f) Packing credit loans from bank by an Indian Subsidiary of ₹ 19 crores (previous year : ₹ 4 crores) as at March 31, 2019 carries interest at 4.70% to 6.30% under Interest Subvention Scheme computed on a monthly basis on the actual amount utilised, and are repayable on demand. All the loans are backed by way of Corporate Guarantee from Holding Company.

23 Trade payables

	March 31, 2019	March 31, 2018 (Restated)
Dues to Micro and small enterprises (refer note 39)	**7.18**	8.91
Due to others	**127.13**	146.71
	134.31	155.62

The Group's exposure to currency and liquidity risks related to trade payables is discloses in Note 45.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

24 Other current financial liabilities

	March 31, 2019	March 31, 2018 (Restated)
Current maturities of long-term debt (refer note 19)	**7.48**	8.10
Current maturities of finance lease obligations (refer note 19)	**0.14**	0.13
Interest accrued and due under MSMED Act, 2006 (refer note 39)	**0.64**	0.39
Security deposit	**0.40**	0.53
Derivative liability- foreign currency forward exchange contract	**-**	0.02
Employee benefits payable	**16.16**	15.92
Unclaimed dividend account	**0.01**	*0.00
Other payables		
For capital goods	**1.25**	2.08
For acquisition of business	**0.78**	0.76
For expenses	**0.23**	1.06
	27.09	28.99

*Amount in less than ₹ 0.01 crores

25 Other current liabilities

	March 31, 2019	March 31, 2018 (Restated)
Advances received from customers	**3.18**	4.40
Other payables		
- For statutory dues*	**10.46**	20.89
	13.64	25.29

* Statutory dues includes dues in respect to GST, tax deducted at source, service tax, VAT/ CST tax, provident fund, ESIC, professional tax, work contract tax and other material statutory dues. And there are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

26 Revenue from operations

	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
Sale of products (including excise duty)		
Gross sales	**1,046.12**	1,042.20*
Less: Discounts	**4.97**	5.00
Net sales	**1,041.15**	1,037.20
Other operating revenue		
Sale of scrap	**2.45**	1.75
	2.45	1.75
Total revenue from operations	**1,043.60**	1,038.95

(*including excise duty of ₹ 17.93 Crores)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

27 Other income

	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
Interest income under effective interest method on:		
Deposits with banks	**0.15**	0.41
Others	**0.20**	0.50
Interest received on income tax refund	**1.50**	0.25
Reversal of provision on doubtful debts	**1.07**	4.21
Net gain arising on financial assets measured at FVTPL	**-**	0.03
Rental income (refer note 37)	**1.24**	1.67
Provision / liabilities no longer required, written back	**10.67**	7.83
Miscellaneous income	**3.10**	1.16
Net foreign exchange gain	**4.32**	2.96
Net gain on sale of investment	**0.27**	2.02
Gain on sale of property, plant and equipement	**0.39**	0.03
Sales tax Refund	**-**	0.54
Gain on derivative contracts	**0.45**	-
Export Incentives	**4.52**	4.09
Total other income	**27.88**	25.70

28 Cost of materials consumed

	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
Opening stock		
- Raw materials	**245.11**	239.21
- Packing materials	**6.72**	4.71
Add: Purchases		
- Raw materials	**583.31**	514.56
- Packing materials	**20.43**	20.54
Less: Closing Stock		
- Raw materials	**238.52**	245.11
- Packing materials	**7.70**	6.72
Materials consumed		
- Raw materials	**589.90**	508.66
- Packing materials	**19.45**	18.53
Total cost of materials consumed	**609.35**	527.19

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for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

29 Changes in inventories of finished goods and work in progress

	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
Opening Stock:		
Finished goods	**37.91**	53.46
Stock-in-trade	**1.12**	0.27
Work-in-progress	**57.09**	52.51
Closing Stock:		
Finished goods	**49.07**	37.91
Stock-in-trade	**2.17**	1.12
Work-in-progress	**76.48**	57.09
Changes in inventories:		
Finished goods	**(11.16)**	15.55
Stock-in-trade	**(1.05)**	(0.85)
Work-in-progress	**(19.38)**	(4.58)
Changes in inventories of finished goods, stock-in-trade and work-in-progress	**(31.59)**	10.12

30 Employee benefits expense

	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
Salaries, wages and bonus	**125.59**	101.86
Contribution to provident fund and other funds (refer note 43)	**13.86**	14.86
Compensated absences (refer note 43)	**0.08**	1.15
Staff welfare expense	**7.63**	19.55
	147.16	137.42
Less: Transferred to intangible assets under development	**(19.07)**	(12.23)
Employee benefits expense	**128.09**	125.19

31 Finance costs

	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
Interest on term loans	**6.43**	3.26
Interest on working capital loans	**9.13**	0.99
Interest on dues to micro and small enterprises	**0.27**	0.08
Other finance costs	**0.29**	0.22
	16.12	4.55
Less: Interest capitalised to Capital work-in-progress	**(2.17)**	(0.58)
Finance costs	**13.95**	3.97

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

32 Depreciation and amortisation

	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
Depreciation of property, plant and equipment	**21.58**	15.06
Depreciation of investment properties	**0.47**	0.42
Amortisation of intangible assets	**9.10**	8.36
	31.15	23.84

33 Other expenses

	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
Commission and brokerage	**13.95**	14.65
Power and fuel	**23.06**	20.86
Selling and promotion expenses	**7.56**	5.70
Freight and forwarding	**15.68**	13.91
Legal and professional charges	**21.57**	21.16
Travelling and conveyance	**13.97**	12.42
Repairs and maintenance:		
- Buildings	**1.31**	1.53
- Plant and machinery	**1.36**	1.09
- Others	**7.65**	8.02
Security charges	**3.59**	3.59
Rent (refer note 37)	**19.88**	16.46
Rates and taxes	**3.65**	3.23
Bank charges	**1.60**	1.31
Insurance	**2.37**	1.97
Stationery and printing expenses	**1.42**	2.86
Training expenses	**0.90**	1.20
Pollution control expenses	**3.50**	1.96
Stores and spares consumed	**4.39**	6.03
Intangible asset under development written off	**23.24**	4.61
Corporate social responsibility expense	**2.20**	1.86
Provision for doubtful trade receivables	**0.92**	0.20
Bad debts written off	**2.73**	1.14
Payment to auditors	**1.11**	1.14
Postage and telephone expenses	**2.75**	2.61
Directors' sitting fees	**0.84**	0.69
Contract labour charges	**6.91**	3.96
Sales support service	**0.37**	0.31
Loss on sale of Fixed Assets	**2.35**	-
Miscellaneous expenses	**14.11**	24.91
Loss on derivative contracts	**-**	2.09
	204.94	181.46
Less: Transferred to intangible assets under development	**(12.27)**	(5.56)
Less: Transferred to property, plant and equipment	**-**	(1.12)
	192.67	174.78

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

34 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit attributable to equity shareholders of the Holding Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity shareholders of the Holding Company by the weighted average number of equity shares outstanding during the year, after considering adjustment for the effects of all dilutive potential equity shares.

		March 31, 2019	March 31, 2018 (Restated)
Consolidated Profit attributable to equity shareholders (basic and diluted)			
Consolidated profit for the year attributable to equity shareholders	(A)	**88.48**	93.88
Weighted average number of equity shares for basic and diluted earnings per share			
Number of equity shares at beginning of the year		**14,46,20,801**	14,46,20,801
Equity shares held in controlled trust		**(33,73,663)**	(10,26,403)
Number of equity shares outstanding at the end of the year		**14,12,47,138**	14,35,94,398
Weighted average number of equity shares for the year	(B)	**14,26,97,501**	14,44,88,135
Basic earnings per share of face value of ₹ 10 each	(A) / (B)	**6.20**	6.52
Diluted earnings per share of face value of ₹ 10 each	(A) / (B)	**6.20**	6.52

35 Tax expense

(a) Amounts recognised in Consolidated balance sheet

	March 31, 2019	March 31, 2018 (Restated)
Current tax assets (net of provision ₹ 60.04 crores (March 31, 2018 : ₹ 77.37 crores))	**28.00**	25.19
Current tax liabilities (net of advance tax ₹ 61.05 crores (March 31, 2018 : ₹ 47.85 crores))	**31.07**	26.00

Note: The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(b) Amounts recognised in Consolidated statement of profit and loss

	For the Year ended March 31, 2019	For the Year ended March 31, 2018 (Restated)
Current income tax		
Current year	**35.14**	51.27
Earlier years	**0.05**	(0.75)
Current tax expense	**35.19**	50.52
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	**(9.63)**	0.06
Related to earlier years	**2.60**	-
For MAT credit Entitlement	**(1.15)**	-
Deferred tax expense	**(8.18)**	0.06
Tax expense for the year	**27.01**	50.58

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

(c) Amounts recognised in other comprehensive income

	For the year ended March 31, 2019			For the year ended March 31, 2018 (Restated)		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(0.56)	0.23	(0.33)	0.11	(0.10)	0.01
Items that will be reclassified to profit or loss						
Exchange differences in translating the financial statements of a foreign operation	(6.15)	-	(6.15)	11.54	-	11.54
	(6.71)	0.23	(6.48)	11.65	(0.10)	11.55

(d) Reconciliation of effective tax rate

	For the Year ended March 31, 2019	For the Year ended March 31, 2018 (Restated)
Profit before tax	114.85	143.16
Tax using the Company's domestic tax rate (current year 34.94% and previous year 34.61%)	40.13	49.54
Change in tax rate of subsidiaries	-	(0.24)
Tax effect of:		
Differences in tax rates of subsidiaries	(0.09)	1.17
Non-deductible tax expenses	1.18	3.63
Deferred tax asset recognised on transfer of intangible assets	(8.56)	0.43
Incremental deduction allowed	(3.15)	(3.38)
Tax impact of earlier years	(2.65)	(0.75)
Others	0.15	0.17
	27.01	50.57

The Group's weighted average tax rates for the years ended March 31, 2019 and 2018 were 23.52% and 35.35%, respectively.

36 Deferred Tax

(a) Recognised deferred tax assets and liabilities

	Deferred tax assets		Deferred tax (liabilities)		Net deferred tax Assets	
	March 31, 2019	March 31, 2018 (Restated)	March 31, 2019	March 31, 2018 (Restated)	March 31, 2019	March 31, 2018 (Restated)
Property, plant and equipment	-	-	(11.08)	(15.91)	(11.08)	(15.91)
Trade receivables	1.36	1.71	-	-	1.36	1.71
Business loss	9.03	2.83	-	-	9.03	2.83
Provisions	6.78	7.24	-	-	6.78	7.24
MAT credit entitlement	1.50	0.35	-	-	1.50	0.35
Net deferred tax assets (liabilites)	18.67	12.13	(11.08)	(15.91)	7.59	(3.78)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

(b) Movement in deferred tax balances

	March 31, 2019						
	Net balance April 1, 2018 (Restated)	Recognised in profit or loss	Recognised in OCI	Translation Differences	Net deferred tax asset (liability)	Deferred tax asset	Deferred tax liability
Deferred tax asset							
Property, plant and equipment	(15.91)	1.87	-	2.96	(11.08)	-	(11.08)
Trade Receivables	1.71	(0.35)	-	-	1.36	1.36	-
Business Loss	2.83	6.20	-	-	9.03	9.03	-
Provisions	7.24	(0.69)	0.23	-	6.78	6.78	-
MAT Credit Entitlement	0.35	1.15	-	-	1.50	1.50	-
Tax assets (liabilities)	(3.78)	8.18	0.23	2.96	7.59	18.67	(11.08)

	March 31, 2018 (Restated)						
	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	Translation Differences	Net deferred tax asset (liability)	Deferred tax asset	Deferred tax liability
Deferred tax asset							
Property, plant and equipment	(13.51)	(2.02)	-	(0.38)	(15.91)	-	(15.91)
Trade receivables	3.66	(1.95)	-	-	1.71	1.71	-
Derivatives	(0.70)	0.70	-	-	-	-	-
Inventories	1.70	(1.70)	-	-	-	-	-
Loans and borrowings	(0.05)	0.05	-	-	-	-	-
Loans and advances	0.05	(0.05)	-	-	-	-	-
Business loss	1.23	1.60	-	-	2.83	2.83	-
Provisions	4.04	3.29	(0.10)	-	7.24	7.24	-
MAT credit entitlement	0.43	(0.08)	-	-	0.35	0.35	-
Investments	(0.09)	0.09	-	-	-	-	-
Tax assets (liabilities)	(3.24)	(0.06)	(0.10)	(0.38)	(3.78)	12.13	(15.91)

(c) The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Given that the Group does not have any intention to dispose investments in subsidiaries in foreseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised.

(d) Unrecognised deferred tax assets/ liabilities

As at March 31, 2019, undistributed earning of subsidiaries amounted to ₹ 122.24 crores (previous year 2018: ₹ 122.50 crores). The corresponding deferred tax liability of ₹ 21.75 crores (previous year 2016: ₹ 21.22 crores) was not recognised because the Company controls the dividend policy of its subsidiaries i.e. the Holding Company controls the timing of reversal of the related taxable temporary differences and management is satisfied that they will not reverse in the foreseeable future.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

The deferred tax asset arising on account of merger of two wholly-owned subsidiaries, the merged entity being Keva Fragrances Pvt. Ltd as at 31 March 2019 of ₹ 16.11 crores and 31 March 2018 of ₹ 34.36 crores, has not been recognised, pending uncertainty over the allowability of the goodwill amortisation amount, as an eligible expenditure in the tax assessment by the tax authorities.

(e) Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows.

	March 31, 2019	Expiry date	March 31, 2018 (Restated)	Expiry date
Expire	-	-	1.54	2024-25
Never Expire	-	-	-	-

In 2017-18, the Group's subsidiary has restrutured its operations and as a result management has revised its estimates of future taxable profits and the Group recognised the tax effect of ₹ 1.05 crores of previously unrecognised tax losses (tax impact: ₹ 0.39 crores) because management considered it probable that future taxable profits would be available against which such losses can be used.

In 2018-19, the management has revised its estimates of future taxable profits of subsidiary and the Group recognised the tax effect of ₹ 1.54 crores of previously unrecognised tax losses (tax impact: ₹ 0.37 crores) because management considered it probable that future taxable profits would be available against which such losses can be used.

37 Operating leases

Leases as lessee

The Group has taken factory and office premises under cancellable and non-cancellable operating lease arrangements. The agreement for noncancellable lease is executed for the period of 60 months with a non-cancellable period ranging from 36 to 60 months and having a renewable clause which can be exercised by both the parties. Lease rentals debited to the consolidated statement of profit and loss aggregates ₹ 12.66 crores (March 31, 2018 : ₹ 9.93 crores) for non-cancellable lease and ₹ 7.22 crores (March 31, 2018 : ₹ 6.53 crores) for cancellable leases.

i ***Future minimum lease payments***

The future minimum lease payments to be made under non-cancellable operating leases are as follows:

	March 31, 2019	March 31, 2018 (Restated)
Payable within one year	15.62	11.93
Payable between one year and five years	49.36	30.02
Payable after more than five years	8.30	14.64
	73.28	56.59

ii ***Amount recognised in profit or loss***

	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
Lease expense (gross expense)	19.88	16.46

Leases as lessor

The Group leases out its investment property on operating lease basis.

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(Currency : Indian Rupees in crores)

i ***Future minimum lease payments***

The future minimum lease payments to be received under non-cancellable operating leases are as follows:

	March 31, 2019	March 31, 2018 (Restated)
Receivable within one year	1.27	1.27
Receivable between one year and five years	0.49	1.76
Receivable after more than five years	-	-
	1.76	3.03

ii ***Amount recognised in profit or loss***

	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
Rental income	1.24	1.67
	1.24	1.67

38 Contingent liabilities and commitments (to the extent not provided for)

A. Contingent liabilities

	March 31, 2019	March 31, 2018 (Restated)
a. Direct and Indirect taxes		
Income taxes	136.86	6.46
Excise duty	0.67	0.71
Service taxes	12.10	12.42
Sales tax	1.97	2.53
Custom Duty	1.04	-

b. The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.

In view of the management, the liability for the year ended March 31, 2019 on account of aforesaid SC decision, is not significant and has been provided in the books of account. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts.

c. Contigent liabilities above represent estimates made mainly for probable claims arising out of litigation / disputes pending with authorities under various statutes (Income tax, excise duty and service tax). The probability and timing of outflow with regard to these matters depend on the final outcome of litigations / disputes. Hence the Group is not able to reasonably acertain the timing of the outflow.

d. In addition, the Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable in its financial statements. The Group's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect of the Group's results of operations or financial condition.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

B. Commitments

		March 31, 2019	March 31, 2018 (Restated)
a.	Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances, tangible assets	**3.82**	22.21

b. The Holding Company had entered into an agreement to acquire Italy based - Creative Flavours and Fragrances SpA (CFF) in January 2018 for acquisition of 100% share capital of CFF, in tranches, over two to three years. In the first tranche, the Company had acquired 51% stake in 2018. The remaining stake is to be acquired within the remaining period of two years (upto 31 December 2020) consideration for which shall be based on CFF's performance.

39 Dues to micro and small suppliers

Particulars	March 31, 2019	31 March 2018 (Restated)
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
Principal	**7.18**	8.91
Interest	**0.64**	0.39
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	**-**	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	**12.29**	6.12
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	**0.25**	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	**0.64**	0.39
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	**0.64**	0.39

40 Transfer pricing

The Group's management is of the opinion that its international transactions and specified domestic transactions are at arm's length as per the independent accountants' report of respective subsidiaries and joint ventures for the year ended 31 March 2018. Management continues to believe that its international transactions post March 2018 and the specified domestic transactions covered by the new regulations are at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision of taxation.

41 Expenses incurred on research and development during the year:

A unit of the Holding Company has been recognised by DSIR as in-house Research and Development unit. The Holding Company claims 150% exemption under Sec 35(2AB) of Income Tax Act 1961 for expenditure incurred on in-house R&D activities.

The expenditure incurred by the Group on research and development activities is as follows:

Amount in respect to	March 31, 2019	March 31, 2018 (Restated)
Capital expenditure	**1.18**	2.54
Revenue expenditure	**13.32**	10.78
	14.50	**13.32**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

42 Disclosures as required under Schedule III to the Companies Act 2013 with respect to consolidated financial statements

March 31, 2019

S No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities: As % of consolidated net assets	Net Assets: Amount	Share in profit or loss: As % of consolidated profit or loss	Share in profit or loss: Amount	Share in Other comprehensive income: As % of consolidated Other comprehensive income	Share in Other comprehensive income: Amount	Share in Total comprehensive income: As % of consolidated profit or loss	Share in Total comprehensive income: Amount
	Parent								
1	S H Kelkar and Company Limited	68.20%	596.56	51.00%	44.97	8.30%	(0.54)	54.30%	44.43
	Subsidiaries								
	Indian								
1	Keva Flavours Private Limited	2.00%	17.64	-5.30%	(4.69)	-0.80%	0.05	-5.70%	(4.64)
2	Keva Fragrances Private Limited (refer note 43)	41.40%	361.58	-9.40%	(8.30)	-3.90%	0.25	-9.80%	(8.05)
3	Saiba Industries Private Limited	1.10%	9.75	0.30%	0.27	*0.00%	-	0.30%	0.27
4	Rasiklal Hemani Agencies Private Limited	4.70%	41.30	4.00%	3.53	-0.10%	0.01	4.30%	3.54
5	Keva Chemicals Private Limited	0.40%	3.29	-0.30%	(0.27)	*0.00%	-	-0.30%	(0.27)
6	VN Creative Chemicals Pvt Ltd (Subsidiary of Keva Fragrances Pvt.Ltd.)	-0.30%	(2.20)	-1.80%	(1.63)	*0.00%	-	-2.00%	(1.63)
7	Tanishka Fragrance Encapsulation Tech LLP (Subsidiary of Keva Chemicals Pvt.Ltd.)	0.00%	*0.00	0.00%	*0.00	*0.00%	-	0.00%	*0.00
	Foreign								
1	Keva UK Limited	3.10%	26.90	-0.10%	(0.05)	8.30%	(0.54)	-0.70%	(0.59)
2	Keva Fragrance Industries Pte.Ltd.	1.40%	12.34	5.00%	4.39	0.10%	(0.00)	5.40%	4.39
3	PFW Aroma Ingredients B.V. (Subsidiary of Keva UK Limited)	6.50%	56.98	19.60%	17.27	34.00%	(2.21)	18.40%	15.06
4	PT SHK Keva Indonesia (Subsidiary of Keva Fragrance Industries Pte.Ltd., Singapore)	-0.50%	(4.58)	-5.60%	(4.93)	-1.40%	0.09	-5.90%	(4.84)
5	Anhui Ruibang Aroma Co. Ltd.	2.40%	20.94	-0.50%	(0.47)	11%	(0.71)	-1.40%	(1.18)
	Joint Venture (Investment as per the equity method)								
	Foreign								
1	Creative Flavours & Fragrances SpA	*0.00%	-	0.30%	0.28	*0.00%	-	0.30%	0.28
2	Purandar Fine Chemicals Pvt. Ltd.	*0.00%	-	0.10%	0.13	*0.00%	-	0.20%	0.13
	Minority Interest								
	Foreign								
	Anhui Ruibang Aroma Co. Ltd.	1.20%	10.81	-0.30%	(0.23)	*0.00%	-	-0.30%	(0.23)
	Total Eliminations	**-31.70%**	**277.15**	**43.00%**	**37.99**	***0.00%**	**-**	**46.50%**	**37.99**
	Exchange differences on translation of foreign operations	*0.00%	-	0.00%	-	44.40%	(2.88)	-3.50%	(2.88)
	Total	**100%**	**874.16**	**100%**	**88.25**	**100%**	**(6.48)**	**100%**	**81.77**

* % / amount less than 0.01% / ₹ 0.01 Cr.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

42 Disclosures as required under Schedule III to the Companies Act 2013 with respect to consolidated financial statements (Continued)

March 31, 2018 (Restated)

S No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities — As % of consolidated net assets	Amount	Share in profit or loss — As % of consolidated profit or loss	Amount	Share in Other comprehensive income — As % of consolidated Other comprehensive income	Amount	Share in Total comprehensive income — As % of consolidated profit or loss	Amount
	Parent								
1	S H Kelkar and Company Limited	73.20%	627.26	73.50%	68.96	0.80%	0.09	65.50%	69.05
	Subsidiaries								
	Indian								
1	Keva Flavours Private Limited	2.60%	22.28	(1.50%)	(1.43)	(0.30%)	(0.03)	(1.40%)	(1.46)
2	Keva Fragrances Private Limited (refer note 43)	43.10%	369.65	(16%)	(14.99)	0.20%	0.02	(14.20%)	(14.97)
3	Saiba Industries Private Limited	1.10%	9.48	1.70%	1.57	(0.30%)	(0.03)	1.50%	1.54
4	Rasiklal Hemani Agencies Private Limited	4.40%	37.77	4.50%	4.23	0.20%	0.02	4.00%	4.25
5	Keva Chemicals Private Limited	0.40%	3.56	(0.40%)	(0.42)	*0.00%	-	(0.40%)	(0.42)
6	VN Creative Chemicals Pvt Ltd (Subsidiary of Keva Fragrances Pvt.Ltd.)	(0.10%)	(0.58)	(0.60%)	(0.58)	*0.00%	-	(0.60%)	(0.58)
7	Tanishka Fragrance Encapsulation Tech LLP (Subsidiary of Keva Chemicals Pvt.Ltd.)	*0.00%	*0.00	*0.00%	*0.00	*0.00%	-	*0.00%	*0.00
	Foreign								
1	Keva UK Limited	3.20%	27.48	(0.30%)	(0.25)	*0.00%	-	(0.20%)	(0.25)
2	Keva Fragrance Industries Pte.Ltd.	0.90%	7.95	1.10%	1.04	*0.00%	-	1.00%	1.04
3	PFW Aroma Ingredients B.V. (Subsidiary of Keva UK Limited)	4.90%	41.92	(14.10%)	(13.20)	*0.00%	-	(12.50%)	(13.20)
4	PT SHK Keva Indonesia (Subsidiary of Keva Fragrance Industries Pte.Ltd., Singapore)	*0.00%	0.27	0.20%	0.22	*0.00%	-	0.20%	0.22
	Joint Venture (Investment as per the equity method)								
	Foreign								
	Creative Flavours & Fragrances SpA	-	-	1.40%	1.30	-	-	1.20%	1.30
	Total Eliminations	**(33.90%)**	**(290.14)**	**50.40%**	**47.43**	***0.00%**	**-**	**45%**	**47.43**
	Exchange differences on translation of foreign operations	***0.00%**	**-**	***0.00%**	**-**	**99.40%**	**11.48**	**10.90%**	**11.48**
	Total	**100%**	**856.90**	**100%**	**93.88**	**100%**	**11.55**	**100%**	**105.43**

* % / amount less than 0.01% or ₹ 0.01 Cr.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

43 Employee benefits

The Group contributes to the following post-employment defined benefit plans:

(i) Defined Contribution Plans

The Group makes contributions towards provident fund, superannuation fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

Contribution to defined contribution plans, recognised are charged off for the year as under :

	March 31, 2019	March 31, 2018 (Restated)
Group's contribution to Provident Fund/social security	**2.24**	4.54
Group's contribution towards foreign defined contribution plan in accordance with local laws	**3.04**	2.99
Group's contribution to Superannuation Fund	**1.47**	1.40
Group's Contribution to ESIC	**0.08**	0.02
Group's Contribution to Maharashtra Labour Welfare Fund	***0.00**	*0.00

* Amount less than ₹ 0.01 crore

(ii) Defined Benefit Plans

Gratuity:

The employees gratuity fund scheme for the Holding Company and certain Indian subsidiaries is managed by "S.H.Kelkar & Co. Ltd. Employee's Gratuity Fund". The fund has the form of trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets including investment of the funds in accordance with the norms prescribed by the Government of India. The employees gratuity fund scheme for other Indian subsidiaries is managed by "LIC".

The contribution to the fund is made based on the actuarial valuation using the "Projected Unit Credit" Method. Gratuity is payable to all eligible employees of the Holding Company and certain Indian subsidiaries on superannuation, death, and permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972.

These plans typically expose the Group to actuarial risk such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create plan deficit.

Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the plan's assets.

Longevity Risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment.

An increase in the life expectancy of the plan participants will increase the plan's liability.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

Salary Risk

The Present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. Reconciliation of the net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2019	March 31, 2018 (Restated)	March 31, 2019	March 31, 2018 (Restated)	March 31, 2019	March 31, 2018 (Restated)
Opening balance	**13.40**	11.76	**11.10**	9.89	**2.30**	1.87
Included in profit or loss						
Current service cost	**1.28**	1.16	-	-	**1.28**	1.16
Past service cost	-	0.62	-	-	-	0.62
Interest cost (income)	**1.01**	0.83	**0.94**	0.74	**0.07**	0.09
Included in OCI	-		-			
Remeasurement loss (gain):	**(0.01)**	(0.03)	-	-	**(0.01)**	(0.03)
Actuarial loss (gain) arising from:	-		-			
Financial assumptions	**1.10**	(0.64)	-	-	**1.10**	(0.64)
Experience adjustment	**(0.04)**	0.50	-	-	**(0.04)**	0.50
Return on plan assets excluding interest income	-	-	**(0.10)**	(0.27)	**0.10**	0.27
Contributions paid by the employer	-	-	**3.06**	1.54	**(3.06)**	(1.54)
Benefits paid	**(0.62)**	(0.81)	**(0.54)**	(0.80)	**(0.06)**	(0.01)
Closing balance	**16.12**	13.40	**14.45**	11.10	**1.67**	2.30

B. Plan assets

Plan assets comprise the following

	March 31, 2019	March 31, 2018 (Restated)
Investment		
Investment in Government Securities	**5%**	6%
Bank Special Deposit	**2%**	2%
Investment in other securities	**16%**	15%
Corporate Bonds	**33%**	25%
State Government Bonds	**44%**	34%
Others	**0%**	18%
	100%	100%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

C. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	March 31, 2019	March 31, 2018 (Restated)
Discount rate	**7.65% - 7.94%**	7.32% - 7.83%
Salary escalation rate	**6% - 10%**	6% - 10%
Rate of Return on Plan Assets	**7.83% - 7.94%**	7.32% - 7.83%
Mortality rate during employment		Indian Assured Lives Mortality (2006-08)

Gratuity is payable to all eligible employees of the Group in India on superannuation, death, and permanent disablement, in terms of the provisions of the Payment of Gratuity Act,1972.

