July 12, 2022

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 2021-22

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 2021-22 including the Business Responsibility Report and the Notice of the 66th Annual General Meeting, which is being sent through electronic mode to the members of the Company.

The Annual Report containing the notice of the 66th Annual General Meeting is also uploaded on the Company's website : https://www.keva.co.in/investors-categories/fy-2021-2022-2

You are requested to take the same on record.

Thanking you,

Yours faithfully,

For S H KELKAR AND COMPANY LIMITED

Rohit Saraogi
Company Secretary & Compliance Officer

Encl: As above

POWERING AHEAD THROUGH UNCERTAINTIES

S H KELKAR AND COMPANY LIMITED

ANNUAL REPORT **2021-22**

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

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MESSAGE FROM THE WHOLE-TIME DIRECTOR & GROUP CEO

Dear Shareholders,

I am pleased to share the Company's report card for FY 2021-22, which we exited on a steady and stable note despite a multitude of macro challenges prevailing in both the domestic and global markets. The pandemic-led disruptions and the inflationary raw material pressures impacted demand and restricted overall volume growth in our core business during the year. However, the uptick in demand and offtake in the European markets helped stabilise growth for SHK, as Europe witnessed double-digit growth for our acquired businesses during the year. The Emerging markets also contributed to the steady performance on our revenue front, driven largely by healthy demand, which we see sustaining in the coming quarters. In India, we saw improved wins from the large FMCG customers which helped offset the subdued contribution from smaller customers.

OUR TOTAL INCOME FOR THE YEAR WAS HIGHER AT 17.6% AT ₹ 1,581.7 CRORE, WHILE EBITDA STOOD AT ₹ 232.1 CRORE. THE COST PRESSURES RESULTING FROM THE GLOBAL RAW MATERIAL INFLATION AND SUPPLY CHAIN CONSTRAINTS IMPACTED MARGIN PERFORMANCE, WHICH WE MITIGATED BY UNDERTAKING CALIBRATED PRICE HIKES IN COLLABORATION WITH CUSTOMERS. OUR PRUDENT INVENTORY MANAGEMENT LED TO SOME INCREASE IN THE WORKING CAPITAL BUT IT ENABLED US TO ENSURE SUPPLY CONTINUITY FOR OUR CUSTOMERS IN AN EXTREMELY CHALLENGING ENVIRONMENT – A FEAT THAT HAS BEEN WELL APPRECIATED BY OUR STAKEHOLDERS.

Our total income for the year was higher at 17.6% at ₹ 1,581.7 crore, while EBITDA stood at ₹ 232.14 crore. The cost pressures resulting from the global raw material inflation and supply chain constraints impacted margin performance, which we mitigated by undertaking calibrated price hikes in collaboration with customers. Our prudent inventory management led to some increase in the working capital but it enabled us to ensure supply continuity for our customers in an extremely challenging environment – a feat that has been well appreciated by our stakeholders.

With the pandemic situation easing and inflationary trends also on a downward curve, we will now focus on scaling back our inventory days to the original levels over the next 6-9 months, and striking a healthy balance between stock levels and supply chain demands. This is in line with our approach of adapting our strategy with agility to the evolving external trends.

Taking a closer look at FY 2021-22, we see that the tangible results of our structured interventions and our various business initiatives supported our efforts to maintain stability in performance amid the challenging macro environment. These have also infused a sense of optimism in our growth prospects for the coming years.

- The challenges in the environment did not derail our growth and expansion plans, and we undertook several focussed measures to enhance our global market presence, augment our niche offerings, and expand our customer segments through the year. Our efforts were aimed at steering accelerated growth for the Company in the medium to longer term
- Our focus on inventory management helped keep the gross margin erosion relatively in check in comparison with the industry, while enabling supply chain continuity
- Our participation in the global RFP (Request for Proposal) continued to progress well, and has set the stage for SHK to harness more global opportunities to drive the next leg of growth for us. We remain optimistic about the multi-year business potential from this global tender
- We moved with agility to revive operations at our Mahad facility, which was hit by floods following unprecedented rains in Maharashtra that led to suspension of production. This helped ensure that there was no consequent loss of business
- We partnered with Apollo Hospital and other local hospitals to fully vaccinate all our employees and their families. We also extended the vaccination drive to employees' relatives and secondary manpower and their relatives

Getting seamlessly back to office

SHK has always been committed to the welfare and wellbeing of its people, who we consider to be equal partners in our journey of growth and value creation. As business started getting back to normal after the second wave of COVID-19 had abated by the second quarter of the fiscal, we put in place new guidelines and protocols to accommodate the B2W (Back to Workplace) initiative. As a mark of appreciation for their support and commitment during the work-from-home period, we also accorded special recognition to people across our sites and offices.