The discount rate is based on the prevailing market yields Indian Government securities as at the balance sheet date for the estimated term of the obligations.

Estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	March 31, 2019		March 31, 2018 (Restated)	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	**(0.72)**	**2.33**	0.09	2.68
Future salary growth (1% movement)	**1.27**	**(0.60)**	2.55	0.14
Rate of Employee Turnover (1% movement)	**0.14**	**(0.16)**	1.39	1.18

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

D. Maturity profile of the defined benefit obligation

Particulars	Up to 1 year	Between 1-2 years	Between 2-5 years	6 to 10 years	Over 10 years	Total
March 31, 2019						
Defined benefit obligations (Gratuity)	**1.56**	**0.67**	**3.05**	**6.17**	**4.65**	**16.10**
Total	**1.56**	**0.67**	**3.05**	**6.17**	**4.65**	**16.10**
March 31, 2018						
Defined benefit obligations (Gratuity)	1.33	0.55	1.83	7.23	2.47	13.40
Total	1.33	0.55	1.83	7.23	2.47	13.40

II. Provident fund (Managed by the Trust set up by the holding Company)

The Holding Company manages the Provident Fund plan through a Provident Fund Trust setup by the Holding Company, for its employees which is permitted under The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and is actuarially valued. The plan envisages contribution by the employer and employees and guarantees interest at the rate notified by the Provident Fund authority. The contribution by employer and employee, together with interest, are payable at the time of separation from service or retirement, whichever is earlier.

Notes to the Consolidated Financial Statements

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The Holding Company has contributed ₹ 4.18 crores (2017-18: ₹ 3.79 crores) to the Provident Fund Trust. The Holding Company has an obligation to fund any shortfall on the yield of the trust's investments over the guaranteed interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual returned earned by the Holding Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall.

The details of fund and plan assets position are given below:

	As at March 31, 2019	As at March 31, 2018 (Restated)
Plan assets at the period end, at fair value	54.84	50.27
Present value of benefit obligation at period end	55.34	48.66
Interest short fall liability	0.15	-
Liability recognised in balance sheet	0.65	Nil

Amount of ₹ 0.65 crores (previous year ₹ Nil) towards provident fund is recognised as an expense and included in "Employee benefits expense" in the Consolidated Statement of profit and loss during the year and corresponding liability is recognised and included in "other current liability" in the Consolidated Balance sheet as on March 31, 2019.

Plan assets comprise the following

	March 31, 2019	March 31, 2018 (Restated)
Investment		
Investment in Government Securities	50%	48%
Bank Special Deposit	6%	7%
Investment in other securities	9%	11%
Corporate Bonds	10%	13%
Debt Securities	25%	21%
	100%	100%

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Discount rate (%)	7.94%	7.83%
Guaranteed interest rate (%)	8.65%	8.55%
Expected average remaining working lives of employees (Years)	16	16

(iii) Other long term employee benefit plans

Compensated absences:

The obligation for leave encashment is recognised in the same manner as gratuity. The Company's liability on account of compensated absences is not funded and hence the disclosures relating to the planned assets are not applicable. Amount of ₹ 0.08 crores (previous year ₹ 0.86 crores) towards compensated absences is recognised as an expense and included in "Employee benefits expense" in the consolidated Statement of profit and loss during the year.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

Long-term incentive plan:

The obligation for long-term incentive plan is recognised arithmatically as percentage of fixed salary, based on certain vesting conditions. An amount of ₹ Nil (previous year ₹ 2.60 crores) towards long-term incentive plan is recognised as an expense and included in the "Employee benefits expense" in the consolidated Statement of profit and loss during the year. Further on account of organisation restructuring excess provision of previous years with respect to the long term incentive plan of ₹ 3.50 crores has been reversed and is disclosed under other income for the year ended March 2019.

44 Capital Management

For the purpose of the Group's capital management, capital includes issued capital and other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Groups's capital management is to safeguard its ability to continue as going concern and to maintain an optimal capital structure so as to maximise shareholders value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

As at March 31, 2019, the Group has only one class of equity shares. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal structure, the Group allocates its capital for distribution to shareholders or re-investment into business based on its long term financial plans.

The Group monitors capital using adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances and liquid investments.

	March 31, 2019	March 31, 2018 (Restated)
Non-current borrowings	69.97	48.20
Current borrowings	264.00	116.07
Current maturity of long term debt	7.48	8.10
Current maturity of long term finance lease obligations	0.14	0.13
Gross debt	341.59	172.50
Less - Cash and cash equivalents	37.45	17.40
Less - Other bank deposits	1.52	2.87
Less - Current investments	1.53	1.55
Adjusted net debt	301.09	150.68
Total equity attributable to owners of the Company	863.35	856.90
Adjusted net debt to equity ratio	0.35	0.18

45 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

March 31, 2019	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Non current financial assets							
Non current investments	*0.00	-	*0.00	*0.00	-	-	*0.00
Loans	-	2.70	2.70	-	-	-	-
Other financial assets	-	1.39	1.39	-	-	-	-

Notes to the Consolidated Financial Statements

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(Currency : Indian Rupees in crores)

March 31, 2019	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Current financial assets							
Cash and cash equivalents	-	37.45	37.45	-	-	-	-
Other bank balances	-	3.44	3.44	-	-	-	-
Loans	-	6.16	6.16	-	-	-	-
Other financial assets	0.45	1.79	2.24	-	0.45	-	0.45
Trade receivables	-	284.45	284.45	-	-	-	-
Current investments	1.53	-	1.53	-	1.53	-	1.53
	1.98	337.38	339.36	-	1.98	-	1.98
Financial liabilities							
Non current financial liabilities							
Long term borrowings	-	69.97	69.97	-	69.97	-	69.97
Others	-	1.98	1.98	-	-	-	-
Current financial liabilities							
Short term borrowings	-	264.00	264.00	-	-	-	-
Trade payables	-	134.31	134.31	-	-	-	-
Other financial liabilities - current	-	26.31	26.31	-	-	-	-
Payable on acquisition of new business	-	0.78	0.78	-	0.78	-	0.78
	-	497.35	497.35	-	70.75	-	70.75

March 31, 2018 (Restated)	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Non current financial assets							
Non current investments	*0.00	-	*0.00	*0.00	-	-	*0.00
Loans	-	2.25	2.25	-	-	-	-
Other financial asset - non-current	-	1.37	1.37	-	-	-	-
Current financial assets							
Cash and cash equivalents	-	17.40	17.40	-	-	-	-
Other bank balances	-	6.45	6.45	-	-	-	-
Loans	-	4.09	4.09	-	-	-	-
Other financial assets - current	2.07	0.20	2.27	-	2.07	-	2.07
Trade receivables	-	276.63	276.63	-	-	-	-
Current investments	1.55	-	1.55	-	1.55	-	1.55
	3.62	308.39	312.01	-	3.62	-	3.62
Financial liabilities							
Non current financial liabilities							
Long term borrowings	-	48.20	48.20	-	48.20	-	48.20
Deposits	-	1.29	1.29	-	-	-	-
Current financial liabilities							
Short term borrowings	-	116.07	116.07	-	-	-	-
Trade payables	-	155.62	155.62	-	-	-	-
Other financial liabilities - current	0.02	28.21	28.23	-	0.02	-	0.02
Payable on acquisition of new business	-	0.76	0.76	-	0.76	-	0.76
	0.02	350.15	350.17	-	48.98	-	48.98

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Contingent consideration on business combination	The detemination of fair value contingent consideration is based on discounted cash flows model. This model considers the present value of expected payment discounted using appropriate discounting rates. The expected payment is determined by considering the possible scenarios of meeting the stipulated turnover targets and other conditions as per the business purchase agreement.	- Expected turnover target - Other conditions - Discounting rates	The estimaded fairvalue would increase/ (decrease) if - the stipulated turnover target and other conditions are not met as per the business purchase agreement. - the discounting rates were lower/ (higher)
Deferred payment consideration on business combination	Discounted cash flows: The valuation model considers the present value of expected payment discounted using appropriate discounting rates.	Not applicable	Not applicable
Non-current financial assets and liabilities measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.	Not applicable	Not applicable
Forward contracts for foreign exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable
Current investments - in mutual funds	The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors	Not applicable	Not applicable

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Holding Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and others and investments in securities made.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group has a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval as per authority matrix set by the Group.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

The maximum exposure to credit risk for trade and other receivables was as follows :

	Carrying amount	
	March 31, 2019	March 31, 2018 (Restated)
India	157.40	185.31
Other regions	127.05	91.32
	284.45	276.63
Total other receivables	12.49	7.91

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

Impairment

At March 31, 2019, the ageing of trade and other receivables that were not impaired was as follows.

	March 31, 2019		
	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Neither past due nor impaired	165.77	0.48%	0.79
Past due not impaired			
Past due 0-180 days	104.40	2.00%	2.09
Past due 181-360 days	13.25	7.69%	1.02
Past due 361-540 days	3.21	26.38%	0.85
Past due 541-730 days	3.68	34.52%	1.27
More than 730 days	1.16	86.45%	1.00
	291.47		7.02

	March 31, 2018 (Restated)		
	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Neither past due nor impaired	208.66	0.43%	0.90
Past due not impaired			
Past due 0-180 days	64.20	1.55%	1.00
Past due 181-360 days	4.84	9.14%	0.44
Past due 361-540 days	1.00	29.43%	0.29
Past due 541-730 days	1.48	83.64%	1.23
More than 730 days	3.62	91.21%	3.30
	283.80		7.17

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

For Trade receivable	Amount
Balance as at March 31, 2017	11.01
Impairment loss/(gain) recognised	(4.01)
Amounts utilised	0.17
Balance as at March 31, 2018 (Restated)	7.17
Impairment loss/(gain) recognised	(0.15)
Amounts utilised	-
Balance as at March 31, 2019	**7.02**

For other receivable	Amount
Balance as at March 31, 2017	0.18
Impairment loss/(gain) recognised	-
Balance as at March 31, 2018 (Restated)	0.18
Impairment loss/(gain) recognised	-
Balance as at March 31, 2019	**0.18**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

Cash and cash equivalents

The Group held cash and cash equivalents of ₹ 37.45 crores at March 31, 2019 (March 31, 2018: ₹ 17.40 crores). The cash and cash equivalents are held with banks with good credit ratings and financial institution counterparties with good market standing.

Other bank balances

The Group held other balance of ₹ 3.44 crores at March 31, 2019 (March 31, 2017: ₹ 6.45 crores).

Derivatives

The derivatives are entered into with banks, financial institutions and other counterparties with good credit ratings.

Investments

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Other than trade and other receivables, the Group has no other financial assets that are past due but not impaired.

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Further the Group has accessed funds from debt market through term loans, working capital facility and overdrafts from banks and other financial institutions.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

March 31, 2019	Carrying amount	Contractual cash flows Total	Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Non current financial liabilities					
Borrowings	**67.88**	**74.67**	**-**	**74.67**	**-**
Finance lease obligations	**2.09**	**2.51**	**0.16**	**2.35**	**-**
Deposits	**1.98**	**1.98**	**-**	**-**	**1.98**
Current financial liabilities					
Current maturity of non current borrowings	**7.48**	**12.91**	**12.91**	**-**	**-**
Finance lease obligations	**0.14**	**0.14**	**0.14**	**-**	**-**
Other current financial liabilities	**19.47**	**19.47**	**19.47**	**-**	**-**
Trade payables	**134.31**	**134.31**	**134.31**	**-**	**-**
Short term borrowings	**264.00**	**264.00**	**264.00**	**-**	**-**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

March 31, 2018 (Restated)	Carrying amount	Contractual cash flows Total	Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Non current financial liabilities					
Borrowings	45.09	51.53	-	51.53	-
Finance lease obligations	3.11	3.60	0.16	3.44	-
Deposits	1.29	1.29	-	-	1.29
Current financial liabilities					
Current maturity of non current borrowings	8.10	11.57	11.57	-	-
Finance lease obligations	0.13	0.13	0.13	-	-
Other current financial liabilities	20.76	20.76	20.76	-	-
Trade payables	155.62	155.62	155.62	-	-
Short term borrowings	116.07	116.07	116.07	-	-
Derivative financial liabilities					
Forward exchange contracts					
- Outflow	0.02	21.14	21.14	-	-
- Inflow	-	(21.46)	(21.46)	-	-

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Group's interest rate risk arises from borrowings and finance lease obligations. Borrowings issued at fixed rates and finance lease obligations exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	Nominal amount March 31, 2019	March 31, 2018 (Restated)
Fixed-rate instruments		
Financial assets	**13.46**	6.84
Financial liabilities	**135.14**	121.13
	148.60	127.97
Variable-rate instruments		
Financial assets	**-**	-
Financial liabilities	**208.23**	53.19
	208.23	53.19

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for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss	
₹	**100 bp increase**	**100 bp decrease**
March 31, 2019		
Variable-rate instruments	(2.08)	2.08
Cash flow sensitivity (net)	**(2.08)**	**2.08**
March 31, 2018		
Variable-rate instruments	(0.53)	0.53
Cash flow sensitivity (net)	**(0.53)**	**0.53**

iv Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments.Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Group is exposed to currency risk on account of its borrowings, trade payables and other payables in foreign currency. The functional currency of the Group is Indian Rupee. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Group does not use derivative financial instruments for trading or speculative purposes.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2019 and March 31, 2018 are as below:

(₹ in crores)

	March 31, 2019 USD	**March 31, 2019 EUR**	**March 31, 2019 SGD**	**March 31, 2019 CHF**	**March 31, 2019 Others***
Financial assets	**176.49**	**43.00**	**0.70**	**-**	**-**
Financial liabilities	**128.17**	**26.96**	**0.09**	**1.33**	**0.10**
Derivatives (net settled)	**(5.68)**				
Net statement of financial position exposure	**42.64**	**16.04**	**0.61**	**(1.33)**	**(0.10)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

	March 31, 2018 (Restated) USD	March 31, 2018 (Restated) EUR	March 31, 2018 (Restated) SGD	March 31, 2018 (Restated) CHF	March 31, 2018 (Restated) Others*
Financial assets	90.21	30.65	0.18	-	0.00
Financial liabilities	73.03	24.12	-	0.93	0.07
Derivatives (net settled)	(21.14)	-	-	-	-
Net statement of financial position exposure	(3.96)	6.53	0.18	(0.93)	(0.07)

*Others includes AED, THB, HKD and LKR.

a. The forward contracts booked also includes the future purchase transaction exposure.

b. Hedged foreign currency exposure

	March 31, 2019	
	Foreign currency	**Indian rupees**
Foreign exchange forward contracts (To hedge trade receivables)	**USD 7,50,000**	**5.68**

	March 31, 2018 (Restated)	
	Foreign currency	**Indian rupees**
Foreign exchange forward contracts (To hedge trade receivables)	USD 32,50,000	21.14

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars and Euros at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in ₹	**Profit or loss**	
March 31, 2019	**Strengthening**	**Weakening**
USD (3% movement)	**(1.28)**	**1.28**
EUR (3% movement)	**(0.48)**	**0.48**
	(1.76)	**1.76**

Effect in ₹	**Profit or loss**	
March 31, 2018 (Restated)	**Strengthening**	**Weakening**
USD (3% movement)	0.12	(0.12)
EUR (3% movement)	(0.20)	0.20
	(0.08)	0.08

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

46 Segment reporting

A. General Information

(a) Factors used to identify the entity's reportable segments, including the basis of organisation

For management purposes, the Group and its joint ventures is organised into business units based on its products and services and has two reportable segments, as follows:

- Fragrances, segment manufactures/trade in Fragrances and aroma ingredients for Fragrances
- Flavours, segment manufactures/ trade in Flavours

(b) Following are reportable segments

- Fragrances
- Flavours

B. Information about reportable segments

Year ended March 31, 2019	Reportable segments		
Particulars	**Fragrance**	**Flavours**	**Total Segments**
I. Segment revenue			
Total Sales	**1,295.40**	**114.87**	**1,410.27**
Inter-segment	**(361.26)**	**(7.86)**	**(369.12)**
Other operating income	**1.13**	**1.32**	**2.45**
Sales/ Income from Operations	**935.27**	**108.33**	**1,043.60**
II. Segment Results *	**130.05**	**15.41**	**145.46**
III. Specified amounts included in segment results			
Depreciation and amortisation	**24.00**	**7.15**	**31.15**
IV. Reconciliation of segment result with profit after tax			
Segment Results	**130.05**	**15.41**	**145.46**
Add/ (Less):			
Finance costs			**(13.95)**
Interest income			**1.85**
Tax expense			**(27.01)**
Other unallocable expenses net of unallocable income			**(18.10)**
Consolidated profit after tax and share of profit from equity investment in joint venture as per consolidated statement of profit and loss			**88.25**
V. Segment Assets	**1,232.61**	**136.77**	**1,369.38**
Unallocated			**75.71**
VI. Segment Liabilities	**163.07**	**16.41**	**179.48**
Unallocated			**391.45**
VII. Capital Employed (Segment assets - Segment liabilities)	**1,069.54**	**120.36**	**874.16**
VIII. Capital expenditure	**114.19**	**3.85**	**118.04**

* Including share of profit from equity investment in joint venture - Creative Flavours and Fragrances S.p.A. (CFF) & Purandar Fine Chemicals Pvt. Ltd.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

Year ended March 31, 2018 (Restated)	Reportable segments		
Particulars	**Fragrance**	**Flavours**	**Total Segments**
I. Segment revenue			
Total Sales	1,143.09	117.79	1,260.88
Inter-segment	(220.49)	(3.19)	(223.68)
Other operating income	0.73	1.02	1.75
Sales/ Income from Operations	923.33	115.62	1,038.95
II. Segment Results	139.55	21.13	160.68
III. Specified amounts included in segment results			
Depreciation and amortisation	16.98	6.86	23.84
IV. Reconciliation of segment result with profit after tax			
Segment Results	139.55	21.13	160.68
Add/ (Less):			
Finance costs			(3.97)
Interest income			1.16
Financial assets measured at FVTPL			0.03
Tax expense			(50.58)
Other unallocable expenses net of unallocable income			(13.44)
Consolidated profit after tax as per statement of profit and loss			93.88
V. Segment Assets	1,076.02	151.76	1,227.78
Unallocated			51.83
VI. Segment Liabilities	191.54	23.73	215.27
Unallocated			207.44
VII. Capital Employed (Segment assets - Segment liabilities)	884.48	128.03	856.90
VIII. Capital expenditure	102.29	4.17	106.46

C. Geographic information

In respect of secondary segment information, the Group and its joint venture has identified its geographical segments as Domestic and Overseas based on location of customers. The Secondary Segment information has been disclosed accordingly.

Geography	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
I Revenue from operations		
India	**704.54**	744.30
Others	**339.06**	294.65
Total Revenue from operations	**1,043.60**	1,038.95
II Non-current Assets *		
India	**526.87**	442.10
Others	**118.34**	126.90
Total Non-current Assets	**645.20**	569.00

*non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising from insurance contracts

D. Information about major customers

None of the customers as on March 31, 2019 and March 31, 2018 constituted 10% or more of the total revenue of the Group.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

47 Related party disclosures

The note provides the information about the Group's structure including the details of the subsidiaries and the holding company. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

List of Related parties

i. **Subsidiaries & Joint ventures**

Name of the related party	Relationship	Country of incorporation	Ownership interest March 31, 2019	Ownership interest March 31, 2018
Keva Flavours Private Limited	Subsidiary	India	**100%**	100%
Keva Fragrances Private Limited (refer note 48)	Subsidiary	India	**100%**	100%
Keva UK Limited	Subsidiary	United Kingdom	**100%**	100%
Saiba Industries Private Limited	Subsidiary	India	**100%**	100%
Keva Fragrance Industries Pte.Ltd.	Subsidiary	Singapore	**100%**	100%
Rasiklal Hemani Agencies Private Limited	Subsidiary	India	**100%**	100%
Keva Chemicals Private Limited	Subsidiary	India	**100%**	100%
Creative Flavours & Fragrances SpA (wef January 15, 2018)	Joint venture	Italy	**51%**	51%
PFW Aroma Ingredients B.V. (Subsidiary of Keva UK Limited)	Step down subsidiary	Netherlands	**100%**	100%
PT SHK Keva Indonesia (Subsidiary of Keva Fragrance Industries Pte.Ltd., Singapore)	Step down subsidiary	Indonesia	**100%**	100%
V N Creative Chemicals Private Limited (Subsidiary of Keva Fragrances Private Limited) (wef September 29, 2017)	Step down subsidiary	India	**100%**	100%
Tanishka Fragrance Encapsulation Technologies LLP (Subsidiary of Keva Chemicals Private Limited) (wef April 24, 2017)	Step down subsidiary	India	**51%**	51%
Anhui Ruibang Aroma Co. Ltd. (Subsidiary of Keva Fragrance Industries Pte.Ltd.) (wef August 01, 2018)	Step down subsidiary	China	**66.7%**	-
Purandar Fine Chemicals Pvt. Ltd. (wef November 01, 2018)	Step down joint venture	India	**50.0%**	-

II. **Other related parties**

Relationship	Name of the related party
a) Enterprises owned or controlled or significantly influenced by key management personnel or their relatives	KNP Industries Pte. Ltd.
	Keva Contructions Private Limited
	Keva Aromatics Private Limited
	ASN Investment Advisors Private Limited
	Evolutis India Private Limited
	SKK Industries Private Limited
	Keva Biotech Private Limited
	Vinayak Ganesh Vaze Charities
	Kedar Ramesh Vaze Family Trust
	Ramesh Vinayak Vaze Family Trust

Notes to the Consolidated Financial Statements

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Relationship	Name of the related party
b) Key Management Personnel (KMP)	Ramesh V. Vaze, Managing Director
	Kedar R. Vaze, Director & Chief Executive Officer
	Tapas Majumdar, Chief Financial Officer (upto May 31, 2017)
	Ratul Bhaduri, Chief Financial Officer (w.e.f November 15, 2017 to December 3, 2018)
	Shrikant Mate, Chief Financial Officer (w.e.f December 4, 2018)
	Deepti Chandratre , Company Secretary
c) Relatives of Key Management Personnel	Anagha Nene
	Parth K Vaze
	Nandan K Vaze
	Prabha R. Vaze
	Sumedha Karmarkar
	Milena Rubene
d) Non-executive directors	Prabha R. Vaze
	Amit Dalmia
	Amit Dixit (upto May 25, 2018)
	Nitin Potdar (upto February 28, 2018)
	Dalip Sehgal
	Alpana Parida
	Jairaj Purandare
	Sangeeta Singh
	Shrikant Oka (from May 25, 2018)
	Deepak Bindra (from May 25, 2018)

A Transactions during the year

Particulars	Transaction values for the year ended March 31, 2019	Transaction values for the year ended March 31, 2018 (Restated)
Key Managerial Personnel		
Remuneration	**6.59**	5.01
Post-employment benefits	**0.55**	0.65
Sitting fees to non-executive directors	**0.84**	0.63
Purchase of good and services		
Purander Fine Chemicals Private Limited	**3.95**	3.06
Keva Aromatics Private Limited	**3.15**	2.90
Keva Biotech Pvt.Ltd.	**0.25**	-
Sale of goods		
Purander Fine Chemicals Private Limited	**-**	-
Rent paid		
Keva Constructions Private Limited	**5.06**	5.00
Market research expense		
Milena Rubene	**0.19**	-

Notes to the Consolidated Financial Statements

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(Currency : Indian Rupees in crores)

Particulars	Transaction values for the year ended March 31, 2019	March 31, 2018 (Restated)
Dividend paid		
Ramesh V. Vaze	**4.54**	4.54
Kedar R. Vaze	**2.49**	2.72
Prabha R. Vaze	**0.88**	0.88
Parth K. Vaze	**0.23**	0.23
Nandan K. Vaze	**0.23**	0.23
Sumedha Karmarkar	***0.00**	*0.00
Anagha S Nene	**0.14**	*0.00
KNP Industries Pte Ltd	**3.00**	3.00
Vinayak Ganesh Vaze Charities	**0.36**	0.36
SKK Industries Private Limited	**0.27**	0.27
ASN Investment Advisors Private Limited	**0.27**	0.27
Keva Constructions Private Limited	**1.57**	1.57
Kedar Ramesh Vaze Family Trust	***0.00**	*0.00
Ramesh Vinayak Vaze Family Trust	***0.00**	*0.00
Interest income		
Evolutis India Private Limited	**-**	0.05
Reimbursement (for expenses incurred by Company on behalf of related party)		
Keva Constructions Private Limited	**0.12**	0.12
KNP Industries Pte Ltd	**0.20**	-
Evolutis India Private Limited	**-**	0.24
Reimbursement (for expenses incurred by related parties on behalf of company)		
Keva Constructions Private Limited	**0.04**	-
Fixed assets sold		
Purandar Fine Chemicals Private Limited	**-**	0.01
Investment made		
Creative Flavours & Fragrances SpA	**-**	93.32
Purandar Fine Chemicals Private Limited	**0.81**	-
Keva Chemicals Pvt Ltd	**-**	4.00
V N Creative Chemicals Private Limited	**-**	0.01

B Outstanding balances as at the reporting dates

Particulars	Balances outstanding March 31, 2019	March 31, 2018 (Restated)
Outstanding Balances		
Other current financial assets		
Keva Constructions Private Limited	**0.09**	-
Advances for supplies and services		
Keva Constructions Private Limited	**0.07**	-
Trade receivables		
Purandar Fine Chemicals Pvt.Ltd.	**0.04**	0.04
KNP Industries Pte Ltd	**0.20**	-
Trade Payables		
Keva Aromatics Private Limited	**1.66**	0.82
Purandar Fine Chemicals Pvt.Ltd.	**0.83**	-
Keva Biotech Pvt.Ltd.	**0.02**	-
Other current financial liabilities		
Milena Rubene	**0.19**	-

* Amount less than ₹ 0.01 crore

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

Terms and conditions of transactions with related parties

All the transactions with the related parties were made on normal commercial terms and conditions and at market rates.

All the outstanding balances are unsecured and repayable in cash.

48 i. Goodwill and other intangibles

Impairment testing of Goodwill

For the purposes of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments. The aggregate carrying amounts of goodwill allocated to each unit are as follows:

Particulars	March 31, 2019	March 31, 2018 (Restated)
Flavour Division		
Gujarat Flavours Private Limited	**4.95**	4.95
High-Tech Technologies	**8.50**	8.50
Saiba Industries Private Limited	**7.56**	7.56
Fragrance Division		
PFW Aroma Ingredients B.V.	**12.34**	12.61
Rasiklal Hemani Agencies Private Limited	**2.02**	2.02
Anhui Ruibang Aroma Co Ltd	**4.47**	-
Keva Fragrance Pte Industries Ltd.	**0.00***	0.00*
	39.84	35.64

*Amount less than ₹ 0.01 crore

PFW Aroma Ingredients B.V.

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows.The fair value measurement was categorised as a Level 3 fair value based on inputs in the valuation technique used.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Particulars	March 31, 2019	March 31, 2018 (Restated)
Discount rate	**3.67%**	7.00%
Terminal value growth rate	**1.00%**	1.00%
Sales growth rate	**10.00%**	10.00%

The discount rate for 2018-19 was post tax measure estimated based on the weighted-average cost of capital, with the possible debt leveraging of 58.56% at a market interest rate of 1.75% and the discount rate for 2017-18 was post tax measure estimated based on the weighted-average cost of capital, with the possible debt leveraging of 10% at a market interest rate of 2.25%.

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimate of the long-term business growth rate, consistent with the assumptions that a market participant would make.

Sales growth rate has been considered based on new business plan and sales mix as envisaged by the management and adopted by the Board of Directors of the Holding Company.

With regard to assessment of value in use, no reasonably possible change in any of the above key assumptions would cause the carrying amount of the CGU's to exceed their recoverable amount.

Notes to the Consolidated Financial Statements

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(Currency : Indian Rupees in crores)

ii. Goodwill and other intangibles

Saiba Industries Private Limited

During the current financial year, the Company has suspended its primary operations (i.e.manufacturing and sale flavours ingredients and plant extracts) since August, 2018. The Company has transferred its employees and significant part of plant and machinery to one of its fellow subsidiary (Keva Fragrances Private Limited) which has setup a new plant to carry out the suspended operations of the Company.

The company owns investment property comprises office building having market value is ₹ 19.50 crores which is let out and continues to earn rental income which is sufficient to cover the remaining outside operating liabilities of the Company.

Particulars	March 31, 2019
Investment property	
Market Value	**19.50**

The key assumptions used during 2018-19

Fair value

The fair value of investment property has been determined by external independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The fair value measurement for all of the investment property has been categoried as a level 3 fair value based on the inputs to the valuation techniques used.

Description of Valuation Technique used:

The Group obtains Independent Valuations of its investment property as at the year end. The fair value of the investment property have been derived using the Direct Comparison Method.The direct comparison approach involves a comparison of the investment property to similar properties that have actually been sold in arms-length distance from investment property or are offered for sale in the same region. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market, and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This approach leads to a reasonable estimation of the prevailing price. Given that the comparable instances are located in close proximity to the investment property; these instances have been assessed for their locational comparative advantages and disadvantages while arriving at the indicative price assessment for investment property.

The key assumptions used during 2017-18

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows.The fair value measurement was categorised as a Level 3 fair value based on inputs in the valuation technique used.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Particulars	March 31, 2018 (Restated)
Discount rate	14.20%
Terminal value growth rate	5.00%
Sales growth rate	9.00%

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for the year ended March 31, 2019
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The discount rate for 2017-18 was post tax measure estimated based on the weighted-average cost of capital, with no debt leveraging.

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimate of the long-term business growth rate, consistent with the assumptions that a market participant would make.

Sales growth rate has been considered based on past performance duly adjusted with future growth as envisaged by the management.

With regard to assessment of value in use, no reasonably possible change in any of the above key assumptions would cause the carrying amount of the CGU's to exceed their recoverable amount.

iii. Goodwill and other intangibles

High-Tech Technolgies and Gujarat Flavours Private Limited

These businesses were taken over by Keva Flavours Private Limited. The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows.The fair value measurement was categorised as a Level 3 fair value based on inputs in the valuation technique used.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Particulars	March 31, 2019	March 31, 2018 (Restated)
Discount rate	**8.69%**	12.00%
Terminal value growth rate	**3.00%**	5.00%
Sales growth rate	**15.00%**	15.00%

The discount rate for 2018-19 was post tax measure estimated based on the weighted-average cost of capital, with the possible debt leveraging of 64.38% at a market interest rate of 7.5% and the discount rate for 2017-18 was post tax measure estimated based on the weighted-average cost of capital, with the possible debt leveraging of 24% at a market interest rate of 7%.

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimate of the long-term business growth rate, consistent with the assumptions that a market participant would make.

Sales growth rate has been considered based on past performance duly adjusted with future growth as envisaged by the management.

With regard to assessment of value in use, no reasonably possible change in any of the above key assumptions would cause the carrying amount of the CGU's to exceed their recoverable amount.

iv. Goodwill and other intangibles

Rasiklal Hemani Agencies Private Limited

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows.The fair value measurement was categorised as a Level 3 fair value based on inputs in the valuation technique used.

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(Currency : Indian Rupees in crores)

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Particulars	March 31, 2019	March 31, 2018 (Restated)
Discount rate	**14.20%**	14.20%
Terminal value growth rate	**3.00%**	3.00%
Revenue growth rate	**7.00%**	7.00%

The discount rate was post tax measure estimated based on the weighted-average cost of capital, with the possible debt leveraging of NIL.

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimate of the long-term business growth rate, consistent with the assumptions that a market participant would make.

Revenue growth rate has been considered based on past performance duly adjusted with future growth as envisaged by the management.

With regard to assessment of value in use, no reasonalably possible change in any of the above key assumptions would cost the carrying amount of the CGU's to exceed their recoverable amount.

v. Goodwill and other intangibles

Anhui Ruibang Aroma Co. Ltd.

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows.The fair value measurement was categorised as a Level 3 fair value based on inputs in the valuation technique used.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Particulars	March 31, 2019
Discount rate	**5.00%**
Terminal value growth rate	**2.00%**
Revenue growth rate	**3.00%**

The discount rate was post tax measure estimated based on the weighted-average cost of capital, with the possible debt leveraging of NIL.

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimate of the long-term business growth rate, consistent with the assumptions that a market participant would make.

Revenue growth rate has been considered based on past performance duly adjusted with future growth as envisaged by the management.

With regard to assessment of value in use, no reasonalably possible change in any of the above key assumptions would cost the carrying amount of the CGU's to exceed their recoverable amount.

Notes to the Consolidated Financial Statements

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49 i. Acquisition of Tanishka Fragrance Encapsulation Technologies LLP

On April 24, 2017, the Holding Company, through Keva Chemicals Private Limited step-down subsidiary of the Holding Company has acquired 51% stake in Tanishka Fragrance Encapsulation Technologies LLP. Consequent to this capital contribution, the Group acquired right to use Fragrance Encapsulation Technology.

A. Consideration transferred

The following table summarises the acquisition date fair value of major class of consideration transferred:

Particulars	Amount
Cash	2.00

B. Identifiable assets acquired and liabilities assumed

The following table summaries the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

Particulars	Amount
Formulations	2.00
Total net identifiable assets aquired	**2.00**

ii. Acquisition of Anhui Ruibang Aroma Co. Ltd.

On August 01, 2018, the Holding Company, through Keva Fragrance Industries Pte.Ltd. step-down subsidiary of the Holding Company has acquired 66.7% stake in Anhui Ruibang Aroma Co.(Anhui) Ltd. for ₹ 26.55 crores. Anhui is a leading aroma ingredients company in China in manufacturing of Tonalid. This acquisition will give the Holding Company access to another Tonalid manufacturing facility. This will ensure there be no supply disruption to customers and enable it to consolidate its market leadership for Tonalid.

A. Consideration transferred

The following table summarises the acquisition date fair value of major class of consideration transferred:

Particulars	Amount
Cash	26.55

B. Acquisition-related costs

The Group incurred acquisition related cost of ₹ 1.82 crores on legal fees and due diligence costs. These costs have been included in legal and professional fees under other expenses in the previous year ₹ 0.73 crores and ₹ 1.09 crores during current year.

C. Identifiable assets acquired and liabilities assumed

The acquisition of the said company is accounted for using the acquisition method of accounting. However, the Group did not perform a purchase price allocation exercise basis fair valuation of assets and liabilities as at the reporting date. As a result, the Company has applied the exemption under the accounting standards which give the Group a period of twelve months from the acquisition date to complete the purchase price allocation exercise. Accordingly, the split of the total net assets acquired of ₹ 26.55 crores (into tangible assets, intangible assets, net current assets and goodwill, if any) is not currently determinable.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

D. Goodwill

Goodwill arising from the acquisition has been determined as follows:

	Note	Amount
Consideration transferred	A	26.55
Non controlling interest in the acquired entity		11.04
Provisional assets pending audit and purchase price allocation exercise	C	33.12
Goodwill		**4.47**

iii. Acquisition of Purandar Fine Chemicals Pvt. Ltd.

On November 1, 2018, the Holding Company, through Keva Fragrance Private Ltd. step-down subsidiary of the Holding Company has acquired 50% stake in Purandar Fine Chemicals Private Ltd.

A. Consideration transferred

The following table summarises the acquisition date fair value of major class of consideration transferred:

Particulars	Amount
Cash	0.81

B. Identifiable assets acquired and liabilities assumed

The acquisition of the said joint venture is accounted for using the acquisition method of accounting. However, the Group did not perform a purchase price allocation execise basis fair valuation of assets and liabilities as at the reporting date. As a result, the Company has applied the exemption under the accounting standards which give the Group a period of twelve months from the acquisition date to complete the purchase price allocation exercise. Accordingly, the split of the total net assets acquired of ₹ 0.81 crores (into tangible assets, intangible assets, net current assets and goodwill, if any) is not currently determinable.

C. Goodwill

Goodwill arising from the acquisition has been determined as follows:

	Note	Amount
Consideration transferred	A	0.81
Provisional assets pending audit and purchase price allocation exercise	B	0.21
Goodwill		**0.60**

iv. Acquisition of Creative Flavours and Fragrances S.p.A. ("CFF")

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"). Incorporated in year 2000, CFF is a leading fragrance company in Italy. CFF has a wide presence in Europe. The acquisition would enable broadening of the group's fragrance business. During the current year, the Holding Company has joint control in CFF and accordingly classified its interest in CFF as a joint venture.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

A. Consideration transferred

The following table summarises the acquisition date fair value of major class of consideration transferred:

Particulars	Amount
Cash	93.32

Option

The Holding Company has an option to buy (which was currently non exercisable upto February 15, 2019) the remaining stake of 49% within three years, consideration for which shall be paid based on CFF's performance.

B. Acquisition-related costs

The Holding Company incurred acquisition related cost of ₹ 2.60 crores on legal fees and due diligence costs in the previous year. These costs have been included in legal and professional fees under other expenses.

C. Identifiable assets acquired and liabilities assumed

The acquisition of the said joint venture is accounted for using the acquisition method of accounting. The Group performed a purchase price allocation execise basis fair valuation of assets and liabilities as at the reporting date 31 December 2017, during the year.

The following table summaries the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

Particulars	Amount
Intangible Assets	29.04
Financial Assets	4.75
Plant & Machinery	19.25
Non-current receivables	9.85
Inventories	23.11
Trade Receivables	46.21
Cash & Bank balances	10.83
Tax Credits	0.78
Accrued income & prepaid expenses	3.88
Formulations (identified intangible assets)	14.31
Customer relationships (identified intangible assets)	18.38
Fair value of assets acquired A	**180.39**
Long Term borrowings	12.30
Short term borrowings	44.44
Pension provisions	2.27
Trade & Other payables	69.13
Other liabilities	6.58
Other Accruals	1.70
Deferred Tax Liability	9.12
Fair value of liabilities acquired B	**145.54**
Net Assets/(Liabilities) C = A-B	**34.85**
Total identifiable net assets/ (liabilities) acquired - 51 % of Net Assets	**17.77**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

D. Goodwill

Particulars	Note	Amount
Total Purchase Consideration paid by the group	A	93.32
Less: Net identifiable assets acquired	C	17.77
Goodwill		**75.55**

E. Amortisation of Intangible assets

The group, in the previous year, has applied the exemption available as per para 45 of Ind AS 103- Business Combinations which gives the Group a period of twelve months from the acquisition date to complete the purchase price allocation exercise. Accordingly, the Group completed its Purchase price allocation exercise during the current year for acquired assets and liabilities and in the process also identified certain intangible assets (Formulations and Customer relationships).

As per the requirements of the aforementioned standard, these identified intangible assets are recognised retrospectively on the date of acquisition and the comparative information is revised to give effect to the transaction as if it was accounted on the date of acquisition.

Accordingly, amortisation of intangible assets of ₹ 1.22 crores (adjusted previous year : ₹ 0.31 crores) is recognised in the share of profits of joint ventures respectively.

F. Reconciliation of financial line item as previously reported to post completion of purchase price allocation exercise as stated above:

Particulars	Note	Year ended March 31, 2018		
		As reported	Adjustments on account of purchase price allocation	Post adjustment
ASSETS				
Non-current assets				
Equity accounted investees	E	94.94	(0.31)	94.63
EQUITY AND LIABILITIES				
Equity				
Other equity				
Retained earnings	E	368.44	(0.31)	368.13

G. Reconciliation of net-worth

Particulars	Note	Year ended March 2018
Reconciliation of Equity as reported earlier:		
Net worth as reported		857.21
Summary of adjustments on account of purchase price allocation exercise:		
(Decrease) in share of profit in equity accounted investee on account of purchase price allocation exercise	E	(0.31)
Net worth post above adjustment		856.90

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

H. Reconciliation of total comprehensive income for the year ended 31 March 2018

Particulars	Note	Year ended March 31, 2018
Total comprehensive income as reported		105.74
Summary of adjustments on account of purchase price allocation exercise:		
(Decrease) in share of profit in equity accounted investees	E	(0.31)
Total comprehensive income post above adjustment		**105.43**

I. Reconciliation of Earnings per share for the year ended March 31, 2018

Particulars	As reported	Adjustments on account of purchase price allocation	Post adjustment
Profit after tax	94.19	(0.31)	93.88
Weighted average number of equity shares for basic and diluted earnings per share	14,44,88,135		144,488,135
Basic and Diluted Earnings per share (₹)	**6.52**		**6.52**

50 Disclosure of Joint Venture and Associates

Financial information of joint ventures and associates that are material to the Group is provided below :

Name of the entity	Place of business	% of ownership interest as of march 31, 2019	% of ownership interest as of march 31, 2018	Relationship	Accounting method	Carrying Amounts	
						March 31, 2019	March 31, 2018 (Restated)
Creative Flavours and Fragrances S.p.A.	Italy	51.0%	51.0%	Joint Venture	Acquisition method	94.91	94.63
Purandar Fine Chemicals Pvt. Ltd.	India	50.0%	-	Joint Venture	Acquisition method	0.93	-
Total equity accounted investments						**95.84**	**94.63**

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(Currency : Indian Rupees in crores)

Summary financial information of Creative Flavours and Fragrances S.p.A. and Purandar Fine Chemicals Pvt. Ltd. not adjusted for the percentage ownership held by the Company is as follows:

Particulars	Creative Flavours and Fragrances S.p.A.		Purandar Fine Chemicals Pvt. Ltd.
	March 31, 2019	March 31, 2018 (Restated)	March 31, 2019
Current assets	**93.83**	116.39	**1.31**
Non-current assets	**43.89**	73.16	**0.56**
Provisional assets pending audit and purchase price allocation exercise	-	-	-
Total assets	**137.72**	189.55	**1.86**
Current liabilites	**114.46**	132.51	**0.88**
Non current liabilities	**15.01**	33.40	**0.56**
Total liabilities	**129.47**	165.91	**1.44**
Net assets	**8.25**	23.64	**0.42**
Ownership	**51%**	51%	**50%**
Groups' share of net assets	**4.21**	11.75	**0.21**
Add: Goodwill	**75.55**	-	**0.60**
Add: Intangible assets	**15.15**	-	
Carrying amount of Investment in Joint venture	**94.91**	11.75	**0.81**

	Creative Flavours and Fragrances S.p.A.		Purandar Fine Chemicals Pvt. Ltd.
	March 31, 2019	For the period January 15, 2018 to March 31, 2018 (Restated)	For the period November 1, 2018 to March 31, 2019
Revenue (includes ₹ 133.53 crores job work income)	**271.76**	53.71	**2.14**
Cost of goods sold (includes ₹ 116.18 crores job work charges)	**193.08**	35.07	**1.48**
Gross Margin	**78.68**	18.64	**0.66**
Depreciation	**13.88**	1.50	**0.07**
Finance Cost	**1.55**	0.33	**0.02**
Profit before tax	**5.35**	4.25	**0.33**
Profit after tax	**2.94**	3.16	**0.23**
Group's share of profit	**1.50**	1.61	**0.13**
Less: Amortisation of identified intangible assets (refer note 49 iv)	**1.22**	0.31	**-**
Group's share of profit	**0.28**	1.30	**0.13**

The Group has accounted investment in joint venture of CFF as per equity method based on unaudited financial statements.

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51 Non Controlling Interest

On August 1, 2018, the Holding Company, through Keva Fragrance Industries Pte.Ltd. step-down subsidiary of the Holding Company has acquired 66.7% stake in Anhui Ruibang Aroma Co.(Anhui) Ltd. For ₹ 26.55 crores and accordingly 33.33% is held by non-controlling interests. Anhui is a leading aroma ingredients company in China in manufacturing of Tonalid. This acquisition will give Holding Company access to another Tonalid manufacturing facility. This will ensure there be no supply disruption to customers and enable it to consolidate its market leadership for Tonalid.

The following table summarises information relating to Anhui Ruibang Aroma Co. Ltd., before any inter-company eliminations

Summarised statement of profit or loss

Particulars	March 31, 2019
Total Revenue	**28.30**
Loss for the year	**(0.70)**
Loss allocated to non-controlling interests	**(0.23)**

Summarised balance sheet

Particulars	March 31, 2019
Non-current assets	**27.19**
Current assets	10.49
	37.68
Non-current liabilities	-
Current liabilities	5.25
	5.25
Net assets	**32.43**
Net assets attributable to non-controlling interest	**10.81**

Summarised cash flow statement

Particulars	March 31, 2019
Cash flows from(used in) in operating activities	**(0.50)**
Cash flows from(used in) in invetsing activities	**0.93**
Cash flows from(used in) in financing activities	**-**
Net (decrease) in cash and cash equivalents	**0.43**

52 Specified bank notes disclosure

The disclosures in the consolidated financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have not been made in these consolidated financial statements since they do not pertain to the financial year ended 31 March 2019.

Notes to the Consolidated Financial Statements

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(Currency : Indian Rupees in crores)

53 Dislosure under Ind AS 115 - Revenue from contracts with customers

The Holding Company is engaged into manufacturing of Industiral Fragrances & Flavours.There is no impact on the Company's revenue on applying Ind AS 115 from the contract with customers.

Revenue from contracts with customers:Sale of products (Transferred at point in time)

a Major Segment

	Year ended March 31, 2019		
	Fragrance	Flavours	Total
Manufacturing			
India	616.57	55.51	672.08
South east asia	55.89	0.15	56.04
Europe	56.77	0.07	56.84
MENA	41.00	45.56	86.56
Others	26.61	5.85	32.46
	796.84	107.14	903.98
Trading			
India	35.77	-	35.77
South east asia	10.20	-	10.20
Europe	65.62	-	65.62
MENA	0.99	-	0.99
Others	29.56	-	29.56
	142.14	-	142.14
Total Sales	938.98	107.14	1,046.12

	Year ended March 31, 2018 (Restated)		
	Fragrance	Flavours	Total
Manufacturing*			
India	656.36	69.36	725.70
South east asia	48.62	3.62	52.24
Europe	58.73	-	58.73
MENA	30.77	36.50	67.27
Others	43.41	5.18	48.59
	837.89	114.66	952.55
Trading			
India	22.05	-	22.05
South east asia	7.36	-	7.36
Europe	40.40	-	40.40
MENA	2.48	-	2.48
Others	17.36	-	17.36
	89.65	-	89.65
Total Sales	927.52	114.66	1,042.18

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b Sales by performance obligations

	Year ended March 31, 2019		
	Fragrance	Flavours	Total
Manufacturing*			
CIF	124.81	91.94	216.75
FOB	9.86	0.01	9.87
Ex work	662.17	15.19	677.36
	796.84	107.14	903.98
Trading			
CIF	112.07	-	112.07
FOB	12.98	-	12.98
Ex work	17.09	-	17.09
	142.14	-	142.14
	938.98	107.14	1,046.12

	Year ended March 31, 2018 (Restated)		
	Fragrance	Flavours	Total
Manufacturing*			
CIF	170.14	97.53	267.67
FOB	6.35	0.28	6.63
Ex work	661.40	16.85	678.25
	837.89	114.66	952.55
Trading			
CIF	65.92	-	65.92
FOB	17.32	-	17.32
Ex work	6.41	-	6.41
	89.65	-	89.65
	927.54	114.66	1,042.20

c Reconciliation of revenue from contract with customer

Revenue from contract with customer as per the contract price

	March 31, 2019	March 31, 2018 (Restated)
Revenue from contract with customer as per the contract price		
Manufacturing*	903.98	952.55
Trading	142.14	89.65
	1,046.12	1,042.20
Adjustments made to contract price on account of :-		
Less : Excise duty	-	17.93
Less : Discounts and Rebates	4.97	5.00
Revenue from contract with customer	1,041.15	1,019.27
Other operating revenue	2.45	1.75
Revenue from operations	1,043.60	1,021.00

(*Including excise duty of ₹ 17.93 Crores)

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(Currency : Indian Rupees in crores)

54 Consolidation of Trust

During the previous year, the Holding Company has formed S H Kelkar Employee Benefit Trust (Trust) through its trustees Barclays Wealth Trustees(India) Pvt. Ltd.

The Trust has been formed for administering and implementing S H Kelkar Stock Appreciation Rights Scheme 2017 ('the scheme') of the holding Company which was adopted by the Board on August 10, 2017 and approved by shareholders of the Company on November 01, 2017

For the purpose of the Scheme, the Trust will purchase Shares out of funds borrowed from the Company which will be sold on the secondary market. The appreciation amount received by the Trustee on sale of shares be transferred to the Beneficiaries upon fulfilment of certain terms and conditions of the Scheme.

The Holding Company treats Trust as its extension and shares held by trust are treated as treasury shares.

The Consolidation of the Trust financials statements with that of the Holding Company does not in any manner affect the independence of the trustees where the rights and obligations are regulated by the trust deed.

Own equity instruments (treasury shares) are recognised at cost and deducted from equity.

i The sources and application of funds of the Trust Consolidated as at March 31, 2019 were as follows:

Particulars	March 31, 2019	March 31, 2018
Sources of Funds		
Corpus	**0.00***	0.00*
Reserves and Surplus	**(4.64)**	(0.42)
Secured Loan		
Loan	**75.00**	33.00
Total	**70.36**	32.58
Application of Funds		
Investments	**74.95**	29.80
Current Assets, Loans and Advances (A)		
Cash and Cash Equivalents	**0.17**	3.23
Less: Current Liabilities and Provisions (B)		
Current Liabilities	**4.73**	0.45
Provisions	**0.02***	0.00
Net Current Assets (A- B)	**(4.59)**	2.78
Total	**70.36**	32.58

ii Impact on the Group's profit & loss post Trust consolidation for the year March 31, 2019

Particulars	March 31, 2019	March 31, 2018
Expenditure		
Management fees	**0.04**	0.01
Audit Fees	**0.00***	0.00
Impact on profit before tax	**0.04**	0.01

* Amount less than ₹ 0.01 crore

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

Other items adjusted owing to the Trust consolidation include:

(A) Treasury shares

Upon consolidation, the investment in the Holding Company's equity shares made by Trust is debited to the Holding Company's Equity as treasury shares amounting to ₹ 74.95 crores as at March 31, 2019.

(B) Other Non Current Financial Assets and other Income

Loans advanced to Trust eliminated on consolidation amounting to ₹ 75 crores as at March 31, 2019 (previous year ₹ 33 crores) and interest ₹4.36 crores (previous year ₹ 0.40 crores) on above loan is also eliminated.

(C) Other Current Financial Assets

Interest on loans receivable from Trust eliminated on consolidation amounting to ₹ 4.28 crores (previous year ₹ 0.36 crores) as at March 31, 2019.

55 Exceptional items

The Group during 2017-18, decided to restructure its operation at one of its subsidiary, PFW Aroma Ingredients B.V., Netherlands (PFW) and, inter alia, relocate part of its production base to India to optimise the cost structure of its fragrance business. This resulted in partial reduction of PFW's workforce. This restructuring cost (termination benefit) has been considered and recognised in full in the consolidated statement of profit and loss in accordance with Ind AS 19-Employee Benefits.

56 The Government of India introduced the Goods and Services Tax (GST) with effect from July 1, 2017, consequently revenue from operations for the year ended March 31, 2018 is net of GST, however revenue for the period April 1, 2017 to June 30, 2017 is inclusive of excise duty and hence, total income from operations for year ended March 31, 2019 and year ended March 31, 2018 are not comparable.

57 The MCA wide notification dated October 11, 2018 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. The Company has incorporated appropriate changes in the consolidated financial statements.

As per our report of even date attached.
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai
May 22, 2019

For and on behalf of the Board of Directors
S H Kelkar and Company Limited
CIN: L74999MH1955PLC009593

Ramesh Vaze
Managing Director
DIN: 00509751

Kedar Vaze
Director & Chief Executive Officer
DIN: 00511325

Shrikant Mate
Chief Financial Officer
ICAI Membership No: 37556

Deepti Chandratre
Company Secretary
Membership No: A20759

Mumbai
May 22, 2019

Mumbai
May 22, 2019

Independent Auditors' Report

To the Members of
S H Kelkar and Company Limited

Report on the audit of the standalone financial statements

Opinion

We have audited the standalone financial statements of S H Kelkar and Company Limited ('the Company'), which comprise the Standalone Balance Sheet as at March 31, 2019, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information, in which are included the returns for the year ended on that date of a Branch in Amsterdam, the Netherlands ('the Branch') and the financial statements of S H Kelkar Employee Benefit Trust ('the Trust') audited by the auditors of the Company's Trust (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditors on separate financial statements of the Trust, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the evidence obtained by the other auditors in terms of their report referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Intangible assets under development

The Key Audit Matter	How the matter was addressed in our audit
Refer to Note 3.10 (Accounting policies) and Note 2.4(f) (Critical accounting estimates and judgements). During the year ended March 31, 2019, the Company capitalised development costs totaling ₹ 27.32 crores within intangibles assets under development, which relates to the development of formulations/recipes for Fragrances. As at March 31, 2019, the carrying amount of intangible assets under development aggregated to ₹ 18.59 crores. We identified that significant formulation development costs are being capitalised under intangible assets under development and that there are significant judgements involved in assessing whether the criteria, set out in Ind AS, required for capitalisation of such costs have been met, including the likelihood of the project delivering sufficient future economic benefits and the probability of successful launch of the product. Further, where the costs incurred are internally generated (for example employee costs) there is judgement required in the calculation, such as the accuracy of the amount of time spent on the projects. Also, the Company's annual impairment assessment of intangible assets under development contains significant judgments involving forecasting and discounting future cash flows. Accordingly, this was an area of focus for our audit.	Our audit procedures to assess the capitalisation of development costs included the following: • We tested comparing, on a sample basis, capitalised development costs recorded during the year with relevant underlying documentation to assess whether these items met the criteria for capitalisation with reference to the requirements of the prevailing accounting standards; • To determine whether internal employee costs were directly attributable to projects, we obtained listing of individuals worked on formulation projects for the employment costs capitalised. We selected a sample of the individuals and obtained an understanding of the work performed by the employee. We also checked value of costs capitalised equated to the employee's salary; • For evaluating the future economic benefits and commercial feasibility of the formulation development projects, we held discussions with the Company's stakeholders and inspected the client presentations; and • We evaluated management's assessment on impairment for any intangible assets under development (including retrospective review of successful launch of the products).