Prior to the reopening of the offices, emergency response teams were installed to ensure smooth and uninterrupted operations while maintaining the health, safety and welfare of our people. Besides formulation of SOPs for compliance, training in COVID friendly behaviour was provided, and COVID core committees were formed across sites to enable the safety, security and wellbeing of employees. Sensor/card reader based attendance system, sanitisation, bio bubble transport facility etc. were some of the other measures taken to keep our people protected at all times.

We also tied up with labs and hospitals for testing of employees across sites and offices at frequent intervals, in addition to the vaccination drive undertaken across sites. In addition, we obtained a Group Term Insurance Policy of ₹ 25 lakh for all employees to meet COVID-related exigencies.

Key Financial Highlights

A strategically focussed inventory policy, coupled with better product mix and our ability to pass on price increases, kept SHK on track with positive performance during FY 2021-22 despite the challenging macro environment. Our efforts translated into minimisation of the impact on gross margins and enabled us to maintain steady profitability margins. Our Europe business delivered robust growth on the back of improved client wins in the Italian and other European markets. In India, better wins from the large FMCG customers helped keep the overall domestic growth at moderate levels.

On a consolidated basis, our revenue from operations grew by 18.3% to ₹ 1,564 crore in FY 2021-22. Domestic core Fragrance revenues reported a 7.3% year-on-year growth while organic growth in the Flavour division was a healthy 14.4% over the previous year. Despite the challenging inflationary pressures, the Company managed to deliver 14.7% EBITDA margin. PAT also increased marginally by around 3% even though adjusted PAT was lower at ₹ 105 crore.

All our acquired businesses, including Creative Flavours and Fragrances SpA (CFF), Italy, Nova Fragranze Srl, Italy, Holland Aromatics BV, Netherlands, and NuTaste Food and Drink Labs Private Limited, India, delivered strong performance during the year. On a full year basis, CFF's core fragrance business grew by 21% year-on-year during the fiscal.

I am also happy to share that the Board of Directors have recommended a dividend of ₹ 0.75 per equity share of the Company.

Key Operational Highlights

At Keva, we have been consistently working towards sustainable long-term growth across our business segments in our key geographies. FY 2021-22 witnessed a scaling up of our efforts to further enhance our operational strength. Healthy wins across markets, aided by targeted initiatives and participation in Global Request for Proposal (RFP), kept our strategic growth and expansion plans on track during the year.

> A KEY DEVELOPMENT I AM PLEASED TO SHARE WITH YOU IS THAT YOUR COMPANY, WHICH WAS EARLIER SHORTLISTED BY A LARGE GLOBAL FMCG MNC AS ONE OF THE REGISTERED SUPPLIERS OF FRAGRANCES, IS NOW PARTICIPATING IN THE GLOBAL RFP. WE WILL ENGAGE WITH THE MNC ON AN INTERACTIVE PITCH FOR COMMERCIAL TENDER SUBMISSION, IN LINE WITH ITS STRATEGY OF ASSOCIATING MORE DEEPLY WITH LARGE GLOBAL MNCs.

A key development I am pleased to share with you is that your Company, which was earlier shortlisted by a large global FMCG MNC as one of the registered suppliers of fragrances, is now participating in the global RFP. We will engage with the MNC on an interactive pitch for commercial tender submission, in line with its strategy of associating more deeply with large global MNCs.

Another major step furthering our growth plans is the acquisition of Holland Aromatics BV and NuTaste Food and Drink Labs Private Limited, through the Company's wholly-owned subsidiaries – Keva Europe BV and Keva Flavours Private Limited. The acquisition of Holland Aromatics BV, a Netherlands-based niche fragrance manufacturer brings onboard a high potential company with strong local presence in Europe and complements our CFF business. It will strengthen our endeavour to tap upon diverse customer segments ranging from local MNCs, and particularly assist us in our endeavours to take global MNC business. Holland Aromatics' export business in Indonesia will also help propel our 3-I strategy. This synergistic acquisition will further equip the Company with additional capacity to play within the Group for effectively addressing the requirements of large projects.

NuTaste Food and Drink Labs Private Limited paves the way for our further expansion into high potential Flavour categories such as syrups, sauces, seasoning, fruit preparations, and other such premium grade products. It will give us accelerated momentum for growth in the fast-moving FMCG sector, particularly the QSR space, which we are strategically focussing on as a key area of future growth. NuTaste's complementary set of products will enable us to cater to the entire requirements of the FMCG, bakery, confectionery and pharma sectors. The acquisition complements our Flavour business and will help us grow this segment beyond the traditional R&D-led Flavour usage, for use in large canteens and some of the mid-sized food delivery and food companies which utilise Flavours in a ready-to-use form. This gives us another growth opportunity for our Flavours business.