Impairment of Investment in Subsidiaries and joint ventures

The Key Audit Matter	How the matter was addressed in our audit
Refer to Note 3.14 (Accounting policies) and Note 2.4(h) (Critical accounting estimates and judgements). As of March 31, 2019, the carrying amount of investment in subsidiaries and joint venture amounted to ₹ 267.91 crores, representing 30.06% of the total assets of the Company. Management has considered that the continued losses suffered by some of its subsidiaries and business underperformance at some of the subsidiaries and joint ventures compared to expectations, provides indication that its investments in subsidiaries and joint venture may be impaired. Management has undertaken an impairment assessment and has estimated the recoverable amount of its investment in subsidiaries and joint venture using value-in-use calculations which is complex and involves the use of significant management estimates and assumptions, in forecasting and discounting future cash flows that are further dependent on expected future market and economic conditions. Further the amount of investments due to their materiality is significant in the context of total assets of the Company. Accordingly, this was an area of focus for our audit.	Our audit procedures included: • We considered the management's assessment of investments in subsidiaries and joint venture with indicators of impairment. We further compared the carrying amount of investments with the relevant subsidiaries and joint ventures balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries have historically been profit-making; • For those subsidiaries and joint venture with indicators of impairment identified, we assessed the valuation methods used i.e. value in use calculations and evaluated the key assumptions used by management such as revenue growth rate, gross margins, sustainability of the working capital based on historical results, current developments and future plans of the business as approved by the Board of directors of the respective entities; • We further made comparison to available information to assess the reasonableness of revenue growth rates, the discount rates and terminal growth rates. We further performed a sensitivity analysis on those key assumptions used; and • We also considered the adequacy of the disclosures in respect of investment in subsidiaries in Note 8A.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the standalone financial statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the standalone financial statements of the Trust included in the standalone financial statements of the Company whose financial statements reflect total assets of ₹ 75.12 crores as at March 31, 2019 and the total revenue of ₹ Nil for the year ended on that date, as considered in the standalone financial statements. This Trust has been audited by other auditors whose report have 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.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   (A) As required by Section 143 (3) of the Act, we report that:

   (a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;

   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Trust not visited by us;

   (c) The reports on the accounts of the Trust audited under Section 143(8) of the Act by other auditors have been sent to us and have been properly dealt with by us in preparing this report.

   (d) the Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this report are in agreement with the books of account and with the returns received from the Trust not visited by us;

   (e) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;

   (f) on the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act;

   (g) with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

   i. the Company has disclosed the impact of pending litigations as at March 31, 2019 on its financial position in its Standalone financial statements – Refer Note 40 to the Standalone financial statements;

   ii. the Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

   iv. the disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2019.

   (C) With respect to the matter to be included in the Auditors' Report under Section 197 (16) of the Act:

   In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197 (16) of the Act which are required to be commented upon by us.

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

Aniruddha Godbole
Partner
Membership No: 105149

Mumbai
May 22, 2019

Annexure A to the Independent Auditors' Report – March 31, 2019

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2019, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the above programme, the Company has verified certain fixed assets during the year and no material discrepancies were noticed in respect of assets verified during the year and have been properly dealt with in the books of accounts.

(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The inventory, except for goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at year-end, written confirmations have been obtained. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.

(iii) (a) The Company has granted unsecured loans to two companies covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). The Company has not granted any loans, secured or unsecured, to other body corporates, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. In our opinion and according to the information and explanation given to us, the Company does not consider the reimbursement of cost charged and outstanding to fall under purview of loans. In our opinion, the rate of interest and other terms and conditions on which the unsecured loans have been granted to the companies listed in the register maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.

(b) The unsecured loans granted to companies covered in the register maintained under Section 189 of the Act are repayable on demand. The repayment of the loans was not demanded during the year. The borrowers have been regular in the payment of principal and interest as demanded.

(c) The unsecured loans granted to companies covered in the register maintained under Section 189 of the Act are repayable on demand. The loan was not demanded during the year and there are no amounts which are overdue for more than ninety days in respect of such loans.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the guarantees given to body corporates, loans and guarantees given to companies, and investments made by the Company. The Company has not given any security under Section 185 and 186 of the Act. Accordingly, compliance under Section 185 and 186 of the Act, in respect of providing securities is not applicable to the Company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148 (1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income tax, Goods and service tax, Duty of customs, Cess and other material statutory dues have been regularly deposited with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Profession tax have generally been regularly deposited during the year with the appropriate authorities, though there have been slight delays in few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income tax, Goods and service tax, Professional tax, Duty of customs, Cess and other material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

Also, refer note 40A(c) to the standalone financial statements.

(b) According to the information and explanations given to us, there are no dues of Goods and service tax which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, the following dues of Income-tax, Duty of excise, Sales tax, Value added tax and Duty of customs have not been deposited as on March 31, 2019 by the Company on account of disputes:

Name of the statute	Nature of the dues	Demand in Rupees crores	Amount not deposited on account of demand Rupees in crores	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income-tax	0.40	0.10	2008-09	Income-tax Appellate Tribunal
Income tax Act, 1961	Income-tax	0.41	0.41	2010-11	Income-tax Appellate Tribunal
Income tax Act, 1961	Income-tax	0.52	0.52	2012-13	The Commissioner of Income-tax (appeals)
Income tax Act, 1961	Income-tax	2.43	0.38	2011-12	High Court
Income tax Act, 1961	Income-tax	0.28	0.28	2008-09	High Court
Central Excise Act, 1944	Service tax	2.41	0.68	2008-09 to 2011-12	CESTAT
Central Excise Act, 1944	Excise duty	1.10	1.10	2008-09 to 2012-13	CESTAT
Central Excise Act, 1944	Excise duty	0.32	0.20	2008-09	CESTAT
Central Excise Act, 1944	Excise duty	0.11	0.07	2011-12	CESTAT
Central Excise Act, 1944	Service tax	0.04	0.04	2011-12	High Court
Central Excise Act, 1944	Service tax	6.74	6.74	2008-09 2011-12	CESTAT
Sales tax and Value added tax	VAT and CST	0.50	0.40	2012-13	Joint Commissioner of Sales Tax
Sales tax and Value added tax	VAT and CST	0.36	0.17	2013-14	Joint Commissioner of Sales Tax
Customs Act, 1962	Custom Duty	0.06	0.06	2009-12	The Additional Commissioner of Customs
Customs Act, 1962	Custom Duty	0.05	0.05	2011-12	The Deputy Commissioner of Customs
Central Excise Act, 1944	Excise duty	0.02	0.01	1999-2010	CESTAT
Sales tax and Value added tax	VAT and CST	0.36	0.17	2013-14	Joint Commissioner of Sales Tax
Central Excise Act, 1944	Service Tax	0.99	0.33	2008-09 to 2012-13	High Court
Central Excise Act, 1944	Service Tax	0.48	0.48	2011- 12	The Commissioner of Central Excise
Central Excise Act, 1944	Service Tax	0.15	0.15	2011- 12	The Commissioner of Central Excise (appeals)

(viii) In our opinion, and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. The Company did not have any outstanding dues to government, financial institutions and debenture holders during the year.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

Aniruddha Godbole
Partner
Membership No: 105149

Mumbai
May 22, 2019

Annexure B to the Independent Auditors' Report – March 31, 2019

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph 1 A(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to the financial statements of S H Kelkar and Company Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the auditors of the Trust in terms of their report referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control with reference to financial statements in so far as it relates to the Trust which is incorporated in India is based on the corresponding reports of the auditors of such Trust.

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

Aniruddha Godbole
Partner
Membership No: 105149

Mumbai
May 22, 2019

Standalone Balance Sheet

as at March 31, 2019

(Currency : Indian Rupees in crores)

	Note	March 31, 2019	March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	**117.00**	119.77
Capital work in progress	4	**5.33**	3.67
Investment property	5	**13.83**	14.30
Other intangible assets	6	**70.14**	19.97
Intangible assets under development		**18.59**	14.49
Financial assets			
Investments			
Investment in subsidiaries and joint venture	8A	**267.91**	267.91
Other investments	8B	**-**	-
Loans	7	**1.14**	1.07
Others	9	**-**	0.03
Other tax assets (net)	34	**21.80**	16.62
Other non-current assets	10	**2.40**	3.93
Total non-current assets		**518.14**	461.76
Current assets			
Inventories	11	**185.96**	156.80
Financial assets			
Investments	12	**1.53**	1.55
Trade receivables	13	**125.81**	187.60
Cash and cash equivalents	14	**6.08**	1.49
Other bank balances	15	**0.19**	3.23
Loans	16	**28.73**	20.75
Others	9	**8.76**	9.04
Other current assets	10	**15.94**	11.28
Total current assets		**373.00**	391.74
TOTAL ASSETS		**891.14**	853.50
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	**144.62**	144.62
Other equity			
Retained earnings		**268.00**	254.09
Other reserves	18	**183.94**	228.86
Total equity		**596.56**	627.57
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19	**0.14**	0.28
Others	20	**24.09**	24.29
Deferred tax liability (net)	35	**4.97**	1.50
Total non-current liabilities		**29.20**	26.07
Current liabilities			
Financial liabilities			
Borrowings	19	**87.13**	18.67
Trade payables	22		
- 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	23	**15.56**	15.73
Other current liabilities	24	**9.20**	13.45
Provisions	21	**7.31**	9.62
Current tax liabilities (net)	34	**2.39**	3.13
Total current liabilities		**265.38**	199.86
Total liabilities		**294.58**	225.93
TOTAL EQUITY AND LIABILITIES		**891.14**	853.50
Significant accounting policies	1-3		
The notes referred to above and other notes form an integral part of the standalone financial statements.	4-53		

As per our report of even date attached.
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors
S H Kelkar and Company Limited
CIN: L74999MH1955PLC009593

Aniruddha Godbole
Partner
Membership No. 105149

Ramesh Vaze
Managing Director
DIN: 00509751

Kedar Vaze
Director & Chief Executive Officer
DIN: 00511325

Shrikant Mate
Chief Financial Officer
ICAI Membership No: 37556

Deepti Chandratre
Company Secretary
Membership No: A20759

Mumbai
May 22, 2019

Mumbai
May 22, 2019

Mumbai
May 22, 2019

Standalone Statement of Profit and Loss

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

	Note	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from operations	25	**693.78**	697.73
Other income	26	**19.14**	14.13
Total income		**712.92**	711.86
Expenses			
Cost of materials consumed	27	**452.02**	389.43
Purchase of stock in trade		**5.41**	4.85
Changes in inventories of finished goods and work-in-progress	28	**(31.48)**	5.46
Excise duty		**-**	16.05
Employee benefits expense	29	**78.47**	70.85
Finance costs	30	**6.51**	3.16
Depreciation and amortisation expense	31	**15.18**	10.53
Other expenses	32	**124.60**	108.37
Total expenses		**650.71**	608.70
Profit before income tax		**62.21**	103.16
Tax expense:			
Current tax	34		
for current year		**13.43**	33.11
for earlier years		**0.05**	(0.73)
Deferred tax charge			
for current year		**1.48**	1.82
for earlier years		**2.28**	-
Profit for the year		**44.97**	68.96
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit liability		**(0.83)**	0.13
Income tax related to items that will not be reclassified to profit or loss		**0.29**	(0.04)
Other comprehensive income for the year, net of income tax		**(0.54)**	0.09
Total comprehensive income for the year		**44.43**	69.05
Earnings per equity share (Nominal value of ₹ 10 each, fully paid-up)	33		
Basic earnings per share (₹)		**3.15**	4.77
Diluted earnings per share (₹)		**3.15**	4.77
Significant accounting policies	1-3		
The notes referred to above and other notes form an integral part of the standalone financial statements.	4-53		

As per our report of even date attached.
For B S R & Co. LLP
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For and on behalf of the Board of Directors
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Mumbai
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Mumbai
May 22, 2019

Standalone Statement of Changes in Equity

for the year ended March 31, 2019

(Currency: Indian Rupees in crores)

		March 31, 2019	March 31, 2018
(a)	**Equity share capital**		
	Opening balance as at	144.62	144.62
	Changes in equity share capital during the year (refer note 17)	-	-
	Closing balance as at	**144.62**	144.62

(b) Other equity

	Attributable to the equity holders of the Company							
	Reserves and Surplus							
	Securities Premium Account	Capital Redemption Reserve	General Reserve	Retained earnings	STARs reserve	Other reserves	Treasury shares	Total Equity
Balance as at April 1, 2018	194.14	*0.00	55.76	254.09	-	8.76	(29.80)	482.95
Total comprehensive income for the year ended March 31, 2018								
Profit for the year	-	-	-	44.97	-	-	-	44.97
Items of OCI for the year, net of tax								
Remeasurements of defined benefit liability	-	-	-	(0.54)	-	-	-	(0.54)
Total comprehensive income for the year	**-**	***0.00**	**-**	**44.43**	**-**	**-**	**-**	**44.43**
Transaction with the owners of the Company, recorded directly in equity								
Contributions and distributions								
Dividend Distribution Tax (DDT)	-	-	-	(5.20)	-	-	-	(5.20)
Dividends	-	-	-	(25.32)	0.23		-	(25.09)
Others								
Purchase of treasury shares by the Trust during the year (refer note 53)	-	-	-	-	-	-	(45.15)	(45.15)
Balance at March 31, 2019	**194.14**	**-**	**55.76**	**268.00**	**0.23**	**8.76**	**(74.95)**	**451.94**
Balance as at April 1, 2017	194.14	*0.00	55.76	215.51	-	8.76	-	474.17
Total comprehensive income for the year ended March 31, 2018								
Profit for the year	-	-	-	68.96	-	-	-	68.96
Items of OCI for the year, net of tax								
Remeasurements of defined benefit liability	-	-	-	0.09	-	-	-	0.09
Total comprehensive income for the year	-	*0.00	-	69.05	-	-	-	69.05
Transaction with the owners of the Company, recorded directly in equity								
Contributions and distributions								
Dividend Distribution Tax (DDT)	-	-	-	(5.16)	-	-	-	(5.16)
Dividends	-	-	-	(25.31)	-	-	-	(25.31)
Others								
Purchase of treasury shares by the Trust during the year (refer note 53)	-	-	-	-	-	-	(29.80)	(29.80)
Balance at March 31, 2018	**194.14**	***0.00**	**55.76**	**254.09**	**-**	**8.76**	**(29.80)**	**482.95**

*Amount less than ₹ 0.01 crores

Significant accounting policies 1-3

The notes referred to above and other notes form an integral part of the standalone financial statements. 4-53

As per our report of even date attached.
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors
S H Kelkar and Company Limited
CIN: L74999MH1955PLC009593

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Chief Financial Officer
ICAI Membership No: 37556

Deepti Chandratre
Company Secretary
Membership No: A20759

Mumbai
May 22, 2019

Mumbai
May 22, 2019

Mumbai
May 22, 2019

Standalone Statement of Cash Flow

for the year ended March 31, 2019

(Currency: Indian Rupees in crores)

	March 31, 2019	March 31, 2018
Cash flow from operating activities		
Profit before tax	62.21	103.16
Adjustments for		
Depreciation and amortisation	15.18	10.53
Net loss on sale of property, plant and equipment	0.03	0.21
Intangible asset under development written off	20.40	4.16
Net gain arising on financials assets measured at FVTPL	-	(0.03)
Gain on sale of investment	(0.27)	(2.02)
Unrealised exchange fluctuation loss / (gain) (net)	(0.58)	(0.06)
Rent income	(4.69)	(4.19)
Interest income on Deposits with banks	-	(0.01)
Interest income on loans to subsidiary	(2.53)	(3.64)
Provision for doubtful debts	0.92	-
Reversal of provision for doubtful debts	-	(1.13)
Bad debts written off	0.11	0.03
Guarantee commission income	(1.55)	(0.90)
Remeasurements of defined benefit liability	0.83	0.13
Employee liabilities no longer required written back	(4.36)	-
Interest received on income tax refund	(1.50)	(0.25)
Interest expense and other finance costs	6.51	3.16
	90.71	109.15
Working capital adjustments		
(Increase) / decrease in inventories	(29.16)	33.71
(Increase) / decrease in trade receivables	60.76	(48.37)
(Increase) / decrease in loans and advances and other current assets	(0.30)	(10.22)
Increase / (decrease) in trade payables, other current liabilities and provisions	1.96	63.33
Net change in working capital	33.25	38.45
Cash flows generated from operating activities	123.96	147.60
Income tax paid (net)	(19.40)	(30.01)
Net cash flows generated from operating activities	104.56	117.59
Cash flows from investing activities		
Purchase of property, plant and equipment, investment property and intangibles (including cwip and intangible under development)	(87.08)	(69.72)
Investment in equity shares of subsidiary/Joint venture	-	(97.30)
Loan given to subsidiary	(44.05)	(46.80)
Loan recovered from subsidiary	36.95	66.10
Proceeds from sale of property, plant and equipment (net of related expenditure)	0.14	0.12
Proceeds from sale of mutual funds	77.09	371.79
Investment in mutual funds	(77.06)	(319.34)
Rent income	4.69	4.19
Increase / (decrease) in non-current deposits with bank	(0.03)	(0.01)
Interest received	2.47	2.48
Net cash flows (used in) investing activities	(86.88)	(88.49)

Standalone Statement of Cash Flow (continued)

for the year ended March 31, 2019

(Currency: Indian Rupees in crores)

	March 31, 2019	March 31, 2018
Cash flows from financing activities		
Finance leases payment	**(0.13)**	(0.15)
Working capital loans taken	**274.50**	97.50
Working capital loans repaid	**(205.50)**	(82.50)
(Purchase) of Investment by Employee Benefit Trust	**(45.15)**	(29.80)
Dividend paid, including tax thereon	**(30.52)**	(30.47)
Dividend received on treasury shares	**0.23**	-
Interest paid	**(5.98)**	(3.11)
Net cash flows (used in) from financing activities	**(12.55)**	(48.53)
Net increase /(decrease) in cash and cash equivalents	**5.13**	(19.43)
Reconciliation of cash and cash equivalents with the balance sheet		
Cash and cash equivalents at the beginning of the year	**(2.18)**	17.25
Cash and cash equivalents at the end of the year	**2.95**	(2.18)
	(5.13)	19.43
Notes:		
Cash and cash equivalents		
Balances with banks in:		
- current accounts	**0.81**	0.84
- exchange earners foreign currency account	**5.08**	0.40
Cash on hand	**0.19**	0.25
Bank overdrafts used for cash management purposes	**(3.13)**	(3.67)
Cash and cash equivalents in the statement of cash flows	**2.95**	(2.18)
Debt reconciliation statement in accordance with Ind AS 7		
Opening balances		
Long-term borrowing	**0.28**	0.40
Short-term borrowing	**15.13**	0.16
Movements		
Long-term borrowing	**-**	(0.12)
Short-term borrowing	**68.87**	14.97
Closing balances		
Long-term borrowing	**0.28**	0.28
Short-term borrowing	**84.00**	15.13

The above standalone cash flow statement has been prepared under the 'indirect method' as set out in the Accounting Standard (IND AS) 7 - "Cash Flow Statements".

Cash comprises cash on hand, current accounts, deposits with banks and bank overdraft. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).

The notes referred to above and other notes form an integral part of the standalone financial statements. 4-53

As per our report of even date attached.
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors
S H Kelkar and Company Limited
CIN: L74999MH1955PLC009593

Aniruddha Godbole
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Company Secretary
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Mumbai
May 22, 2019

Mumbai
May 22, 2019

Mumbai
May 22, 2019

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

1 Company Overview

S H Kelkar and Company Limited ('SHK' or 'the Company') was incorporated under the provisions of the Companies Act, 1913, and has its registered office at Devkaran Mansion, 36, Mangaldas Road, Mumbai – 400002. The Company has its equity shares listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India.

The Company is engaged in the manufacture, supply and exports of fragrances & aroma ingredients..

2 Basis of preparation

2.1 Statement of compliance

The accompanying standalone financial statements, in which are incorporated the returns of a Branch in Amsterdam, the Netherlands and the returns of S H Kelkar Employee Benefit Trust, have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended and notified under section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The standalone financial statements for the year ended March 31, 2019 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on May 22, 2019.

2.2 Functional and presentation currency

These standalone financial statements are presented in Indian rupees, which is also the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest crores, unless otherwise indicated.

2.3 Basis of measurement

The standalone financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- net defined benefit (asset)/ liability that are measured at fair value of plan assets less present value of defined benefit obligations.

2.4 Use of estimates and judgements

The preparation of the standalone financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2020 and subsequent years are as follows:

a. Property, plant and equipment

Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalised. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

b. Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

c. Recognition of deferred tax assets

Deferred tax assets are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

d. Allowances for doubtful debts

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

e. Discounting of long-term financials instruments

All financial instruments are required to be measured at fair value on intial recognition. In case of financial instruments which are required to subsequently measured at amortised cost, interest is accrued using the effective interest method.

f. Intangible assets under development

Development expenditure is capitalised as part of the cost of the fragrance development, only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and sell the asset.

g. Fair value of financial instruments

Derivatives are carried at fair value, Derivatives includes Foreign Currency Forward Contracts, Fair value of which, is dertmined using the fair value reports provided by respective merchant bankers.

h. Impairment losses on investment

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

2.5 Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3 fair values by the management. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.6 Current / non-current classification

An entity shall classify an asset as current when-

(a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle; or

(b) it holds the asset primarily for the purpose of trading; or

(c) it expects to realise the asset within twelve months after the reporting period; or

(d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

An entity shall classify all other assets as non-current.

An entity shall classify a liability as current when-

(a) it expects to settle the liability in its normal operating cycle; or

(b) it holds the liability primarily for the purpose of trading; or

(c) the liability is due to be settled within twelve months after the reporting period; or

(d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

An entity shall classify all other liabilities as non-current.

Operating cycle

An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

3 Significant accounting policies

3.1 Revenue

The Company has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

The Company has adopted Ind AS 115 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. April 1, 2018). Accordingly, the comparative information in the statement of profit and loss is not restated.

a Sale of goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Due to the short nature of credit period given to customers, there is no financing component in the contract.

b Rental income and Technical know how

Rental income (including income from sub-leasing), included under other income, is recognised on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation.

Technical know how are recognised on accrual basis.

c Export incentives

Export incentives principally comprises of focus market scheme, and other export incentive schemes. The benefits under these incentive schemes are available based on the guidelines formulated for respective schemes by the government authorities. These incentives are recognised as revenue on accrual basis to the extent it is probable that realisation is certain.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the Company's functional currency at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are not translated.

In respect of foreign branch, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate at the date of transaction. Branch monetary assets and liabilities are restated at the year end rates.

Foreign currency exchange differences are recognised in the Statement of profit or loss.

3.3 Employee benefits

Short-term employee benefits

Short-term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided. These benefits include bonus and compensated absences such as paid annual leave and sickness leave.

A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the amount of obligation can be estimated reliably.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

Post employment employee benefits

i Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

The Company makes specified monthly contributions to Employee State Insurance and Labour Welfare Fund and are recognised as an employee benefit expense in the standalone Statement of profit and loss on an accrual basis.

Contribution to Superannuation Fund, a defined contribution scheme, is made at pre-determined rates to the Superannuation Fund Trust and is charged to the standalone Statement of profit and loss. There are no other obligations other than the contribution payable to the Superannuation Fund Trust.

ii Defined benefit plans

A defined benefit plan is a post-employee benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined liability (asset) after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to gratuity benefit scheme are recognised in the standalone Statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Gratuity

The Company has an obligation towards gratuity, a defined benefit scheme covering eligible employees. The Company accounts for gratuity benefits payable in future based on an independent actuarial valuation method as stated above. Also, the Company's contribution paid/ payable to the Gratuity fund managed by the trust set up by the Company is recognised as expense in the standalone Statement of profit and loss during the period in which the employee renders the related service.

Provident fund trust

Eligible employees receive benefits from a provident fund which is a defined benefit plan and managed by the trust set up by the Company. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The rate at which the annual interest is payable to the beneficiaries of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees

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Provident Funds and Miscellaneous Provisions Act, 1952. Accordingly, the Company has an obligation to make good the shortfall, if any, between the return from the investments and reserves of the Trust and the notified interest rate. And an obligation in this respect is measured and accounted on the basis of independent actuarial valuation as stated above.

Other long-term employee benefits

The Company's net obligation in respect of compensated absences such as paid annual leave, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method, as at the date of the Balance Sheet. Actuarial gains or losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the standalone Statement of profit and loss.

Other long-term employee benefits also include long-term incentive plan provided to eligible employees. Vesting of the long-term incentive would be contingent on achievement of certain performance conditions. The obligation for the long-term incentive plan is calculated arithmatically as a percentage of fixed salary.

3.4 Recognition of dividend income, interest income or expense

Interest income or expense is recognised using the effective interest rate method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

Dividend income is recognised in the standalone Statement of profit or loss on the date on which the Company's right to receive the payment is established.

3.5 Income tax

Income tax expense comprises current and deferred tax. It is recognised in the Statement of profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i Current tax

Current tax comprises the expected tax payable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates enacted or substantively enacted by the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and curent tax liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

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- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable Company.

iii MAT policy:

Minimum Alternate Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as deferred tax in the standalone Statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the year for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

3.6 Inventories

Inventories which comprise raw materials, packing materials, work-in-progress and finished goods are carried at the lower of cost and net realisable value.

The cost of inventories is based on weighted average formula and includes expenditure incurred in acquiring the inventories, costs of production or conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of fixed production overheads based normal operating capacity of production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

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The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

3.7 Property, plant and equipment

i Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) any directly attributable cost of bringing the asset to its location and condition necessary for it to be capable of operating in the manner intended by management.

c) the estimated costs of dismantling and removing the item and restoring the site on which it is located.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the standalone Statement of profit and loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the standalone Statement of profit and loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated using the straight-line method on cost of items of property, plant and equipment less their estimated residual values over the estimated useful lives prescribed under Schedule II of the Act, except for certain assets in 'Plant and Machinery', where based on internal assessment and technical evaluation carried out, management believes that the useful life is 20 years, which is higher and different from the useful life of 15 years as prescribed under Part C of Schedule II of the Companies Act, 2013.

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term, in which case the depreciation rates applicable for similar assets owned by the Company are applied.

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Assets acquired under finance lease and leasehold improvements are depreciated over the shorter of the lease term and their useful lives. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment are as follows:

Tangible assets	Life defined	Useful life as per Schedule II
Buildings	30-60 years	30-60 years
Research and development - equipments	10-15 years	10-15 years
Computers	3 years	3 years
Office equipments	5 years	5 years
Plant and machinery	15-20 years	8-15 years
Electrical installation	10 years	10 years
Motor cars and vehicles	8 years	8 years
Furniture and fixtures	10 years	10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.8 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.9 Investment property:

i Recognition and measurement

Property (building or part of a building or both) that is held for long term rental yields or for capital appreciation or both, rather than for:

i. use in the production or supply of goods or services or for administrative purposes; or

ii. sale in the ordinary course of business is recognised as Investment Property in the books.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

ii. Subsequent expenditure

Subsequent expenditure is capitalised to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

iii. Depreciation

Depreciation is provided on all Investment Property on straight line basis, based on useful life of the assets determined in accordance with para "3.7(iii)" above. The estimated useful lives as given below, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Tangible assets	Life defined	Useful life as per Schedule II
Buildings	30 years	30 years

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iv. Fair value

Fair value of investment property is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The fair value of investment property is disclosed in the Note 5.

3.10 Intangible assets

i. Recognition and measurement

Internally generated: Research and development

Expenditure on research activities is recognised in the Standalone Statement of profit and loss as incurred.

Development expenditure is capitalised as part of the cost of the fragrance development, only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and sell the asset. Otherwise, it is recognised in Standalone Statement of profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible asset under development includes formulations.

Other intangible assets

Other intangible assets, include tehnical know-how, computer software and non compete fees, which are acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the Statment of profit or loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is included in depreciation and amortisation in the Standalone Statement of profit and loss.

Other intangible assets are amortised over the estimated useful lives as given below:

- Computer Software	5 years
- Technical know-how	10 years
- Formulation	10 years
- Formulation (internally generated)	3 years
- Non compete fees	5 years
- Patent and trademarks	5 Years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.11 Financial Instruments

a. Financial assets

i. Recognition and initial measurement

Trade receivables and debt instruments issued are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

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A financial asset is initially measured at fair value. In the case of financial assets which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the Statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

ii. Classification

On initial recognition, a financial asset is classified as measured at

- amortised cost; or
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI) - debt investment or equity investment

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

iii Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the Statement of profit or loss.

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Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the Statement of profit or loss. Any gain or loss on derecognition is recognised in the Statement of profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the Standalone Statement of profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

iv. Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transactionin which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

b. Financial liabilities

i. Recognition and initial measurement

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial liability is initially measured at fair value. In the case of financial liabilities which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the Standalone Statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition or issue of financial liability.

ii Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the Statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the Standalone Statement of profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

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The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

c. Derivative financial instruments

The Company uses derivative financial instruments, such as foreign currency forward contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting period. Any changes therein are generally recognised in the profit and loss account.

d. Investment in subsidiaries and joint venture

The Company accounts for the investments in equity shares of subsidiaries and joint venture at cost in accordance with Ind AS 27- Separate Financial Statements.

3.12 Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

3.13 Leases

i. Lease payments

Payments made under operating leases are recognised in the Statement of profit or loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

ii. Assets held under lease

Leases of property, plant and equipment that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to the similar owned asset.

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Assets held under leases that do not transfer to the Company substantially all risks and rewards of ownership are classified as operating leases and are not recognised in the Company's statement of financial position.

3.14 Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoveable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Standalone Statement of profit and loss.

The recoverable amount is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of the assets for which impairment loss has been recognised in prior periods, the company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, impairment loss is reversed to the extent to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

3.15 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.16 Employee Stock Appreciation Rights Scheme:

Liability for the company's Employee Stock Appreciation Rights (STARs), granted pursuant to the Company's Employee Stock Appreciation Rights Scheme, 2017 of the Company which was adopted by the Board on August 10, 2017 and approved by shareholders of the Company on November 1, 2017, shall be measured, initially and at the end of each reporting period until settled, at the fair value of the STARs, by applying an option pricing model, be and is recognised as employee benefit expense over the relevant service period. The liability is presented as employee benefit obligation in the balance sheet.

3.17 Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

3.18 Dividend to Equity shareholders

Dividend to equity shareholders is recognised as a liability and deducted from shareholders' Equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

3.19 Earnings per share (EPS)

Basic EPS is computed by dividing the Profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

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3.20 Recent accounting pronouncement

Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified the following new Ind AS which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2019:

IND AS 116 Leases :

The new standard on leases sets out the principles for the recognition, measurement, presentation and disclosure of the leases. The core objective of this standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represent those transactions.

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Company has completed an initial assessment of the potential impact on its standalone financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the standalone financial statements in the period of initial application is not reasonably estimable as at present.

The total assets and liabilities on the balance sheet will increase with a decrease in net total assets, due to the depreciation of right of use assets being on a straightline basis whilst the lease liability reduces by the principal amount of repayments;

- Interest expense will increase due to the unwinding of the effective interest rate implicit in the lease liability. Interest expense will be greater earlier in a lease's life, due to the higher principal value, causing profit variability over the term of lease. This effect may be partially mitigated due to the number of leases held by the Company at various stages of their terms; and

- operating cash flows will be higher and financing cash flows will be lower, as repayment of the principal portion of all lease liabilities will be classified as financing activities.

The Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

In addition to the above, the following amendments to existing standards have been issued, are not yet effective and are not expected to have a significant impact on the Company's standalone financial statements:

- Amendments to Ind AS 103, Business Combinations, and Ind AS 111, Joint Arrangements: This interpretation clarifies how an entity accounts for increasing its interest in a joint operation that meets the definition of a business.

- Amendments to Ind AS 109, Financial Instruments: amendments relating to the classification of particular pre payable financial assets.

- Amendments to Ind AS 12, Income Taxes, clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income or equity. Further Appendix C, uncertainty over

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income tax treatments has been added to clarify how entities should reflect uncertainties over income tax treatments, in particular when assessing the outcome a tax authority might reach with full knowledge and information if it were to make an examination.

- Amendment to Ind AS 19, Employee Benefits - The amendment to Ind AS 19 clarifies that on amendment, curtailment or settlement of a defined benefit plan, the current service cost and net interest for the remainder of the annual reporting period are calculated using updated actuarial assumptions – i.e. consistent with the calculation of a gain or loss on the plan amendment, curtailment or settlement. This amendment also clarifies that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. The entity then determines the effect of the asset ceiling after plan amendment, curtailment or settlement. Any change in that effect is recognized in other comprehensive income (except for amounts included in net interest).

- Amendments to Ind AS 23, Borrowing Costs, clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction.

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4 Property, plant and equipment

Block of asset	Gross Block					Accumulated Depreciation					Net Block	
	As at April 1, 2018	Additions during the year	Block adjustment	Disposals during the year	As at March 31, 2019	As at April 1, 2018	Charge for the year	Block adjustment	Disposals during the year	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Freehold land	13.92	-	-	-	**13.92**	-	-	-	-	**-**	**13.92**	13.92
Buildings	70.92	0.15	0.37	0.00*	**71.44**	9.22	2.39	0.02	0.00*	**11.63**	**59.81**	61.70
Leasehold improvements	9.80	0.90	(0.37)	-	**10.33**	1.78	1.41	(0.02)	-	**3.17**	**7.16**	8.02
Research and development equipments	8.66	2.14	0.55	0.01	**11.34**	1.85	0.89	0.02	0.01	**2.75**	**8.59**	6.81
Furniture and fixtures	6.67	0.52	(0.70)	-	**6.49**	1.84	0.59	(0.03)	-	**2.40**	**4.09**	4.83
Computers	1.60	0.19	-	0.01	**1.78**	0.69	0.39	-	0.01	**1.07**	**0.71**	0.91
Office equipment	2.33	0.15	0.15	-	**2.63**	0.85	0.42	0.01	-	**1.28**	**1.35**	1.48
Plant and machinery	24.34	1.27	-	0.80	**24.81**	4.72	1.57	-	0.64	**5.65**	**19.16**	19.62
Electrical equipment and installations	2.89	0.21	-	-	**3.10**	1.49	0.24	-	-	**1.73**	**1.37**	1.40
Motor cars and vehicles	1.12	-	-	0.09	**1.03**	0.42	0.13	-	0.08	**0.47**	**0.56**	0.70
Assets under lease												
- Office equipments	0.35	-	-	-	**0.35**	0.34	-	-	-	**0.34**	**0.01**	0.01
- Motor cars	1.13	-	-	-	**1.13**	0.76	0.10	-	-	**0.86**	**0.27**	0.37
	143.73	5.53	-	0.91	**148.35**	23.96	8.13	-	0.74	**31.35**	**117.00**	119.77
Capital work in Progress											**5.33**	3.67

**Amount in less than Rs 0.01 crores*

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

4 Property, plant and equipment (Previous Year)

Block of asset	Gross Block					Accumulated Depreciation					Net Block	
	As at April 1, 2017	Additions during the year	Block adjustment	Disposals during the year	As at March 31, 2018	As at April 1, 2017	Charge for the year	Block adjustment	Disposals during the year	As at March 31, 2018	As at March 31, 2018	As at 31 March 2017
Freehold land	13.92	-	-	-	13.92	-	-	-	-	-	13.92	13.92
Buildings	54.83	16.09	-	-	70.92	6.95	2.27	-	-	9.22	61.70	47.88
Leasehold improvements	4.49	5.70	-	0.39	9.80	1.08	0.88	-	0.18	1.78	8.02	3.41
Research and development equipments	5.41	3.25	-	-	8.66	1.36	0.49	-	-	1.85	6.81	4.05
Furniture and fixtures	3.83	2.87	-	0.03	6.67	1.39	0.46	-	0.01	1.84	4.83	2.44
Computers	0.95	0.65	-	-	1.60	0.40	0.29	-	-	0.69	0.91	0.55
Office equipment	1.40	0.94	-	0.01	2.33	0.56	0.29	-	*0.00	0.85	1.48	0.84
Plant and machinery	22.59	2.49	-	0.74	24.34	3.84	1.54	-	0.66	4.72	19.62	18.75
Electrical equipment and installations	2.63	0.26	-	-	2.89	1.18	0.31	-	-	1.49	1.40	1.45
Motor cars and vehicles	0.96	0.27	-	0.11	1.12	0.41	0.11	-	0.10	0.42	0.70	0.55
Assets under lease			-					-				
- Office equipments	0.35	-	-	-	0.35	0.34	-	-	-	0.34	0.01	0.01
- Motor cars	1.13	-	-	-	1.13	0.59	0.17	-	-	0.76	0.37	0.54
	112.49	32.52	-	1.28	143.73	18.10	6.81	-	0.95	23.96	119.77	94.39
Capital work in Progress											3.67	-

Amount in less than Rs 0.01 crores

1. The Company has acquired office equipments and motor cars under a number of finance lease agreements. The assets acquired under lease secures related lease obligations (refer note 19)
2. The Company has not capitalised any borrowing cost and foreign exchange differences during the current and previous year.
3. The Company has not recognised any impairment loss during the current year (March 31, 2018 - Nil).

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

5 Investment property

Block of asset	Gross Block				Accumulated Depreciation			Net Block	
	As at April 1, 2018	Additions during the year	Disposals during the year	As at March 31, 2019	As at April 1, 2018	Charge for the year	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Buildings	14.72	-	-	**14.72**	0.42	0.47	**0.89**	**13.83**	14.30
	14.72	-	-	**14.72**	0.42	0.47	**0.89**	**13.83**	14.30

5 Investment property *(previous year)*

Block of asset	Gross Block				Accumulated Depreciation			Net Block	
	As at April 1, 2017	Additions during the year	Disposals during the year	As at March 31, 2018	As at April 1, 2017	Charge for the year	As at March 31, 2018	As at March 31, 2018	As at 31 March 2017
Buildings	-	14.72	-	14.72	-	0.42	0.42	14.30	-
	-	14.72	-	14.72	-	0.42	0.42	14.30	-

Notes:

1. Buildings is classified as Investment property by the Company in accordance with IND AS-40 "Investment Property".
2. Fair value of Investment Property is ₹ 19.50 crores (March 31, 2018 ₹ 18.90 crores).

Fair Value

The fair value of investment property has been determined by external independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The fair value measurement for all of the investment property has been categoried as a level 3 fair value based on the inputs to the valuation techniques used.

Description of Valuation Technique used:

The Company obtains Independent Valuations of its investment property as at the year end. The fair value of the investment property have been derived using the Direct Comparison Method.The direct comparison approach involves a comparison of the investment property to similar properties that have actually been sold in arms-length distance from investment property or are offered for sale in the same region. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market, and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This approach leads to a reasonable estimation of the prevailing price. Given that the comparable instances are located in close proximity to the investment property; these instances have been assessed for their locational comparative advantages and disadvantages while arriving at the indicative price assessment for investment property.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

6 Other intangible assets

Block of asset	Gross Block					Accumulated Depreciation			Net Block	
	As at April 1, 2018	Additions during the year	Additions Internally generated	Disposals during the year	As at March 31, 2019	As at April 1, 2018	Charge for the year	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Computer software	8.10	0.87	-	-	**8.97**	3.81	1.63	**5.44**	**3.53**	4.29
Technical know-how	15.47	53.04	-	-	**68.51**	1.55	4.29	**5.84**	**62.67**	13.92
Formulation	1.64	-	2.83	-	**4.47**	0.03	0.63	**0.66**	**3.81**	1.61
Non compete fees	0.17	-	-	-	**0.17**	0.02	0.03	**0.05**	**0.12**	0.15
Patents & Trademark	-	0.01	-	-	**0.01**	-	*0.00	**-**	**0.01**	-
	25.38	53.92	2.83	-	**82.13**	5.41	6.58	**11.99**	**70.14**	19.97

*Amount in less than ₹ 0.01 crores

Other intangible assets (previous year)

Block of asset	Gross Block					Accumulated Depreciation			Net Block	
	As at April 1, 2017	Additions during the year	Additions Internally generated	Disposals during the year	As at March 31, 2018	As at April 1, 2017	Charge for the year	As at March 31, 2018	As at March 31, 2018	As at 31 March 2017
Computer software	6.07	2.03	-	-	8.10	2.11	1.70	3.81	4.29	3.96
Technical know-how	15.47	-	-	-	15.47	-	1.55	1.55	13.92	15.47
Formulation	-	0.75	0.89	-	1.64	-	0.03	0.03	1.61	-
Non compete fees	-	0.17	-	-	0.17	-	0.02	0.02	0.15	-
	21.54	2.95	0.89	-	25.38	2.11	3.30	5.41	19.97	19.43

Note : The Company has not capitalised any borrowing cost and foreign exchange differences during the current and previous year.

7. Non-current Loans *(unsecured)*

	March 31, 2019	March 31, 2018
To other than related parties		
Security deposits		
- considered good	**1.14**	1.07
- considered doubtful	**0.18**	0.18
	1.32	1.25
Less: Allowance for bad and doubtful deposits	**(0.18)**	(0.18)
	1.14	1.07

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

8 Non-current investments

	Number of shares		Amount	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
A) Investment in subsidiaries and joint venture				
Unquoted equity shares at cost				
Investment in subsidiary companies				
Keva Fragrances Private Limited (face value ₹ 100 per share)	**621,010**	621,010	**55.45**	55.45
Keva Flavours Private Limited (face value ₹ 10 per share)	**9,900**	9,900	**0.10**	0.10
Keva UK Ltd. (face value Euro 1 per share)	**833,500**	833,500	**61.61**	61.61
Saiba Industries Private Limited (face value ₹ 1,000 per share)	**2,198**	2,198	**12.42**	12.42
Keva Fragrance Industries Pte Ltd., Singapore (face value Singapore Dollar 1 per share)	**1,632,926**	1,632,926	**7.86**	7.86
Rasiklal Hemani Agencies Pvt Ltd., (face value ₹ 100 per share)	**25,000**	25,000	**33.17**	33.17
Keva Chemicals Pvt Ltd, (face value ₹ 10 per share)	**4,000,000**	4,000,000	**4.00**	4.00
Investment in Joint venture				
Creative Flavours & Fragrances SpA (face value Euro 1 per share)	**1,020,000**	1,020,000	**93.30**	93.30
Total (A)			**267.91**	267.91
B) Other investments				
Quoted equity shares at FVTPL				
Hico Products Ltd. (face value ₹ 10 per share)*	**19,250**	19,250	**-**	-
Total (B)			**-**	-
Total (A) + (B)			**267.91**	**267.91**
The aggregate book value and market value of quoted and unquoted non-current investments are as follows:				
Aggregate book value of quoted investments			**-**	-
Aggregate market value of quoted investments			**-**	-
Aggregate value of unquoted investments			**267.91**	267.91
Aggregate amount of impairment in value of investments			**-**	-

*The shares have been suspended from trading and the entity is under liquiidation. The Investment has been written off in the books of the Company and the market value is considered Nil.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

9 Other financial assets *(unsecured, considered good)*

	Non-Current		Current	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
To other than related parties				
Other receivables (rent straight lining)	**-**	-	**0.09**	0.14
Term deposits with banks with remaining maturity of more than 12 months#	**-**	0.03	**-**	-
Interest receivable from Income tax	**-**	-	**1.47**	-
To related parties (refer note 44)				
Other receivables (expense cross charge)*	**-**	-	**4.67**	6.43
Interest accrued on loan to subsidiaries **	**-**	-	**2.53**	2.47
	-	0.03	**8.76**	9.04

Bank deposits of ₹ Nil (31 March 2018 : ₹ 0.03 crores) are pledged with bank for guarantees issued

* Details of other receivables from companies/ body corporates in which a director of the Company is a director or firms in which a director of company is a partner

	March 31, 2019	March 31, 2018
Keva Fragrances Private Limited	**0.47**	4.65
Keva Flavours Private Limited	**0.48**	0.40
PFW Aroma Ingredients B.V	**0.14**	0.51
Keva Fragrances Industries PTE Limited	**0.16**	0.35
V N Creative Chemicals Private Limited	**3.33**	0.52
Keva Constructions Private Limited	**0.09**	-
	4.67	6.43

** Details of interest accrued from companies/ body corporates in which a director of the Company is a director or firms in which a director of company is a partner

	March 31, 2019	March 31, 2018
Keva Fragrances Industries PTE Limited	**-**	0.86
Saiba Industries Private Limited	**0.29**	0.10
Keva Flavours Private Limited	**-**	0.99
Keva Fragrances Private Limited	**-**	0.02
VN Creative Chemicals Private Limited	**2.24**	0.50
	2.53	2.47

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

10 Other assets *(unsecured, considered good)*

	Non-Current		Current	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
Capital advances	**0.25**	1.27	**-**	-
To other than related parties				
Advance to suppliers	**-**	-	**0.87**	1.26
Prepaid expenses	**-**	-	**3.96**	2.14
Balances with government authorities	**1.27**	1.02	**1.97**	0.09
VAT/Sales tax refund receivable	**0.88**	1.64	**1.08**	-
Others (inventory receivable on returns)	**-**	-	**7.99**	-
To related parties				
Advance to suppliers (refer note 44)**	**-**	-	**0.07**	7.79
	2.40	3.93	**15.94**	11.28

*** Details of Advance to suppliers from companies/ body corporates in which a director of the Company is a director or firms in which a director of company is a partner:*

	March 31, 2019	March 31, 2018
PFW Aroma Ingredients B.V.	**-**	2.23
Keva Frangrance Industries Pte. Ltd	**-**	5.56
Keva Constructions Private Limited	**0.07**	-
	0.07	7.79

11 Inventories

	March 31, 2019	March 31, 2018
Raw materials	**113.51**	113.67
Raw materials in transit	**2.66**	5.11
Packing materials	**2.10**	1.81
Work-in-progress	**49.86**	27.21
Finished goods	**17.83**	9.00
	185.96	156.80

Inventories which comprise raw materials, packing materials, work-in-progress and finished goods are carried at the lower of cost and net realisable value. (See detailed accounting policy in note 3.6)

The write-down of inventories to net realisable value during the year amounted to ₹ 2.37 crores (March 31, 2018: ₹ 4.41 crores). The write down of inventories are included in cost of materials consumed or changes in inventories of finished goods and work-in-progress in the Standalone statement of profit and loss.

Borrowings are secured by way of hypothecation of Inventories both in hand and transit (refer note 19).

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

12 Current investments

	Number of units			
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Unquoted mutual funds				
Mutual funds at FVTPL				
Kotak Floater Short Term-Direct-Growth	-	5,446	-	1.55
Dhfl Pramerica Insta Cash Fund	62,829		1.53	-
			1.53	1.55
Aggregate book value of unquoted investments			1.53	1.55
Aggregate amount of impairment in value of investments			-	-

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in Note 38.

13 Trade receivables

	March 31, 2019	March 31, 2018
Trade receivables		
Unsecured		
- Considered good*	125.81	187.60
- Significant increase in credit risk	-	-
- Credit impaired	2.70	1.78
- Loss allowance**	(2.70)	(1.78)
Net trade receivables	125.81	187.60

* Trade receivables (unsecured, considered good) as at March 31, 2019 include ₹ 10.25 crores (March 31, 2018: ₹ 24.18 crores) due from firms, body corporates or private companies in which a director is a partner or a director or member.

	March 31, 2019	March 31, 2018
Keva Fragrances Private Limited	6.71	17.69
Keva Flavours Private Limited	3.34	1.54
PFW Aroma Ingredients B.V	-	0.35
Keva Fragrances Industries PTE Limited	-	4.60
KNP Industries PTE Limited	0.20	-
	10.25	24.18

** The loss allowance on trade receivables has been computed on the basis of Ind AS 109, Financial Instruments, which requires such allowance to be made even for trade receivables considered good on the basis that credit risk exists even though it may be very low.

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 38.

Borrowings are secured by way of hypothecation of book debts and other receivables (refer note 19).

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

14 Cash and cash equivalents

	March 31, 2019	March 31, 2018
Balances with banks in:		
- current accounts	0.81	0.84
- exchange earners foreign currency account	5.08	0.40
Cash on hand	0.19	0.25
Cash and cash equivalents in the balance sheet	6.08	1.49
Bank overdrafts used for cash management purposes	(3.13)	(3.67)
Cash and cash equivalents in the statement of cash flows	2.95	(2.18)

15 Other bank balances

	March 31, 2019	March 31, 2018
Current account of Company's employee benefit trust (refer note 52)	0.18	3.23
Unclaimed dividend accounts	0.01	*0.00
	0.19	3.23

*Amount in less than ₹ 0.01 crores

16 Current loans *(unsecured, considered good)*

	March 31, 2019	March 31, 2018
To other than related parties		
Loans to employees	2.73	1.85
To related parties		
Loans to subsidiaries*	26.00	18.90
	28.73	20.75

All loans are 'current'.		
*Details of loans given to companies/ body corporates in which a director of the Company is a director or firms in which a director of company is a partner		
Saiba Industries Private Limited	6.00	7.00
V N Creative Chemicals Private Limited	20.00	11.90
	26.00	18.90

17 Equity share capital

	Number of shares		Amount	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Authorised				
Equity shares of ₹ 10 each	154,064,500	154,064,500	154.06	154.06
Preference shares of ₹ 10 each	11,935,500	11,935,500	11.94	11.94
			166.00	166.00
Issued, subscribed and paid up				
Equity shares of ₹ 10 each, fully paid-up	144,620,801	144,620,801	144.62	144.62
			144.62	144.62

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

17 Equity share capital *(Continued)*

a Reconciliation of number of shares outstanding at the beginning and end of the reporting year :

	Number of shares		Amount	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
i) Equity share of ₹ 10 (Previous year ₹ 10) each fully paid-up				
Outstanding at the beginning of the year	**144,620,801**	144,620,801	**144.62**	144.62
Shares issued during the year	**-**	-	**-**	-
Outstanding at the end of the year	**144,620,801**	144,620,801	**144.62**	144.62

b Terms / Rights attached to each classes of shares

Terms / Rights attached to Equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

c Shareholders holding more than 5% shares in the Company is set out below:

	March 31, 2019		March 31, 2018	
	Number of Shares	**%**	**Number of Shares**	**%**
Equity shares of ₹ 10 (Previous year ₹ 10) each, fully paid-up				
Blackstone Capital Partners (Singapore) VI FDI Two Pte. Ltd.	**14,439,269**	**9.98%**	14,439,269	9.98%
Ramesh V. Vaze	**25,965,600**	**17.95%**	25,965,600	17.95%
KNP Industries Pte. Ltd.	**15,324,000**	**10.60%**	17,124,000	11.84%
Kedar R.Vaze	**13,325,000**	**9.21%**	14,722,309	10.18%
Stichting Depositary Apg Emerging Markets Equity Pool	**8,310,359**	**5.75%**	-	-
Keva Constructions Private Limited	**7,615,000**	**5.27%**	8,963,757	6.20%

d Shares issued for a consideration other than cash

(i) On September 18, 2014, the Company has allotted 119,043,900 bonus equity shares of ₹ 10 each to the existing equity shareholders of the Company in ratio of 9 bonus equity shares for every 1 equity share held.

(ii) 0.10% Redeemable Preference Shares (RPS): Pursuant to the scheme of the Amalgamation & Arrangement between Kelkar Investment Company Private Limited (KICPL) and S H Kelkar and Company Limited and Keva Aromatics Private Limited and Keva Constructions Private Limited and their respective shareholders and creditors under Section 391 to 394 read with Sections 78, 80 & 100 to 103 of the Companies Act ,1956 vide order dated December 10, 2013 issued

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

by the Hon'ble High court of Judicature of Bombay, S H Kelkar and Company Limited has issued and alloted 100 fully paid up 0.10% Redemable Preference shares (RPS) of ₹ 10 each at par on March 28, 2014, on proportionate basis, to the shareholders of KICPL (other than S H Kelkar and Company Limited) whose names appeared in the Register of Members of KICPL as on effective date of merger viz February 12, 2014.

(iii) On October 17, 2014, the Company has allotted 8,275,500 bonus preference shares of ₹ 10 each to the existing preference shareholders of the Company in ratio of 9 bonus preference shares for every 1 peference share held.

e There are no shares reserved for issue under options as at March 31, 2019 (Nil as at March 31, 2018)

18 Other equity

Other reserves	**Note**	**March 31, 2019**	March 31, 2018
Capital redemption reserve	i.	***0.00**	*0.00
Securities premium account	ii.	**194.14**	194.14
General reserve	iii.	**55.76**	55.76
Treasury shares	iv.	**(74.95)**	(29.80)
Other reserves	v.	**8.76**	8.76
STARs reserves	vi.	**0.23**	-
		183.94	228.86

A. Notes:

		March 31, 2019	March 31, 2018
i.	**Capital redemption reserve**		
	Opening Balance	***0.00**	*0.00
	Addition during the year	**-**	-
	Closing Balance	***0.00**	*0.00
ii.	**Securities premium account**		
	Opening Balance	**194.14**	194.14
	Addition during the year	**-**	-
	Closing Balance	**194.14**	194.14
iii.	**General reserve**		
	Opening Balance	**55.76**	55.76
	Addition during the year	**-**	-
	Closing Balance	**55.76**	55.76
iv.	**Treasury shares**		
	Opening Balance	**(29.80)**	-
	Add : Purchase of treasury shares 2,347,260 shares (previous year 1,026,403 shares) by the S H Kelkar Employee Benefit Trust (EBT) during the year	**(45.15)**	(29.80)
	Closing Balance	**(74.95)**	(29.80)
v.	**Other reserves**		
	Opening Balance	**8.76**	8.76
	Addition during the year	**-**	-
	Closing Balance	**8.76**	8.76
vi.	**STARs reserve**		
	Opening Balance	**-**	-
	Add: income of the S H Kelkar Employee Benefit Trust (EBT) for the year	**0.23**	-
	Closing Balance	**0.23**	

* Amount less than ₹ 0.01 crore

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

Capital redemption reserve

Capital redemption reserve is created by transferring funds from free reserves in accordance with the provisions of the Companies Act, 2013 (the 'Act') and its utilisation is also governed by the Act.

Securities premium account

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Act.

General reserve

General Reserve is a free reserve which is created by transferring funds from retained earnings to meet future obligations or purposes.

Treasury shares

The Company has formed S H Kelkar Employee Benefit Trust (EBT) for implementation of the shcemes that are notified or may be notified from time to time by the Company under the plan providing share based payments to its employees. EBT purchases shares of the Company out of funds borrowed from the company.

The company treats EBT as its extension and shares held by EBT are treated as treasury shares.

STARs reserves

The profit/loss on sale of treasury shares and dividend earned on the same by the trust is recognised in STARs reserves.

Other reserves

The Company had received a private equity investment in the form of equity shares and preference shares. Such amounts received were classified as financial liability with reference to the terms and conditions attached with such investment. On completion of the initial public offering, the private equity investor's rights were contractually extinguished and consequently, the liability was derecognised on such date, with corresponding credit to equity share capital and other relevant components of equity (including related gain on extinguishment).

B. Dividends

The following dividends were declared and paid by the Company during the years ended:

	March 31, 2019	March 31, 2018
Final equity dividend of 2017-2018 paid at ₹ 1.75 (2016-17 at ₹ 1.75) per equity share	**25.31**	25.31
Dividend distribution tax on the equity dividend paid	**5.20**	5.16
	30.51	30.47

After the reporting dates the following dividend was proposed by the directors subject to the approval at the annual general meeting. These dividend and tax thereon have not been recognised as liabilities in the year which they pertain to and will be recorded in the year in whcih they would be approved by the shareholders in Annual General Meeting. Dividends would attract dividend distribution tax when declared or paid:

	March 31, 2019	March 31, 2018
Dividend proposed to equity shareholders at ₹ Nil per equity share (March 31, 2018: ₹ 1.75 per equity share)	**-**	25.31
Dividend distribution tax on the equity dividend proposed	**-**	5.20
	-	30.51

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

19 Borrowings *(Secured)*

	Non-Current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Working capital loans (refer note 'a')	**-**	-	**84.00**	15.00
Bank over draft (refer note 'b')	**-**	-	**3.13**	3.67
Finance lease obligations (refer note 'c')	**0.14**	0.28	**0.14**	0.13
	0.14	0.28	**87.27**	18.80
Less: Amount included under 'other financial liabilities' (refer note 23)	**-**	-	**(0.14)**	(0.13)
	0.14	0.28	**87.13**	18.67

Notes:

a) Working capital loans from banks of Rs. 84.00 crores (previous year: ₹ 15.00 crores) carry interest ranging between 7.65% p.a. - 8.65% (previous year : 7.7%-7.95% p.a.), computed on a monthly basis on the actual amount utilised, and are repayable on demand. Working capital loans from banks are secured by way of hypothecation of inventories both on hand and in transit and book debts and other receivables both present and future.

b) Bank overdraft from banks of ₹ 3.13 crores (previous year ₹ 3.67 crores) carry interest ranging between 9.55% p.a. to 9.55% (previous year : 10% p.a.), computed on a monthly basis on the actual amount utilised, and are repayable on demand. Bank over draft from banks are secured by way of hypothecation of inventories both on hand and in transit and book debts and other receivables both present and future.

c) Certain vehicles and office equipments have been obtained on finance lease basis. The legal title to these items vests with their lessors. The lease term for such vehicles and office equipments ranges between 36-48 months with equated monthly payments beginning from the month subsequent to the commencement of the lease. The rate of interest implicits in the table below ranges between 7.77%- 10.15%

The total future minimum lease payments at the balance sheet date, element of interest included in such payments, and present value of these minimum lease payments are as follows:

	March 31, 2019		
	Future Minimum Lease Payments (MLP)	Interest Element of MLP	Present Value of Minimum Lease Payments
Payable within 1 year	**0.16**	**0.02**	**0.14**
Payable between 1-5 years	**0.15**	**0.01**	**0.14**
Payable later than 5 years	**-**	**-**	**-**
	0.31	**0.03**	**0.28**

	March 31, 2018		
	Future Minimum Lease Payments (MLP)	Interest Element of MLP	Present Value of Minimum Lease Payments
Payable within 1 year	0.16	0.03	0.13
Payable between 1-5 years	0.31	0.03	0.28
Payable later than 5 years	-	-	-
	0.47	0.06	0.41

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

20 Other non-current financial liabilities

	March 31, 2019	March 31, 2018
Security deposits	**24.09**	24.29
	24.09	24.29

21 Current provisions

	March 31, 2019	March 31, 2018
Provision for employee benefits		
Gratuity (refer note 36)	**0.30**	1.05
Compensated absences (refer note 36)	**7.01**	8.57
	7.31	9.62

22 Trade payables

	March 31, 2019	March 31, 2018
Dues to micro and small enterprises (refer note 41)	**4.79**	4.96
Other trade payables	**139.00**	134.30
	143.79	139.26

The Company's exposure to currency and liquidity risks related to trade payables is discloses in Note 38.

23 Other financial liabilities - current

	March 31, 2019	March 31, 2018
Current maturities of finance lease obligations	**0.14**	0.13
Interest accrued but not due on borrowings	**0.35**	*0.00
Interest accrued under MSMED Act, 2006	**0.45**	0.27
Employee benefits payable	**12.68**	13.48
Security deposit	**0.10**	0.35
Unclaimed dividend account	**0.01**	*0.00
Other payables		
For capital goods	**1.83**	1.50
	15.56	15.73

*Amount in less than ₹ 0.01 crores

24 Other current liabilities

	March 31, 2019	March 31, 2018
Advances received from customers	**2.78**	2.11
Statutory dues payable **		
Tax deducted at source	**3.51**	3.28
GST	**0.07**	6.17
Provident fund	**1.41**	0.79
ESIC	***0.00**	*0.00
Profession tax	**0.01**	0.01
VAT/CST tax	**0.39**	0.39
Others (Social Security)	**1.03**	0.70
	9.20	13.45

*Amount in less than ₹ 0.01 crores

** There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

25 Revenue from operations

	Year ended March 31, 2019	Year ended March 31, 2018
Sale of products (including excise duty)		
Gross sales (Refer Note 50(c) & 52)	**696.87**	701.45*
Less: Discounts	**4.78**	4.61
Net Sales	**692.09**	696.84
Other operating revenue		
Sale of scrap	**0.73**	0.89
Techincal Knowhow	**0.96**	-
	1.69	0.89
Total revenue from operations	**693.78**	697.73

(*Including excise duty of Rs. 16.05 Crores)

26 Other income

	Year ended March 31, 2019	Year ended March 31, 2018
Interest income under the effective interest method on:		
Deposits with banks	**-**	0.01
Loans to subsidiary	**2.53**	3.64
Interest received on income tax refund	**1.50**	0.25
Export Incentive	**0.25**	0.51
Net gain arising on financials assets measured at FVTPL	**-**	0.03
MTM of Investment in Mutual Funds	***0.00**	-
Rental income (including from property subleases (refer note 37))	**4.69**	4.19
Dividend income from mutual fund	***0.00**	-
Guarantee commission income	**1.55**	0.90
Employee liabilities no longer required is written back	**4.36**	-
Gain on sale of investment	**0.27**	2.02
Reversal of provision on doubtful debts	**-**	1.13
Miscellaneous income	**0.21**	0.91
Sales tax refund received	**-**	0.54
Net foreign exchange gain	**3.78**	-
Total Other income	**19.14**	14.13

*Amount in less than ₹ 0.01 crores

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

27 Cost of materials consumed

	Year ended March 31, 2019	Year ended March 31, 2018
Opening stock		
- Raw materials	113.67	140.00
- Packing materials	1.81	1.21
	115.48	141.21
Add: Purchases		
- Raw materials	444.56	356.83
- Packing materials	13.00	11.72
	457.56	368.55
Less: Closing Stock		
- Raw materials	113.51	113.67
- Packing materials	2.10	1.81
	115.61	115.48
Materials consumed		
- Raw materials	444.72	383.68
- Packing materials	12.71	11.12
Total cost of materials consumed	457.43	394.28

28 Changes in inventories of finished goods and work in progress

	Year ended March 31, 2019	Year ended March 31, 2018
Opening Stock :		
Finished goods	9.00	8.41
Work-in-progress	27.21	33.26
Closing Stock:		
Finished goods	17.83	9.00
Work-in-progress	49.86	27.21
Changes in inventories:		
Finished goods	(8.83)	(0.59)
Work-in-progress	(22.65)	6.05
Changes in inventories of finished goods and work in progress	(31.48)	5.46

29 Employee benefits expense

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	84.30	63.48
Contribution to provident and other funds (refer note 36)	9.34	7.06
Compensated absences (refer note 36)	-	0.86
Staff welfare expenses	3.40	3.39
	97.04	74.79
Less: Transferred to intangible assets under development	(18.57)	(3.94)
	78.47	70.85

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

30 Finance costs

	Year ended March 31, 2019	Year ended March 31, 2018
Interest on working capital loans	4.10	0.82
Interest on dues to micro and small enterprises	0.18	0.04
Other finance costs	2.23	2.30
	6.51	3.16

31 Depreciation and amortisation

	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of property, plant and equipment	8.13	6.81
Depreciation of investment properties	0.47	0.42
Amortisation of intangible assets	6.58	3.30
	15.18	10.53

32 Other expenses

	Year ended March 31, 2019	Year ended March 31, 2018
Cleaning and housekeeping expenses	2.00	1.88
Stores and spares consumed	1.18	1.73
Repairs and maintenance:		
- Buildings	0.93	1.06
- Plant and machinery	0.54	0.46
- Others	4.69	4.17
Rent (refer note 37)	8.84	9.03
Rates and taxes	1.47	1.78
Insurance	0.81	0.80
Power and fuel (net of reimbursements of ₹ 1.69 crores (previous year: ₹ 1.22 crores))	4.16	4.01
Selling and promotion expenses	2.63	2.58
Brokerage and commission	10.25	12.26
Freight, forwarding and delivery	4.26	3.84
Postage and telephone expenses	1.27	1.34
Travelling and conveyance	7.33	6.04
Security charges	1.71	1.77
Legal and professional charges	31.00	29.04
Payment to auditors' (refer details below)	0.76	0.65
Bank charges	0.20	0.16
Corporate social responsibility expense	1.85	1.79
Provision for doubtful debts	0.92	-
Bad debts written off	0.11	0.03
Royalty expense	18.50	19.16
Directors' sitting fees	0.81	0.63
Net foreign exchange loss	-	0.43
Intangible asset under development written off	20.40	4.16
Loss on sale of property, plant and equipment	0.03	0.22
Miscellaneous expenses	6.70	11.50
	133.35	120.52
Less: Transferred to intangible assets under development	(8.75)	(11.03)
	124.60	108.37

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

32 Other expenses *(Contineud)*

	Year ended March 31, 2019	Year ended March 31, 2018
Payment to auditors (excluding service tax)		
Statutory audit	**0.31**	0.29
Tax audit	**0.03**	0.03
Other matters	**0.42**	0.33
	0.76	0.65

33 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year, after considering adjustment for the effects of all dilutive potential equity shares.

		March 31, 2019	March 31, 2018
Profit attributable to equity shareholders (basic and diluted)			
Profit for the year attributable to equity shareholders	**(A)**	**44.97**	68.96
Weighted average number of equity shares for basic and diluted earnings per share			
Number of equity shares at beginning of the year		**144,620,801**	144,620,801
Equity shares held in controlled trust		**(3,373,663)**	(1,026,403)
Number of equity shares outstanding at the end of the year		**141,247,138**	143,594,398
Weighted average number of equity shares for the year	**(B)**	**142,697,501**	144,488,135
Basic earnings per share of face value of ₹ 10 each	**(A) / (B)**	**3.15**	4.77
Diluted earnings per share of face value of ₹ 10 each	**(A) / (B)**	**3.15**	4.77

34 Tax expense

(a) Amounts recognised in Standalone balance sheet

	March 31, 2019	March 31, 2018
Current tax assets (net of provision ₹ 42.88 crores (March 31, 2018 : ₹ 54.44 crores))	**21.80**	16.62
Current tax liabilities (net of advance tax ₹ 30.78 crores (March 31, 2018 : ₹ 30.04 crores))	**2.39**	3.13

Note: The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

(b) Amounts recognised in Standalone statement of profit and loss

	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Current income tax		
Current year	**13.43**	33.11
Earlier years	**0.05**	(0.73)
	13.48	32.38
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences		
Current year	**1.48**	1.82
Earlier years	**2.28**	-
Deferred tax expense	**3.76**	1.82
Tax expense for the year	**17.24**	34.20

(c) Amounts recognised in other comprehensive income

	For the year ended March 31, 2019			For the year ended March 31, 2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	**(0.83)**	**0.29**	**(0.54)**	0.13	(0.04)	0.09
	(0.83)	**0.29**	**(0.54)**	0.13	(0.04)	0.09

(d) Reconciliation of effective tax rate

	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Profit before tax	**62.21**	103.16
Tax using the Company's domestic tax rate (Current year 34.94% and Previous Year 34.61%)	**21.74**	35.70
Tax effect of:		
Non-deductible tax expenses	**0.67**	2.59
Incremental deduction allowed for research and development costs	**(2.95)**	(3.18)
Tax pertaining to prior years	**(2.23)**	(0.73)
Others	**0.01**	(0.18)
	17.24	34.20

The Company's standalone weighted average tax rates for the years ended March 31, 2019 and 2018 were 27.74% and 33.13%, respectively.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

35 Deferred Tax

	Deferred tax assets		Deferred tax (liabilities)		Net deferred tax asset (liabilities)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Property, plant and equipment and intangible assets	-	-	(10.16)	(7.20)	(10.16)	(7.20)
Trade receivables	1.00	0.68	-	-	1.00	0.68
Provisions	3.04	5.02	-	-	3.04	5.02
Mat credit entitlement	1.15	-	-	-	1.15	
Net deferred tax asset (liabilities)	5.19	5.70	(10.16)	(7.20)	(4.97)	(1.50)

Movement in deferred tax balances

	March 31, 2019					
	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Property, plant and equipment and intangible assets	(7.20)	(2.96)		(10.16)	-	(10.16)
Trade receivables	0.68	0.32		1.00	1.00	-
Provisions	5.02	(2.27)	0.29	3.04	3.04	-
Mat credit entitlement	-	1.15	-	1.15	1.15	
Net deferred tax assets (liabilities)	(1.50)	(3.76)	0.29	(4.97)	5.19	(10.16)

Movement in deferred tax balances (previous year)

	March 31, 2018					
	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Property, plant and equipment and intangible assets	(3.67)	(3.53)	-	(7.20)	-	(7.20)
Trade receivables	1.06	(0.38)	-	0.68	0.68	-
Provisions	2.97	2.09	(0.04)	5.02	5.02	-
Net deferred tax assets (liabilities)	0.36	(1.82)	(0.04)	(1.50)	5.70	(7.20)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

Given that the Company does not have any intention to dispose investments in subsidiaries in foreseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

36 Employee benefits

(i) Defined Contribution Plans

The Company makes contributions towards superannuation fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

Contribution to defined contribution plans, recognised are charged off for the year as under :

	March 31, 2019	March 31, 2018
Employer's contribution to Superannuation Fund	1.28	1.25
Employer's contribution towards foreign defined contribution plan in accordance with local laws	2.12	0.22
Employer's Contribution to ESIC	0.02	0.02
Employer's Contribution to Maharashtra Labour Welfare Fund	*0.00	*0.00

Note: The Company has formed its own trust for managing superannuation fund of its employees as per the permission granted by the respective authority.

* Amount less than ₹ 0.01 crore

(ii) Defined Benefit Plans

Gratuity:

The Employees Gratuity Fund Scheme is managed by "S.H. Kelkar and Co. Ltd. Employee's Gratuity Fund". The fund has the form of trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets including investment of the funds in accordance with the norms prescribed by the Government of India. The contribution to the fund is made by the Company based on the actuarial valuation using the "Projected Unit Credit" Method. Gratuity is payable to all eligible employees of the Company on superannuation, death, and permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972.

These plans typically expose the Company to actuarial risk such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create plan deficit.

Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the plan's assets.

Longevity Risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk:

The Present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's standalone financial statements as at balance sheet date:

A. Reconciliation of the net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components

	March 31, 2019	March 31, 2018
Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	10.80	9.25
Past service cost	-	0.61
Current service cost	1.02	0.92
Interest cost (income)	0.81	0.65
Benefits paid	(0.36)	(0.46)
Actuarial losses/ (gains) recognised in other comprehensive income		
- financial assumptions	0.86	(0.50)
- experience adjustments	(0.11)	0.33
Balance at the end of the year	13.02	10.80
Reconciliation of present value of plan assets		
Balance at the beginning of the year	9.75	8.79
Interest income	0.78	0.61
Remeasurements :		
Return on plan assets, excluding amount included in interest (expense)/income	(0.09)	(0.29)
Employer contributions	2.64	1.10
Benefits paid	(0.36)	(0.46)
Balance at the end of the year	12.72	9.75
Net defined benefit (asset)/ liability	0.30	1.05

B. Plan assets

Plan assets comprise the following

	March 31, 2019	March 31, 2018
Investment		
Investment in Government Securities	5%	6%
Bank Special Deposit	2%	2%
Investment in other securities	16%	15%
Corporate Bonds	33%	25%
State Government Bonds	44%	34%
Others	0%	18%
	100%	100%

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

C. The components of defined benefit plan expense are as follows:

	March 31, 2019	March 31, 2018
Recognised in income statement		
Current service cost	1.02	0.92
Interest cost	0.81	0.65
Past service cost	-	0.61
Interest income	(0.78)	(0.61)
Total	1.05	1.57
Recognised in other comprehensive income		
Remeasurement of net defined benefit liability/(asset)	0.75	(0.17)
Return on Plan Assets, Excluding Interest Income	0.08	0.29
Total	0.83	0.12

D. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	March 31, 2019	March 31, 2018
Expected return on plan assets	7.94%	7.83%
Discount rate	7.94%	7.83%
Salary escalation rate	7.00%	6.00%
Attrition rate	2.00%	2.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	N.A.	N.A.

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	March 31, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.07)	1.25	(0.87)	1.01
Rate of salary increase (1% movement)	1.04	(0.96)	0.89	(0.82)
Rate of employee turnover (1% movement)	0.12	(0.14)	0.16	(0.18)

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects the others. In calculating the sensitivity, projected unit credit method at the end of the reporting period has been applied.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

Maturity profile of the defined benefit obligation

Particulars	Up to 1 year	Between 1-2 years	Between 2-5 years	6 to 10 years	Over 10 years	Total
March 31, 2019						
Defined benefit obligations (Gratuity)	**1.35**	**0.53**	**2.40**	**4.78**	**3.96**	**13.02**
Total	**1.35**	**0.53**	**2.40**	**4.78**	**3.96**	**13.02**
March 31, 2018						
Defined benefit obligations (Gratuity)	1.18	0.44	1.37	4.74	3.06	10.80
Total	1.18	0.44	1.37	4.74	3.06	10.80

Provident fund (Managed by the Trust set up by the Company)

The Company manages the Provident Fund plan through a Provident Fund Trust setup by the Company, for its employees which is permitted under The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and is actuarially valued. The plan envisages contribution by the employer and employees and guarantees interest at the rate notified by the Provident Fund authority. The contribution by employer and employee, together with interest, are payable at the time of separation from service or retirement, whichever is earlier.

The Company has contributed ₹ 4.18 crores (2017-18: ₹ 3.79 crores) to the Provident Fund Trust. The Company has an obligation to fund any shortfall on the yield of the trust's investments over the guaranteed interest rates on an annual basis. These administered rates are determined by the PF Authority predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company and trust has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall:

The details of fund and plan assets position are given below:

	As at March 31, 2019	As at March 31, 2018
Plan assets at the period end, at fair value	**54.84**	50.27
Present value of benefit obligation at period end	**55.34**	48.66
Interest short fall liability	**0.15**	-
Liability recognised in balance sheet	**0.65**	Nil

Amount of ₹ 0.65 crores (previous year ₹ Nil) towards provident fund is recognised as an expense and included in "Employee benefits expense" in the Statement of profit and loss during the year and corresponding liability is recognised and included in "other current liability" in the balance sheet as on March 31, 2019.

Plan assets comprise the following:

	March 31, 2019	March 31, 2018
Investment		
Investment in Government Securities	**50%**	48%
Bank Special Deposit	**6%**	7%
Investment in other securities	**9%**	11%
Corporate Bonds	**10%**	13%
Debt Securities	**25%**	21%
	100%	100%

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	As at March 31, 2019	As at March 31, 2018
Discount rate (%)	**7.94%**	7.83%
Guaranteed Interest Rate (%)	**8.65%**	8.55%
Expected average remaining working lives of employees (Years)	**16**	16

Other long term employee benefit plans

Compensated absences:

The obligation for leave encashment is recognised in the same manner as gratuity. The Company's liability on account of compensated absences is not funded and hence the disclosures relating to the planned assets are not applicable. Amount of ₹ (0.86) crores (previous year ₹ 0.86 crores) towards compensated absences is recognised as an expense and included in "Employee benefits expense" in the Statement of profit and loss during the year.

Long-term incentive plan:

The obligation for long-term incentive plan is recognised arithmatically as percentage of fixed salary, based on certain vesting conditions. An amount of ₹ Nil (previous year ₹ 2.60 crores) towards long-term incentive plan is recognised as an expense and included in the "Employee benefits expense" in the Statement of profit and loss during the year. Further on account of organisation restructuring excess provision of previous years with respect to the long term incentive plan of ₹ 3.50 crores has been reversed and is disclosed under other income for the year ended March 2019.

37 Operating leases

Leases as lessee

The Company has taken factory and office premises under cancellable and non-cancellable operating lease arrangements. The agreement for non-cancellable lease is executed for the period of 36-60 months with a non-cancellable period upto 36-60 months and having a renewable clause which can be exercised by both the parties. Lease rentals debited to the Statement of profit and loss aggregates ₹ 5.43 crores (previous year ₹ 6.57 crores) for non-cancellable lease and ₹ 3.41 crores (previous year ₹ 2.46 crores) for cancellable leases.

i ***Future minimum lease payments***

The future minimum lease payments to be made under non-cancellable operating leases are as follows:

	March 31, 2019	March 31, 2018
Payable within one year	**6.30**	5.67
Payable between one year and five years	**11.47**	6.07
Payable after more than five years	**-**	-
	17.77	11.74

ii ***Amount recognised in profit or loss***

	Year ended March 31, 2019	Year ended March 31, 2018
Lease expense - minimum lease payments	**8.84**	9.03

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

Leases as lessor

The Company leases out its investment property on operating lease basis. Also it has sublet other office premises under operating lease, the sublease income of ₹ 3.42 crores (previous year ₹ 3.42 crores) for non-cancellable lease and ₹ 1.27 crores (previous year ₹ 0.77 crores) for cancellable lease was received during the financial year 2018-19. The sublease expires in December 2021.

i ***Future minimum lease payments***

The future minimum lease payments to be received under non-cancellable operating leases are as follows:

	March 31, 2019	March 31, 2018
Receivable within one year	1.27	1.27
Receivable between one year and five years	0.49	1.76
Receivable after more than five years	-	-
	1.76	3.03

ii ***Amount recognised in profit or loss***

	Year ended March 31, 2019	Year ended March 31, 2018
Rental income	4.69	4.19

38 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value, if the carrying amount is a reasonable approximation of fair value.

March 31, 2019	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Non current financial assets							
Loans	-	1.14	1.14	-	-	-	-
Current financial assets							
Cash and cash equivalents	-	6.08	6.08	-	-	-	-
Current investments	1.53	-	1.53	-	1.53	-	1.53
Other bank balances	-	0.19	0.19	-	-	-	-
Loans	-	28.73	28.73	-	-	-	-
Trade receivables	-	125.81	125.81	-	-	-	-
Other financial assets	-	8.76	8.76	-	-	-	
	1.53	170.71	172.24	-	1.53	-	1.53
Financial liabilities							
Non current financial liabilities							
Borrowings	-	0.14	0.14	-	0.14	-	0.14
Others	-	24.09	24.09	-	-	-	-
Current financial liabilities							
Borrowings	-	87.13	87.13	-	-	-	-
Trade payables	-	143.79	143.79	-	-	-	-
Other financial liabilities	-	15.56	15.56	-	0.14	-	0.14
	-	270.71	270.71	-	0.28	-	0.28

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

March 31, 2018	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Non current financial assets							
Loans	-	1.07	1.07	-	-	-	-
Others	-	0.03	0.03	-	-	-	-
Current financial assets							
Cash and cash equivalents	-	1.49	1.49	-	-	-	-
Current investments	1.55	-	1.55	-	1.55	-	1.55
Other bank balances	-	3.23	3.23	-	-	-	-
Loans	-	20.75	20.75	-	-	-	-
Trade receivables	-	187.60	187.60	-	-	-	-
Other financial assets	-	9.04	9.04	-	-	-	
	1.55	223.21	224.76	-	1.55	-	1.55
Financial liabilities							
Non current financial liabilities							
Borrowings	-	0.28	0.28	-	0.28	-	0.28
Others	-	24.29	24.29	-	-	-	-
Current financial liabilities							
Borrowings	-	18.67	18.67	-	-	-	-
Trade payables	-	-	-	-	-	-	-
Other financial liabilities	-	15.73	15.73	-	0.13	-	0.13
	-	58.97	58.97	-	0.41	-	0.41

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Non current financial assets and liabilities measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.	Not applicable	Not applicable
Current investments - in mutual funds	The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors	Not applicable	Not applicable

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and others and investments in securities made.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

The maximum exposure to credit risk for trade and other receivables was as follows :

	Carrying amount	
	March 31, 2019	**March 31, 2018**
India	**121.11**	178.47
Other regions	**4.70**	9.13
Total Trade receivables	**125.81**	187.60
Total other receivables	**38.63**	30.86

At March 31, 2019, the Company's most significant customer, accounted for ₹ 19.89 crores (March 31, 2018: ₹ 40.17 crores) of the trade and other receivables carrying amount.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

Impairment

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables.

	March 31, 2019		
	Carrying Amount	**Weighted Average Loss Rate**	**Loss Allowance**
Neither past due nor impaired (Group companies)	**10.25**	**0.00%**	**-**
Neither past due nor impaired	**75.61**	**0.34%**	**0.25**
Past due not impaired			
Past due 0-180 days	**37.17**	**1.32%**	**0.49**
Past due 181-360 days	**3.04**	**12.54%**	**0.38**
Past due 361-540 days	**1.14**	**42.16%**	**0.48**
Past due 541-730 days	**1.11**	**79.96%**	**0.89**
More than 730 days	**0.21**	**100.00%**	**0.21**
	128.51		**2.70**

	March 31, 2018		
	Carrying Amount	**Weighted Average Loss Rate**	**Loss Allowance**
Neither past due nor impaired (Group companies)	24.18	0.00%	-
Neither past due nor impaired	130.71	0.32%	0.42
Past due not impaired			
Past due 0-180 days	31.98	1.09%	0.35
Past due 181-360 days	1.60	11.25%	0.18
Past due 361-540 days	0.03	45.62%	0.01
Past due 541-730 days	0.53	88.16%	0.47
More than 730 days	0.35	100.00%	0.35
	189.38		**1.78**

ii. Credit risk (Continued)

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

For Trade receivable	**Amount**
Balance as at 31 March 2017	2.91
Impairment loss/(gain) recognised	(1.13)
Balance as at March 31, 2018	1.78
Impairment loss/(gain) recognised	0.92
Balance as at March 31, 2019	**2.70**

For other receivable	**Amount**
Balance as at 31 March 2017	0.18
Impairment loss/(gain) recognised	-
Balance as at March 31, 2018	0.18
Impairment loss/(gain) recognised	-
Balance as at March 31, 2019	**0.18**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 6.08 crores at March 31, 2019 (March 31, 2018: ₹ 1.49 crores). The cash and cash equivalents are held with banks with good credit rating.

Other bank balances

The Company held other balance of ₹ 0.19 crores at March 31, 2019 (March 31, 2018: ₹ 3.23 crores).

Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company has access to fund from debt market through loans from banks and other debt instruments.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

March 31, 2019			Contractual cash flows		
	Total	Level 1	Level 2	Level 3	Total
Non-derivative financial liabilities					
Non current financial liabilities					
Borrowing	**0.14**	**0.15**	-	**0.15**	-
Others	**24.09**	**24.09**	-	**0.19**	**23.90**
Current financial liabilities					
Borrowings	**87.13**	**87.15**	**87.15**		
Other financial liabilities	**15.56**	**15.57**	**15.57**	-	-
Trade payables	**143.79**	**143.79**	**143.79**	-	-
	270.71	**270.75**	**246.51**	**0.34**	**23.90**

March 31, 2018			Contractual cash flows		
	Total	Level 1	Level 2	Level 3	Total
Non-derivative financial liabilities					
Non current financial liabilities					
Borrowing	0.28	0.31	-	0.31	-
Others	24.29	24.29	-	0.19	24.10
Current financial liabilities					
Borrowings	18.67	18.67	18.67		
Other financial liabilities	15.73	15.76	15.76	-	-
Trade payables	139.26	139.26	139.26	-	-
	198.23	**198.29**	**173.69**	**0.50**	**24.10**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iv Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of Market risk management is to manage and control market risk exposure with in acceptable parameters, while optimising the return. Martket risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency.

Currency risk

The Company is exposed to currency risk in respect of transaction in foreign currency. The functional currency of the Company is primarily the local currency in which it operates.The currencies in which these transaction are primarily denominated are Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2019 and March 31, 2018 are as below:

	March 31, 2019 USD	**March 31, 2019 EUR**	**March 31, 2019 SGD**	**March 31, 2019 CHF**	**March 31, 2019 Others***
Financial assets	**9.90**	**0.17**	**-**	**-**	**-**
Financial liabilities	**(17.02)**	**(13.40)**	**-**	**(1.16)**	**(0.01)**
Net Exposure	**(7.13)**	**(13.23)**	**-**	**(1.16)**	**(0.01)**

	March 31, 2018 USD	March 31, 2018 EUR	March 31, 2018 SGD	March 31, 2019 CHF	March 31, 2019 Others*
Financial assets	9.90	0.70	0.18	-	-
Financial liabilities	(7.76)	(3.29)	-	(0.32)	*(0.00)
Net Exposure	2.14	(2.59)	0.18	(0.32)	*(0.00)

*Amount less than ₹ 0.01 crores.

Others includes AED, THB, HKD and LKR.

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against all other currencies at March 31, 2019 and 2018 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in ₹	Profit or loss	
March 31, 2019	**Strengthening**	**Weakening**
USD (3% movement)	**0.21**	**(0.21)**
EUR (3% movement)	**0.40**	**(0.40)**
	0.61	**(0.61)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

Effect in ₹	Profit or loss	
March 31, 2018	**Strengthening**	**Weakening**
USD (3% movement)	(0.06)	0.06
EUR (3% movement)	0.08	(0.08)
SGD (3% movement)	(0.01)	0.01
	0.01	(0.01)

iv. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Since the Company does not have any significant financial assets or financial liabilities bearing floating interest rates, a change in interest rates at the reporting date would not have any significant or material impact on the standalone financial statements of the Company.

	Nominal amount	
	March 31, 2019	**'March 31, 2018**
Fixed-rate instruments		
Financial assets	**26.00**	18.93
Financial liabilities	**(111.50)**	(43.22)
	(85.50)	(24.29)

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

The Company does not have any financial assets or financial liabilities bearing floating interest rates. Therefore a change in interest rates at the reporting date would not affect profit or loss.

39 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's capital management is to safeguard its ability to continue as going concern and to maintain and optimal capital structure so as to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

As at March 31, 2019, the Company has only one class of equity shares, short term debts and finance lease obligations. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution to shareholders or re-investment into business based on its long term financial plans.

The Company monitors capital using adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances and current investments.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

	March 31, 2019	**March 31, 2018**
Non-current borrowings (finance lease obligations)	**0.14**	0.28
Current borrowings	**87.13**	18.67
Current maturity of long term debt	**0.14**	0.13
Gross debt	**87.41**	19.08
Less - Cash and cash equivalents	**6.08**	1.49
Less - Other bank deposits	**-**	-
Less - Current investments	**1.53**	1.55
Adjusted net debt	**79.80**	16.04
Total equity	**596.56**	627.57
Adjusted net debt to equity ratio	**0.13**	0.03

40 Contingent liabilities and commitments (to the extent not provided for)

A. Contingent liabilities

		March 31, 2019	**March 31, 2018**
a.	**Direct and Indirect taxes**		
	Income Taxes	**5.81**	6.23
	Excise Duty	**0.57**	0.61
	Service Taxes	**11.94**	12.42
	Sales Tax	**0.86**	0.86
b.	**Corporate Guarantee**		
	Corporate guarantees given for loans taken by subsidiary companies	**336.44**	314.75

c. The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.

In view of the management, the liability for the year ended March 31, 2019 on account of aforesaid SC decision is not significant and has been provided in the books of account. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts.

Contigent liabilities above represent estimates made mainly for probable claims arising out of litigation / disputes pending with authorities under various statutes (Income tax, excise duty and service tax). The probability and timing of outflow with regard to these matters depend on the final outcome of litigations / disputes. Hence the Company is not able to reasonably acertain the timing of the outflow.

In addition, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable in its standalone financial statements. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect of the Company's results of operations or financial condition.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

B. Commitments

		March 31, 2019	March 31, 2018
a.	Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances, tangible assets	**0.03**	2.40

b. The Company had entered into an agreement to acquire Italy based - Creative Flavours and Fragrances SpA (CFF) in January 2018 for acquisition of 100% share capital of CFF, in tranches, over two to three years. In the first tranche, the Company had acquired 51% stake in 2018. The remaining stake is to be acquired within the remaining period of two years (upto December 31, 2020) consideration for which shall be based on CFF's performance.

41 Dues to micro and small suppliers

Particulars	March 31, 2019	March 31, 2018
1. The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	**4.79**	4.96
- Interest on the above	**0.45**	0.27
2. The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006	**-**	-
3. The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	**9.12**	4.09
4. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	**0.18**	0.04
5. The amount of interest accrued and remaining unpaid at the end of each accounting year	**0.45**	0.27
6. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	**0.45**	0.27

42 Specified bank notes disclosure

The disclosures in the standalone financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended March 31, 2019.

43 Segment reporting

A. Basis for segmentation

The Company is operating in the manufacture of fragrances. The Company has only one reportable business segment which is manufacture of fragrances.

B. Geographical information

As the Company mainly caters to the needs of domestic market and the total export turnover is not significant 2.24% (previous year 1.95 %), separate geographical segment information has not been given in the standalone financial statements.

C. Information about major customers

Revenue from one customer as on March 31, 2019 is ₹ Nil (March 31, 2018 ₹ 75.36 crores) which is more than 10% of the total revenue of S H Kelkar and Company Limited.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

44 Related party disclosures

The note provides the information about the Group's structure including the details of the subsidiaries and the holding company. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

i) List of Related parties

Subsidiaries & Joint ventures

Name of the related party	Relationship	Country of incorporation	Ownership interest March 31, 2019	Ownership interest March 31, 2018
Keva Flavours Private Limited	Subsidiary	India	**100%**	100%
Keva Fragrances Private Limited (refer note 48)	Subsidiary	India	**100%**	100%
Keva UK Limited	Subsidiary	United Kingdom	**100%**	100%
Saiba Industries Private Limited	Subsidiary	India	**100%**	100%
Keva Fragrance Industries Pte.Ltd.	Subsidiary	Singapore	**100%**	100%
Rasiklal Hemani Agencies Private Limited	Subsidiary	India	**100%**	100%
Keva Chemicals Private Limited	Subsidiary	India	**100%**	100%
Creative Flavours & Fragrances SpA (wef January 15, 2018)	Joint venture	Italy	**51%**	51%
PFW Aroma Ingredients B.V. (Subsidiary of Keva UK Limited)	Step down subsidiary	Netherlands	**100%**	100%
PT SHK Keva Indonesia (Subsidiary of Keva Fragrance Industries Pte.Ltd., Singapore)	Step down subsidiary	Indonesia	**100%**	100%
V N Creative Chemicals Private Limited (Subsidiary of Keva Fragrances Private Limited) (wef September 29, 2017)	Step down subsidiary	India	**100%**	100%
Tanishka Fragrance Encapsulation Technologies LLP (Subsidiary of Keva Chemicals Private Limited) (wef April 24 , 2017)	Step down subsidiary	India	**51%**	51%
Purandar Fine Chemicals Private Limited (Joint venture of Keva Fragrances Private Limited) (wef 1 November 2018)	Joint venture	India	**50%**	-
Anhui Ruibang Aroma Co Ltd (Subsidiary of Keva Fragrance Industries Pte.Ltd., Singapore) (wef May 25, 2018)	Step down subsidiary	China	**66.7%**	-

Other related parties

Relationship	Name of the related party
a) Key Management Personnel (KMP) Executive Directors	Ramesh V. Vaze, Managing Director
	Kedar R. Vaze, Director & Chief Executive Officer
	Tapas Majumdar (Chief financial officer) upto May 31,2017
	Ratul Bhaduri (Chief financial officer) from November 15, 2017 upto December 3, 2018
	Shrikant Mate (Chief financial officer) from December 4, 2018
	Deepti Chandratre (Company Secretary)

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

Relationship	Name of the related party
b) Enterprises owned or controlled or significantly influenced by key management personnel or their relatives	ASN Investment Advisors Private Limited
	Evolutis India Private Limited
	Keva Constructions Private Limited
	KNP Industries Pte. Limited
	Ramesh Vinayak Vaze family trust
	Kedar Ramesh Vaze Family trust
	SKK Industries Private Limited
	Vinayak Ganesh Vaze Charities
c) Relatives of Key Management Personnel	Anagha Nene
	Sumedha Karmarkar
	Prabha R Vaze
	Nandan K Vaze
	Parth K Vaze
	Milena Rubene
d) Non-executive directors	Dalip Sehgal
	Alpana Parida
	Jairaj Purandare
	Sangeeta Singh
	Amit Dalmia
	Deepak Bindra (from May 25, 2018)
	Shrikant Oka (from May 25, 2018)
	Amit Dixit (upto May 25, 2018)
	Nitin Potdar (upto February 28, 2018)

ii) Details of transactions with related parties

Particulars	T ransaction value		Balances outstanding	
	Year ended March 31, 2019	Year ended March 31, 2018	March 31, 2019	March 31, 2018
Sale of goods				
Keva Fragrances Private Limited	**76.73**	38.23	**6.71**	17.69
Keva Flavours Private Limited	**5.78**	9.77	**3.34**	1.54
PFW Aroma Ingredients B.V.	**0.81**	-	**-**	0.35
Keva Frangrance Industries Pte. Ltd	**-**	4.55	**-**	4.60
Purchase of goods				
Keva Fragrances Private Limited	**62.29**	61.89	**32.25**	32.10
Keva Flavours Private Limited	**4.80**	0.43	***0.00**	0.40
Purandar Fine Chemicals Private Limited	**0.23**	0.08	**-**	-
Keva Fragrance Industries Pte. Ltd	**45.90**	4.97	**10.26**	-
Keva Chemicals Private Limited	**0.23**	0.20	**0.42**	0.15
Keva Biotech Pvt.Ltd.	**0.25**	-	**0.02**	-
V N Creative Chemicals Private Ltd	**3.57**	-	**2.77**	-
Keva Aromatics Pvt.Ltd.	**0.71**	-	**0.84**	-
Commission expense				
Rasiklal Hemani Agencies Private Limited	**3.03**	5.14		

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

Particulars	T ransaction value		Balances outstanding	
	Year ended March 31, 2019	Year ended March 31, 2018	March 31, 2019	March 31, 2018
Rent income				
Keva Fragrances Private Limited	**3.42**	3.42	**-**	-
Keva Flavours Private Limited	**0.57**	0.57	**-**	-
Interest income				
Keva Fragrance Industries Pte. Ltd	**-**	-	**-**	0.86
Evolutis India Private Limited	**-**	0.05	**-**	-
Keva Flavours Private Limited	***0.00**	2.27	**-**	0.99
Saiba Industries Private Limited	**0.58**	0.75	**0.29**	0.10
Keva Fragrances Private Limited	**-**	0.02	**-**	0.02
V N Creative Chemicals Private Limited	**1.92**	0.55	**2.24**	0.50
Technical know how income				
Keva Fragrances Private Limited	**0.96**	0.66	**-**	-
Interest expense				
Rasiklal Hemani Agencies Private Limited	**2.19**	2.19	**-**	-
Commission on guarantee given				
PFW Aroma Ingredients B.V.	**0.20**	0.15	**-**	-
Keva Flavours Private Limited	**0.23**	0.01	**-**	-
Keva Fragrance Industries Pte. Ltd	**0.59**	0.34	**-**	-
Keva Fragrances Private Limited	**0.23**	0.32	**-**	-
V N Creative Chemicals Private Limited	**0.30**	0.08	**-**	-
Other services reimbursement received (netted off against respective expenses)				
Keva Fragrances Private Limited	**1.42**	1.26	**-**	-
Keva Flavours Private Limited	**0.27**	0.17	**-**	-
Recharge cost paid				
PFW Aroma Ingredients B.V	**5.99**	14.86	**-**	-
Discovery and Research cost paid				
PFW Aroma Ingredients B.V	**14.64**	4.36	**-**	-
Rent Paid				
Keva Constructions Private Limited	**5.06**	5.00	**-**	-
Saiba Industries Private Limited	**0.88**	0.88	**-**	-
Keva Frangrance Industries Pte. Ltd	**1.22**	1.11	**-**	-
Job Work Charges paid				
Keva Fragrances Private Limited	**0.97**	0.51	**-**	-
Royalty expense				
Keva Fragrances Private Limited	**18.50**	18.99	**-**	-
Reimbursement (for expenses incurred by related parties on behalf of company)				
PFW Aroma Ingredients B.V	**1.22**	3.07	**-**	-
PT SHK Keva Indonesia	**0.04**	-	**-**	-
Keva Fragrance Industries Pte. Ltd	**0.49**	-	**-**	-
Keva Constructions Private Limited	**0.04**	-	**-**	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

Particulars	Transaction value		Balances outstanding	
	Year ended March 31, 2019	Year ended March 31, 2018	March 31, 2019	March 31, 2018
Reimbursement (for expenses incurred by company on behalf of related party)				
Keva Constructions Private Limited	**0.12**	0.12	**-**	-
Keva Frangrance Industries Pte. Ltd	**0.60**	-	**-**	-
Evolutis India Private Limited	**-**	0.24	**-**	-
PFW Aroma Ingredients B.V	**1.75**	-	**-**	-
V N Creative Chemicals Private Limited	**2.22**	-	**-**	-
KNP Industries PTE Ltd	**0.20**	-	**0.20**	-
Fixed assets and Intangible assets purchased				
Keva Fragrances Private Limited	**-**	0.15	**-**	-
PFW Aroma Ingredients B.V	**54.01**	-	**-**	-
Fixed assets sold				
V N Creative Chemicals Private Limited	**0.08**	0.10	**-**	-
Deposits received				
Rasiklal Hemani Agencies Private Limited	**-**	-	**23.00**	23.00
Loan given				
Saiba Industries Private Limited	**-**	-	**6.00**	7.00
Keva Flavours Private Limited	**2.25**	11.95	**-**	
Keva Fragrances Private Limited	**-**	3.25	**-**	
V N Creative Chemicals Private Limited	**41.80**	31.60	**20.00**	11.9
Loan Repaid				
Saiba Industries Private Limited	**1.00**	1.50	**-**	-
Keva Flavours Private Limited	**2.25**	41.65	**-**	-
Keva Fragrances Private Limited	**-**	3.25	**-**	-
V N Creative Chemicals Private Limited	**33.70**	19.70	**-**	-
Investment made				
Keva Chemicals Pvt Ltd	**-**	4.00	**-**	-
Creative Flavours & Fragrances SpA	**-**	93.30	**-**	-
Sitting fees to non-executive directors	**0.81**	0.63	**-**	-
Key managerial personnel				
Remuneration	**6.59**	5.01	**-**	-
Post-employement benefits	**0.55**	0.65	**-**	-
Market research expense				
Milena Rubene	**0.19**	-	**-**	-
Dividend paid during the year				
Ramesh V.Vaze	**4.54**	4.54	**-**	-
Kedar R.Vaze	**2.49**	2.72	**-**	-
Prabha R. Vaze	**0.88**	0.88	**-**	-
Sumedha Karmarkar	***0.00**	*0.00	**-**	-
Anagha S Nene	**0.14**	*0.00	**-**	-
Nandan K. Vaze	**0.23**	0.23	**-**	-
Parth K. Vaze	**0.23**	0.23	**-**	-
Ramesh Vinayak Vaze Family trust	***0.00**	-	**-**	-
Kedar Ramesh Vaze Family trust	***0.00**	-	**-**	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

Particulars	Transaction value		Balances outstanding	
	Year ended March 31, 2019	Year ended March 31, 2018	March 31, 2019	March 31, 2018
KNP Industries Pte Ltd	**3.00**	3.00	**-**	-
Vinayak Ganesh Vaze Charities	**0.36**	0.36	**-**	-
SKK Industries Private Limited	**0.27**	0.27	**-**	-
ASN Investment Advisors Private Limited	**0.27**	0.27		
Keva Constructions Private Limited	**1.57**	1.57	**-**	-
Guarantee given/ (revoked)				
Keva Fragrances Private Limited	**(38.16)**	53.16	**-**	-
PFW Aroma Ingredients B.V.	**7.77**	-	**-**	-
Keva Frangrance Industries Pte. Ltd	**-**	110.57	**-**	-
V N Creative Chemicals Private Limited	**40.00**	50.00	**-**	-
Keva Flavours Private Limited	**-**	45.00	**-**	-
Other current financial assets				
Keva Fragrances Private Limited	**-**	-	**0.47**	4.65
Keva Flavours Private Limited	**-**	-	**0.48**	0.40
PFW Aroma Ingredients B.V.	**-**	-	**0.14**	0.51
Keva Fragrance Industries Pte. Ltd	**-**	-	**0.16**	0.35
V N Creative Chemicals Private Limited	**-**	-	**3.33**	0.52
Keva Constructions Private Limited	**-**	-	**0.09**	-
Other current financial liabilities				
Keva Flavours Private Limited	**-**	-	**-**	-
PFW Aroma Ingredients B.V.	**-**	-	**12.12**	-
Keva Fragrances Private Limited	**-**	-	**21.11**	20.51
Saiba Industries Private Limited	**-**	-	**0.55**	0.16
Rasiklal Hemani Agencies Private Limited	**-**	-	**3.82**	13.02
PT SHK Keva Indonesia	**-**	-	**0.04**	-
Milena Rubene	**-**	-	**0.19**	-
Advances for supplies and services				
Keva Fragrances Private Limited	**-**	-	**-**	-
PFW Aroma Ingredients B.V.	**-**	-	**-**	2.23
Keva Frangrance Industries Pte. Ltd	**-**	-	**-**	5.56
Keva Constructions Private Limited	**-**	-	**0.07**	-
Corporate guarantees				
Keva Fragrances Private Limited	**-**	-	**45.00**	83.16
PFW Aroma Ingredients B.V.	**-**	-	**38.85**	26.02
Keva Frangrance Industries Pte. Ltd	**-**	-	**117.59**	110.57
V N Creative Chemicals Private Limited	**-**	-	**90.00**	50.00
Keva Flavours Private Limited	**-**	-	**45.00**	45.00

* Amount less than ₹ 0.01 crore

Terms and conditions of transactions with related parties

All the transactions with the related parties were made on normal commercial terms and conditions and at market rates.

The interest rate on loans given to subsidiaries are in the range of 9% to 9.50%.

All the outstanding balances are unsecured and repayable in cash and on demand.

45 Transfer pricing

The Company's management is of the opinion that its international transactions and specified domestic transactions are at arm's length as per the independent accountants report for the year ended March 31, 2018. Management continues to believe that its international transactions post March 2018 and the specified domestic transactions covered by the new regulations are at arm's

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

length and that the transfer pricing legislation will not have any impact on these standalone financial statements, particularly on amount of tax expense and that of provision of taxation.

46 Corporate social responsibility

As per Section 135 of the Act, a CSR committee has been formed by the Company. The funds are utilised during the year on the activities which are specified in Schedule VII of the Companies Act 2013. The utilisation is done by way of direct contribution towards various activities.

Gross amount required to be spent by the Company during the year: ₹ 1.86 crores (previous year: ₹ 1.48 crores)

The areas of CSR activities and contributions made thereto are as follows:

Amount spent during the year on ;	March 31, 2019	March 31, 2018
Contribution to Clean Ganga Fund	0.30	0.97
Promotion of education	0.88	0.67
Distress/Disaster Relief	0.25	-
Development of infrastructure in rural area	0.42	0.14
Total	1.85	1.79

The Company does not carry any provisions for corporate social responsibility expenses for the current year and the previous year.

47 Expenses incurred on research and development during the year:

A unit of the Company has been recognised by DSIR as in-house Research and Development unit. The Company claims 150% exemption under Sec 35(2AB) of Income Tax Act 1961 for expenditure incurred on in-house R&D activities.

Amount in respect to	March 31, 2019	March 31, 2018
Capital expenditure	1.18	2.54
Revenue expenditure	13.32	10.78
	14.50	13.32

48 Disclosure pursuant to Section 186 of the Companies Act, 2013

a) Details of loans given:

Name of the entity and relation with the Company, if applicable	Terms and conditions of the loan and purpose for which it will be utilized
Saiba Industries Private Limited, subsidiary of the Company	Unsecured loans given @ 9% for the purpose of financial support for acquisition of assets to subsidiary which is repayable on demand
Keva Flavours Private Limited, subsidiary of the Company	Unsecured loans given @ 9% for the purpose of financial support to subsidiary for acquisition of business which is repayable on demand
Keva Fragrances Private Limited, subsidiary of the Company	Unsecured loans given @ 9% for the purpose of financial support (working capital) to subsidiary which is repayable on demand
V N Creative Chemicals Private Limited, Step down subsidiary of the Company	Unsecured loans given @ 9% for the purpose of financial support to subsidiary for capex which is repayable on demand

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

Movement of loans during the financial year ended March 31, 2019 is given below:

Name of party	Financial year	Opening balance (excluding accrued interest)	Loan given	Loan repaid/ adjusted	Closing balance(excluding accrued interest)
Saiba Industries Private Limited	Year ended March 31, 2019	7.00	-	(1.00)	6.00
Keva Flavours Private Limited	Year ended March 31, 2019	-	2.25	(2.25)	-
V N Creative Chemicals Private Limited	Year ended March 31, 2019	11.90	41.80	(33.70)	20.00

Movement of loans during the financial year ended March 31, 2018 is given below:

Name of party	Financial year	Opening balance (excluding accrued interest)	Loan given	Loan repaid/ adjusted	Closing balance(excluding accrued interest)
Saiba Industries Private Limited	Year ended March 31, 2018	8.50	-	(1.50)	7.00
Keva Flavours Private Limited	Year ended March 31, 2018	29.70	11.95	(41.65)	-
Keva Fragrances Private Limited	Year ended March 31, 2018	-	3.25	(3.25)	-
V N Creative Chemicals Private Limited	Year ended March 31, 2018	-	31.60	(19.70)	11.90

b) Details of guarantees given:

The Company has provided following corporate guarantees for the loans taken by certain subsidiary companies as set out below:

Name of the entity and relation with the Company, if applicable	Financial year	Opening balance	Corporate gurantee given	Corporate gurantee revoked	Non cash changes	Closing Balance
Keva Fragrances Private Limited	Year ended March 31, 2019	83.16	-	(38.16)	-	45.00
PFW Aroma Ingredients B. V.	Year ended March 31, 2019	26.02	7.77	-	5.06	38.85
Keva Fragrance Industries Pte. Ltd.	Year ended March 31, 2019	110.57	-	-	7.02	117.59
Keva Flavours Private Limited	Year ended March 31, 2019	45.00	-	-	-	45.00
V N Creative Chemicals Private Limited	Year ended March 31, 2019	50.00	40.00	-	-	90.00
		314.75	47.77	(38.16)	12.08	336.44

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

Name of the entity and relation with the Company, if applicable	Financial year	Opening balance	Corporate gurantee given	Corporate gurantee revoked	Non cash changes	Closing Balance
Keva Fragrances Private Limited	Year ended March 31, 2018	30.00	53.16	-	-	83.16
PFW Aroma Ingredients B. V.	Year ended March 31, 2018	27.70	-	-	(1.68)	26.02
Keva Fragrance Industries Pte. Ltd.	Year ended March 31, 2018	-	110.57	-	-	110.57
Keva Flavours Private Limited	Year ended March 31, 2018	-	45.00	-	-	45.00
V N Creative Chemicals Private Limited	Year ended March 31, 2018	-	50.00	-	-	50.00
		57.70	258.73	-	(1.68)	314.75

c) Details of investments made:

Equity	Financial year	Opening Number of Shares	Opening Amount	Investment made Number of Shares	Investment made Amount	Sale of Investment Number of Shares	Sale of Investment Amount	Closing Number of Shares	Closing Amount
Keva Chemicals Pvt. Ltd. (face value ₹ 10 per share)	Year ended March 31, 2018	-	-	4,000,000	4.00	-	-	4,000,000	4.00
Creative Flavours & Fragrance SpA (face value Euro 1 per share)	Year ended March 31, 2018	-	-	1,020,000	93.30	-	-	1,020,000	93.30

49 Disclosure as per Regulation 53 (F) of SEBI (Listing Obligation and Disclosure Requirements) Regulations

Name of party	Relationship	Amount outstanding as at March 31, 2019	Amount outstanding as at March 31, 2018	Maximum balance outstanding during the year March 31, 2019	Maximum balance outstanding during the year March 31, 2018
Saiba Industries Private Limited	Wholly Owned Subsidiary Company	**6.00**	7.00	**7.00**	8.50
Keva Flavours Private Limited	Wholly Owned Subsidiary Company	**-**	-	**2.25**	31.15
Keva Fragrances Private Limited	Wholly Owned Subsidiary Company	**-**	-	**-**	3.25
V N Creative Chemicals Private Limited	Step down subsidiary of the Company	**20.00**	11.90	**25.00**	19.76

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

50 Dislosure under Ind AS 115 - Revenue from contracts with customers

The Company is engaged into manufacturing of Industrial Fragrances.There is no impact on the Company's revenue on applying Ind AS 115 from the contract with customers.

Revenue from contracts with customers: Sale of products (Transferred at point in time)

a Major Segment

	Fragrance March 31, 2019	Fragrance March 31, 2018
Manufacturing		
India	**675.48**	687.94
South east asia	**1.16**	0.89
Europe	**2.15**	0.14
MEENA	**11.61**	7.45
Others	**0.59**	0.38
Total	**691.00**	696.80
Trading		
India	**5.87**	-
South east asia	**-**	4.65
	5.87	4.65
	696.87	701.45

b Sales by performance obligations

	Fragrance March 31, 2019	Fragrance March 31, 2018
Manufacturing		
CIF	**47.00**	34.04
FOB	**1.23**	0.73
Ex work	**642.77**	662.02
	691.00	696.80
Trading		
CIF	**-**	4.65
FOB	**-**	-
Ex work	**5.87**	-
	5.87	4.65
	696.87	701.45

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

c **Reconciliation of revenue from contract with customer**

	Fragrance	
	March 31, 2019	**March 31, 2018**
Revenue from contract with customer as per the contract price		
Manufacturing (including excise duty)	**691.00**	696.80*
Trading	**5.87**	4.65
	696.87	701.45
Adjustments made to contract price on account of :-		
Less : Discounts and Rebates	**4.78**	4.61
Revenue from contract with customer	**692.09**	696.84
Other operating revenue	**1.69**	0.89
Revenue from operations	**693.78**	697.73

(*including excise duty of ₹ 16.05 Crores)

51 Consolidation of Trust

During the previous year, Company has formed S H Kelkar Employee Benefit Trust (Trust) through its trustees Barclays Wealth Trustees(India) Pvt. Ltd.

The Trust has been formed for administering and implementing S H Kelkar Stock Appreciation Rights Scheme 2017 ('the scheme') of the Company which was adopted by the Board on August 10, 2017 and approved by shareholders of the Company on November 1, 2017

For the purpose of the Scheme, the Trust will purchase Shares out of funds borrowed from the Company which will be sold on the secondary market. The appreciation amount received by the Trustee on sale of shares be transferred to the Beneficiaries upon fulfilment of certain terms and conditions of the Scheme.

The Company treats the Trust as its extension and the shares held by the Trust are treated as treasury shares.

The Consolidation of the Trust financials statements with that of the Company does not in any manner affect the independence of the trustees where the rights and obligations are regulated by the trust deed.

Own equity instruments (treasury shares) are recognised at cost and deducted from equity.

i **The sources and application of funds of the Trust Consolidated as at March 31, 2019 were as follows:**

Particulars	March 31, 2019	March 31, 2018
Sources of Funds		
Corpus	***0.00**	*0.00
Reserves and Surplus	**(4.64)**	(0.42)
Secured Loan		
Loan from the company	**75.00**	33.00
Total	**70.36**	32.58
Application of Funds		
Investments	**74.95**	29.80
Current Assets, Loans and Advances (A)		
Cash and Cash Equivalents	**0.17**	3.23
Less: Current Liabilities and Provisions (B)		
Current Liabilities	**4.73**	0.45
Provisions	**0.02**	*0.00
Net Current Assets (A- B)	**(4.59)**	2.78
Total	**70.36**	32.58

* Amount less than ₹ 0.01 crore

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(Currency : Indian Rupees in crores)

ii **Impact on the Company's profit and loss post the Trust consolidation for the year ended March 31, 2019**

Particulars	March 31, 2019	March 31, 2018
Expenditure		
Management fees	**0.04**	0.01
Audit Fees	***0.00**	*0.00
Impact on profit before tax	**0.04**	0.01

* Amount less than ₹ 0.01 crore

Other items adjusted owing to the Trust consolidation include:

(a) **Treasury shares**

Upon consolidation, the investment in the Company's equity shares made by Trust is debited to the Company's Equity as treasury shares amounting to ₹ 74.95 crores as at March 31, 2019.

(b) **Other Non Current Financial Assets and other Income**

Loans advanced to the Trust have been eliminated on consolidation amounting to ₹ 75 crores as at March 31, 2019 (previous year ₹ 33 crores) and interest income of ₹4.36 crores (previous year ₹ 0.40 crores) on the above loan is also eliminated.

(c) **Other Current Financial Assets**

Interest on loans receivable from Trust eliminated on consolidation amounting to ₹ 4.28 Crores as at March 31, 2019 (previous year ₹ 0.36 crores).

52 The Government of India introduced the Goods & Services Tax (GST) with effect from July 1, 2017, consequently revenue from operations for the year ended March 31, 2018 is net of GST, however, revenue for the period April 1, 2017 to June 30, 2017 is inclusive of excise duty and hence, total income from operations for the year ended March 31, 2018 are not comparable.

53 The MCA wide notification dated October 11, 2018 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. The Company has incorporated appropriate changes in the standalone financial statements.

As per our report of even date attached.
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai
May 22, 2019

For and on behalf of the Board of Directors
S H Kelkar and Company Limited
CIN: L74999MH1955PLC009593

Ramesh Vaze
Managing Director
DIN: 00509751

Kedar Vaze
Director & Chief Executive Officer
DIN: 00511325

Shrikant Mate
Chief Financial Officer
ICAI Membership No: 37556

Deepti Chandratre
Company Secretary
ICAI Membership No: A20759

Mumbai
May 22, 2019

Mumbai
May 22, 2019

Keva

S H KELKAR AND COMPANY LIMITED

Registered Office: Devkaran Mansion, 36, Mangaldas Road,Mumbai - 400002
Corporate Office: Lal Bahadur Shastri Marg, Mulund (West), Mumbai - 400 080
CIN No: L74999MH1955PLC009593
Tel No: +91222164 9163; Fax No: +91222164 9766
Website: www.keva.co.in; Email Id: investors@keva.co.in

NOTICE

NOTICE is hereby given that the 63rd Annual General Meeting of the Members of S H KELKAR AND COMPANY LIMITED (the "Company") will be held on Friday, August 09, 2019 at Indraprastha Hall, 261, Balrajeshwar Road, Vaishali Nagar, Mulund (West), Mumbai - 400080 at 4.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2019 alongwith the Report of Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Amit Dalmia (DIN: 05313886), a non-executive/non-independent Director, who retires by rotation and being eligible offers himself for re-appointment.

3. To re-appoint B S R & Co. LLP, holding Registration No. 101248W with the Institute of Chartered Accountants of India (ICAI), as Statutory Auditors of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to provision of section 139, 142 and other applicable provisions of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), B S R & Co. LLP, holding Registration No. 101248W with the Institute of Chartered Accountants of India (ICAI), be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of 63rd Annual General Meeting (i.e. this Annual General Meeting) until the conclusion of the 65th Annual General Meeting to be held in 2021 **AND THAT** the Board of Directors of the Company be and is hereby authorised to fix their remuneration."

SPECIAL BUSINESS

4. To ratify the remuneration payable to M/s. Kishore Bhatia & Associates, Cost Accountants, appointed as Cost Auditors of the Company for the financial year 2019-20 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

'**RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Kishore Bhatia & Associates, Cost Accountants, appointed as Cost Auditors by the Board of Directors to audit the cost records of the Company for the financial year 2019-20, be paid a remuneration of ₹ 1,80,000/- per annum plus applicable taxes and out-of-pocket expenses that may be incurred.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to perform all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.'

By Order of the Board of Directors
of **S H KELKAR AND COMPANY LIMITED**
CIN: L74999MH1955PLC009593

Deepti Chandratre
Company Secretary
Membership No: A20759

Date: July 05, 2019
Regd. Office: Devkaran Mansion, 36, Mangaldas Road, Mumbai – 400002
e-mail: investors@keva.co.in

NOTES:

1. The Statement, pursuant to Section 102 of the Companies Act, 2013 with respect to Item Nos. 3 and 4 forms part of this Notice. Additional information, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings in respect of Directors ("Secretarial Standards") seeking appointment/re-appointment at the Annual General Meeting ("AGM") is furnished as annexure to the Notice.

2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE AGM ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

   A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person. A Proxy form is enclosed herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable. Proxies, in order to be valid and effective, must be delivered at the registered/corporate office of the Company not later than forty-eight hours before the commencement of the AGM. During the period beginning 24 hours before the time fixed for the AGM and ending with the conclusion of the AGM, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company provided that not less than three days of notice in writing is given to the Company.

3. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing the representative to attend and vote on their behalf at the AGM.

4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, August 03 2019 to Friday, August 09 2019 (both days inclusive) for annual closing.

5. Members, Proxies and Authorised Representatives are requested to bring the attendance slip enclosed herewith duly completed and signed along with their copy of Annual Report to the AGM. Only registered members carrying the attendance slip and the holders of valid proxies registered with the Company will be permitted to attend the AGM. Members holding shares in dematerialised form are requested to bring their Client ID and DP ID details for identification.

6. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

7. Members are requested to intimate immediately the change of address or demise of any Member, if any, to the Company's Registrar and Transfer Agents to prevent frauds.

8. Members are requested to register / update their bank details with their Depository Participants as well as the Company.

9. In order to communicate the important and relevant information and events to the members in a cost-efficient manner, Members are encouraged to register their e-mail addresses with their respective Depositary Participants.

10. The Company has uploaded the details of unpaid and unclaimed dividend lying with the Company on the website of the Company www.keva.co.in. Members who have not encashed their dividend warrants pertaining to earlier declared dividends are requested to lodge their claims to Link Intime India Pvt. Ltd., the Company's Registrar & Transfer Agent, at the earliest for obtaining payments thereof. Members are advised that no claim shall lie with respect to unclaimed dividend after it is transferred to the IEPF.

11. Members desiring any information with regard to Accounts/Reports are requested to write to the Company Secretary at least ten days before the AGM so as to enable the Management to keep the information ready.

12. Investors may address their queries/communications to investors@keva.co.in and/or rnt.helpdesk@linkintime.co.in

13. The Annual Report is being sent through electronic mode only to the Members whose e-mail addresses are registered with the Company/Depository Participant (s) unless any Member has requested for physical copy of the Report. For Members who have not registered their e mail addresses, physical copies of the Annual Reports are being sent by permitted mode. The Annual Report can also be viewed on the website of the Company www.keva.co.in.

14. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the AGM.

15. A roadmap showing directions to reach the venue of the AGM is given at the end of this Notice.

16. Voting through Electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44(1) and 44(2) the Listing Regulations, the Company is pleased to offer remote e-voting facility as an alternative mode of voting which will enable all the Members to cast their votes electronically on the resolutions mentioned in the Notice of the AGM. The business at the AGM may be transacted through e-voting services provided by Central Depository Services Limited (CDSL). Members who have cast their votes by e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.

E-voting is optional and e-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as at the close of business hours on Friday, August 02 2019. The e-voting period commences on Tuesday, August 06 2019 (9.00 a.m.) and ends on Thursday, August 08 2019 (5.00 p.m.). The voting module shall be disabled by CDSL for voting thereafter.

The facility for voting through ballot paper will also be made available at the AGM and the members attending the AGM who have not already cast their votes by e-voting, shall be able to exercise their rights at the AGM through ballot paper.

The Company has appointed Mr. Ved Prakash (Membership No. 36837/CP. No. 16986), Designated Partner, M/s. S. Anantha & Ved LLP., Company Secretaries, Mumbai or failing him Mr. Sachin Sharma (Membership No. 46900 / CP. No. 20423), designated partner, M/s. S. Anantha & Ved LLP., Company Secretaries, Mumbai as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

The instructions for shareholders voting electronically are as under:

i) The shareholders should log on to the e-voting website www.evotingindia.com.

ii) Click on Shareholders / Members

iii) Now Enter your User ID

  a) For CDSL: 16 digits beneficiary ID,

  b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

  c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

iv) Next enter the Image Verification as displayed and Click on Login.

v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vi) If you are a first time user follow the steps given below:

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. Members who have not udated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

vii) After entering these details appropriately, click on "SUBMIT" tab.

viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xvi) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xviii) Note for Non – Individual Shareholders and Custodians

  a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

  b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

  c) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

  d) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

  e) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

By Order of the Board of Directors
of **S H KELKAR AND COMPANY LIMITED**
CIN: L74999MH1955PLC009593

Deepti Chandratre
Company Secretary
Membership No: A20759

Date: July 05, 2019
Regd. Office: Devkaran Mansion, 36, Mangaldas Road, Mumbai – 400002
e-mail: investors@keva.co.in

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to Item Nos. 3 and 4 mentioned in the accompanying Notice.

Item No. 3:

M/s. B S R & Co. LLP (Registration No. 101248W) were appointed as Statutory Auditors of the Company for a period of 5 years from the conclusion of the 58th Annual General Meeting until the conclusion of 63rd Annual General Meeting (i.e. from FY 2014-15 to FY 2018-19). Prior to M/s. B S R & Co. LLP, its affiliates M/s. B S R & Co were serving as Statutory Auditors of the Company in respect of financial years 2011-12 to 2013-14.

As per the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, an audit firm can be appointed as statutory auditor for not more than two terms of five consecutive years. M/s. B S R & Co. LLP having served as statutory auditors (by itself/through its affiliated firms) for a period of eight financial years, can be re-appointed as statutory auditors for a term of two years only.

Accordingly, on the recommendation of the Audit Committee, at its meeting held on May 22 2019, the Board of Directors of the Company ('Board') considered and approved the appointment of M/s. B S R & Co. LLP for a period of two years from the conclusion of 63rd Annual General Meeting until the conclusion of 65th Annual General Meeting to be held in 2021, at a remuneration as may be fixed by the Board.

B S R & Co. was constituted on March 27, 1990. It was converted into a limited liability partnership i.e. B S R & Co. LLP on October 14, 2013. The registered office of the firm is at 5th Floor, Lodha Excelus, Apollo Mills Compound , N. M. Joshi Marg, Mahalaxmi, Mumbai, Maharashtra - 400 011. B S R & Co. LLP is a member entity of B S R & Affiliates, a network registered with the Institute of Chartered Accountants of India. The other entities which are part of the B S R & Affiliates network include B S R & Associates LLP, B S R & Company, B S R and Co, B S R and Associates, B S R and Company, B S R R & Co, B S S R & Co and B B S R & Co. B S R & Co. LLP has access to the international knowledge and methodology of KPMG International. B S R & Co. LLP is registered in Mumbai, Gurgaon, Bangalore, Kolkata, Hyderabad, Pune, Chennai, Chandigarh, Ahmedabad, Vadodara, Noida and Kochi.

None of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution. The Board recommends the Ordinary Resolution as set out in Item No. 3 of the Notice for the approval of the Members.

Item No. 4:

Pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records for applicable products of the Company.

On the recommendation of the Audit Committee, at its meeting held on May 22, 2019, the Board considered and approved the appointment of M/s. Kishore Bhatia & Associates, Cost Accountants, as the Cost Auditor for the financial year 2019-20 at a remuneration of ₹ 1,80,000/- per annum plus applicable taxes and reimbursement of out-of-pocket expenses.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 4. The Board of Directors recommends the Ordinary Resolution as set out in Item No. 4 of the Notice for the approval of the Members.

By Order of the Board of Directors
of **S H KELKAR AND COMPANY LIMITED**
CIN: L74999MH1955PLC009593

Deepti Chandratre
Company Secretary
Membership No: A20759

Date: July 05, 2019
Regd. Office: Devkaran Mansion, 36, Mangaldas Road, Mumbai – 400002
e-mail: investors@keva.co.in

ANNEXURE TO THE NOTICE

Details of the Director seeking re-appointment at the forthcoming Annual General Meeting

[Pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings]

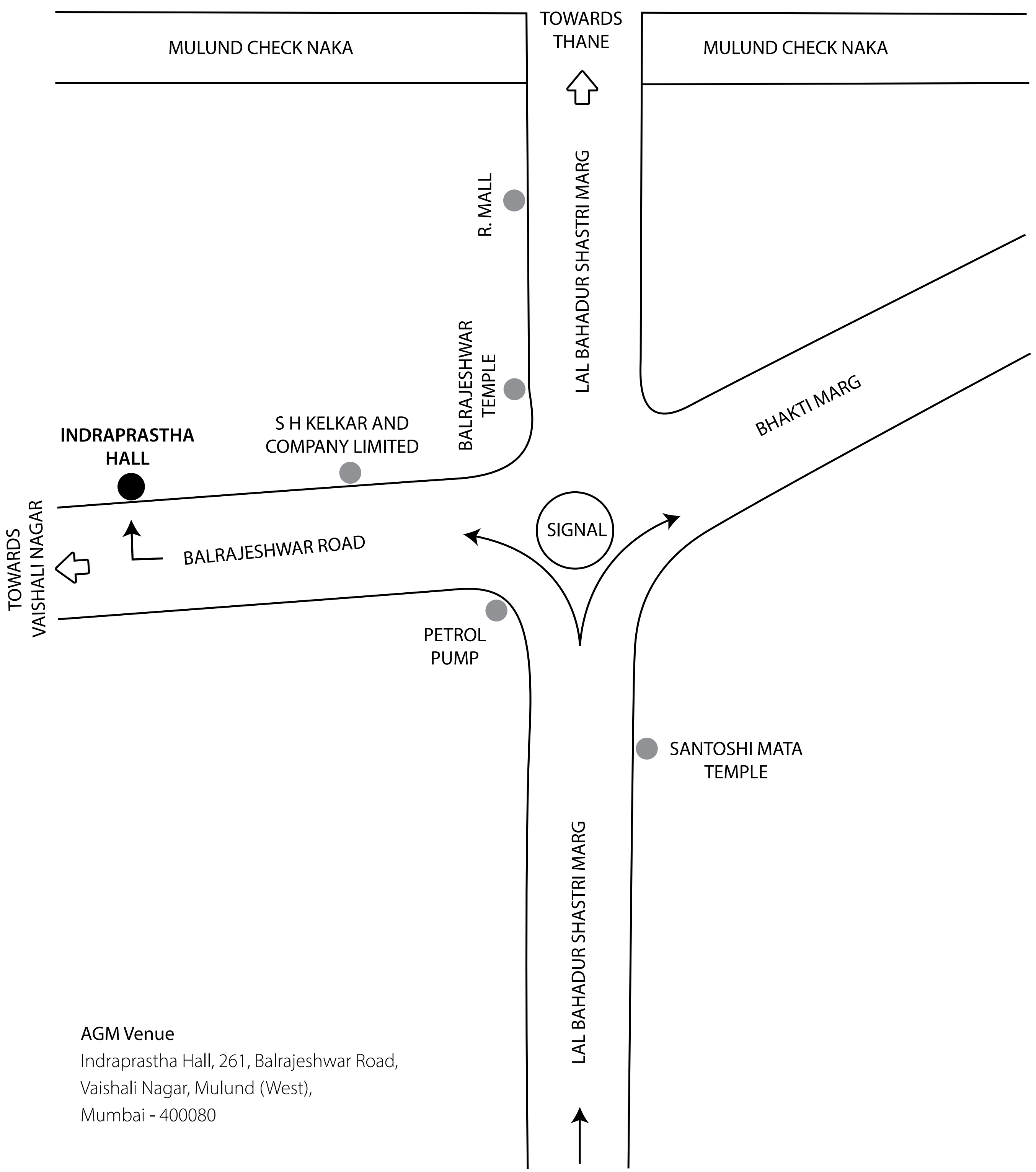
Name of Director	**Amit Dalmia**
Category	Non-Executive Director
DIN	05313886
Date of Birth and Age	October 30, 1975, 43
Qualification	Bachelor of Commerce, Chartered Accountant, Cost Accountant and Company Secretary
Nature of Expertise/Experience	Finance, Operations, Strategy and Business Development
Brief Resume	Appended at the end of this table
First Appointment on the Board	August 08, 2012
Terms & Conditions of Appointment/re-appointment	Appointment as a Non – Executive Director liable to retire by rotation
Last Drawn remuneration details along with remuneration sought to be paid	Nil
No. of shares held in S H Kelkar and Company Limited as at March 31, 2019	Nil
Relationship with Directors /Manager/KMP	Not related
No. of Board meetings attended out of 7 meetings held during the year	7
Directorship Details	**Listed Company:** S H Kelkar and Company Limited Mphasis Limited **Private Companies:** SBD Green Energy & Infra India Pvt. Ltd.
Committee Positions	**Member:** Audit Committee: S H Kelkar and Company Limited Stakeholders' Relationship Committee: Mphasis Limited

Brief Profile of Mr. Amit Dalmia:

Mr. Amit Dalmia holds a degree of Bachelor of Commerce (Hons.) from St. Xaviers' College, University of Kolkata and has undergone a management training program with the Indian Institute of Management, Ahmedabad. He is also a Chartered Accountant (CA), Company Secretary (CS) and Cost Accountant (ICWA) with three Gold Medals for securing first-ranks in the country. He is an expert in the field of Finance, Operations, Strategy and Business Development.

Mr. Amit Dalmia is an Operating Partner in the Corporate Private Equity group. Since joining Blackstone in 2010, Mr. Dalmia has led significant improvement in the performance and development of Blackstone portfolio companies in India. Before joining Blackstone, Mr. Dalmia had diverse operational experience of over 13 years with Hindustan Unilever India in various management and business leadership roles ranging from finance and accounts to commercial and supply chain. He has worked extensively on in-company training at Unilever.

ROUTE MAP TO THE AGM VENUE



AGM Venue
Indraprastha Hall, 261, Balrajeshwar Road,
Vaishali Nagar, Mulund (West),
Mumbai - 400080

Keva

S H KELKAR AND COMPANY LIMITED
Registered Office: Devkaran Mansion, 36, Mangaldas Road,Mumbai - 400002
Corporate Office: Lal Bahadur Shastri Marg, Mulund (West), Mumbai - 400 080
CIN No: L74999MH1955PLC009593
Tel No: +91222164 9163; Fax No: +91222164 9766
Website: www.keva.co.in; Email Id: investors@keva.co.in

ATTENDANCE SLIP

Please fill the attendance slip and hand it over at the entrance of the meeting hall.
Joint holders may obtain additional slip at the venue of the meeting.

DP ID*		Folio No	
Client ID*		No of shares	

Name and Address of the Shareholder / Proxy: ____________________

____

I hereby record my presence at the **63rd ANNUAL GENERAL MEETING** of the Company held on Friday, August 09, 2019 at 4.30 p.m. at Indraprastha Hall, 261, Balrajeshwar Road, Vaishali Nagar, Mulund (West), Mumbai - 400 080.

....

Signature of Shareholder / Proxy

NOTE: Shareholder/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

* Applicable for members holding shares in electronic form.

S H KELKAR AND COMPANY LIMITED
Registered Office: Devkaran Mansion, 36, Mangaldas Road,Mumbai - 400002
Corporate Office: Lal Bahadur Shastri Marg, Mulund (West), Mumbai - 400 080
CIN No: L74999MH1955PLC009593
Tel No: +91222164 9163; Fax No: +91222164 9766
Website: www.keva.co.in; Email Id: investors@keva.co.in

FORM NO. MGT-11
PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rule, 2014]

CIN : L74999MH1955PLC009593
Name of the Company: S H KELKAR AND COMPANY LIMITED
Registered Address: Devkaran Mansion, 36, Mangaldas Road, Mumbai – 400002

Name of the Member(s): ______________________________
Registered Address: ______________________________
Email Id: ______________________________
Folio No / Client ID ______________________________
DP ID: ______________________________

I / We being the member(s) of ____________________ Equity Shares of S H Kelkar and Company Limited, hereby appoint:

1. Name: ______________________________
   Address: ______________________________
   ____
   Email ID: ______________________________
   Signature: ____________________, or failing him / her

2. Name: ______________________________
   Address: ______________________________
   ____
   Email ID: ______________________________
   Signature: ____________________, or failing him / her

3. Name: ______________________________
   Address: ______________________________
   ____
   Email ID: ______________________________
   Signature: ____________________

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the **63rd ANNUAL GENERAL MEETING** ("AGM") of the Company, to be held on Friday, August 09, 2019 at 4.30 p.m. at Indraprastha Hall, 261, Balrajeshwar Road, Vaishali Nagar, Mulund (West) Mumbai - 400080 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	Description of the business as set out in the 63rd AGM	For	Against
Ordinary Business			
1.	Consider and adopt Standalone and Consolidated Audited Financial Statements, Reports of the Board of Directors and Auditors for the financial year ended March 31, 2019		
2.	Appointment of Mr. Amit Dalmia (DIN: 05313886) as a non-executive/non-independent Director, liable to retire by rotation		
3.	Re-appointment of B S R & Co. LLP, holding Registration No. 101248W with the Institute of Chartered Accountants of India (ICAI), as Statutory Auditors of the Company		
Special Business			
4.	Ratification of remuneration payable to Cost Auditors of the Company for the financial year 2019-20		

Signed this ________________ day of ___________, 2019.

Signature of Share holder: ______________________________

Signature of Proxy holder(s): ______________________________

Affix Revenue Stamp

Note:

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at Devkaran Mansion, 36, Mangaldas Road, Mumbai – 400002 not less than 48 hours before the commencement of the meeting.

Corporate Information

Board of Directors

Mr. Ramesh Vaze
Managing Director

Mr. Kedar Vaze
Whole-Time Director & CEO

Mrs. Prabha Vaze
Non-Executive Director

Mr. Deepak Raj Bindra
Non-Executive Director

Mr. Amit Dalmia
Non-Executive Director

Mr. Shrikant Oka
Independent Director

Mr. Dalip Sehgal
Independent Director

Mrs. Alpana Parida
Independent Director

Mr. Jairaj Purandare
Independent Director

Mrs. Sangeeta Singh
Independent Director

Group Chief Financial Officer

Mr. Shrikant Mate

Company Secretary & Compliance Officer

Mrs. Deepti Chandratre

Audit Committee

Mr. Jairaj Purandare (C)
Mr. Dalip Sehgal
Mrs. Sangeeta Singh
Mr. Shrikant Oka
Mr. Kedar Vaze
Mr. Amit Dalmia

Nomination and Remuneration Committee

Mrs. Sangeeta Singh (C)
Mrs. Alpana Parida
Mr. Amit Dalmia
Mr. Deepak Raj Bindra

Corporate Social Responsibility Committee

Mr. Ramesh Vaze (C)
Mrs. Prabha Vaze
Mrs. Alpana Parida

Stakeholders' Relationship Committee

Mr. Dalip Sehgal (C)
Mrs. Alpana Parida
Mr. Deepak Raj Bindra

[(C) – Chairperson]

Auditors

B S R & Co. LLP
Chartered Accountants

Subsidiaries

Domestic
Keva Fragrances Pvt. Ltd.
Keva Flavours Pvt. Ltd.
Saiba Industries Pvt. Ltd.
Keva Chemicals Pvt. Ltd.
Rasiklal Hemani Agencies Pvt. Ltd.
V N Creative Chemicals Pvt. Ltd.
Tanishka Fragrance Encapsulation Technologies LLP

Overseas
Keva UK Ltd.
(United Kingdom)
Keva Fragrance Industries Pte. Ltd.
(Singapore)
PFW Aroma Ingredients B.V.
(The Netherlands)
Keva Europe B.V. (from 02 April 2019)
(The Netherlands)
PT SHKKEVA Indonesia
(Indonesia)
Creative Flavours & Fragrances S.p.A. (Italy)
Anhui Ruibang Aroma Company Ltd
(China)

Joint Venture
Purandar Fine Chemicals Pvt Ltd

Registered Office

Devkaran Mansion,
36, Mangaldas Road,
Mumbai – 400002

Corporate Office

S H Kelkar and Company Limited
LBS Marg, Mulund (West),
Mumbai – 400080

Website

www.keva.co.in

Keva

S H Kelkar and Company Limited
Devkaran Mansion, 36, Mangaldas Road,
Mumbai - 400 002

Concept, Content & Design
WYATT Prism COMMUNICATIONS (info@wyatt.co.in)