Scaling our Sustainability Proposition

At Keva, we have articulated a long-term growth strategy that goes beyond business excellence and profitability and is equally, if not more, focussed on creating a sustainable platform for holistic and inclusive value creation for the long term. Over the past few years, we have consistently aligned ourselves to the UN Sustainable Development Goals with the aim of reducing emissions under Scope 1 – (Direct Greenhouse emissions) & Scope 2 (Indirect Greenhouse emissions), by cutting down on energy consumption, promoting efficiencies, minimising waste, and adopting recycling practices across the organisation. We have now stepped up our sustainability efforts and drawn up a 5-year roadmap to lower our carbon footprint and create a more enabling environment for sustainable future growth.

The way ahead…

As we power ahead on our sustainable growth trajectory, our efforts will be focussed on adding geographies and customers to expand the outreach of our business and make it more value accretive for all our stakeholders. While the challenges of the past one year continue to linger on, we are confident that as an organisation with strong customer intimacy, innovation and product base, we shall find new and bigger opportunities for growth in the months to come. We believe it is these attributes that will differentiate the men from the boys in this business, and will provide us the differentiation needed to push forward with our plans to stay on course with double-digit growth.

Going forward, the nature of inflation (triggered by rising energy cost) may put a spanner in Europe's strong growth trajectory of the past two years but we see the growth again picking up after a slight pause. The Middle East and South Asia markets, in contrast, appear to be on the way to pick up the expected slack from Europe on the back of the economic recovery driven by oil prices. India is also clearly headed for a high growth trend, giving us a sense of optimism about the next fiscal.

In terms of segments, Fine Fragrance and Beauty, which fell behind to some extent during the pandemic, is likely to bounce back as a segment of growth the world over. The pandemic has increased awareness and improved the distribution of packaged food globally and we expect an exponential growth in the Flavours and Food businesses, especially in the domestic market.

Another positive factor that is likely to aid SHK's growth in the near future is the final wave of consolidation that seems to be taking place currently in the industry. The merger of DSM and Firmenich to establish a leading creation and innovation partner in nutrition, beauty and well-being signals a shift in the industry strategy, which is moving towards smaller players in the chemical industry merging into the large corporates. This augurs well for mid-sized companies like ours, leaving us space to grow and capture the niche created by this consolidation.

Our focus in the months ahead will be on expanding and augmenting our customer outreach to steer our sustained double-digit CAGR. We shall continue to move forward on our acquisition strategy, which has aided the Company's growth in the past, to further expand our customer base across geographies. Our active participation in large MNC tender processes will further pave the way for SHK to become a notable player in the global F&F industry, with the global MNC contract for which we have tendered expected to distinguish SHK in terms of affordability and cost structure vis-à-vis global players.

In Conclusion

On this positive note, I would like to take this opportunity to thank our employees, the management, business channel partners, investors, shareholders and all other stakeholders for the trust and support they continue to extend to us in our onward journey. With their cooperation, I am confident of staying on course with our long-term sustainable growth plans.

Kedar Vaze
Whole-time Director & Group CEO

Management Discussion and Analysis

Economic overview

Global economy

The second wave of the coronavirus impacted economies across the globe in 2021, though at different peak periods, causing lockdowns, restrictions to mobility and severely impacting the global supply chain. In advanced economies, goods consumption increased rapidly, leading to overloading of global supply chain networks. COVID-19 related obstructions led to disruption in the global supply chain eventually culminating in shortages and rising prices for imported consumer goods.

Output and investment in advanced economies are projected to return to pre-pandemic trends in 2022 led by successful control on the pandemic with effective vaccination rollout. However, 2022 started on a weak footing led by new Omicron COVID-19 variant related mobility restrictions, geopolitical tensions, rising energy prices and supply disruptions. Broad-based inflation was seen in the United States and many emerging markets and developing economies. Global growth is thus expected to moderate from 6.1% in 2021 to 3.6% in 2022 and 2023.

Beyond 2023, global growth is forecast to decline to about 3.3% over the medium term. Inflationary pressure is expected to persist driven by war-induced commodity price increases and broadening price pressures. Multilateralism, the importance of the transfer of climate finance and low-cost technologies from developed to developing countries have become more critical, as the world is undergoing a phase of exceptional uncertainty.

(Source: IMF April 2022 – World Economic Outlook, World Bank January 2022 – Global Economic Prospects)

Indian economy

India is on the path to a sustained economic recovery, led by the vigorous countrywide drive to deliver safe and wide-reaching COVID-19 vaccinations. Significant improvement and investment in logistics infrastructure, incentives to facilitate industrial production, and measures to improve farmers' income have provided the necessary support to the country's economic recovery process while the world grapples with economic slowdown.

According to provisional estimates by National Statistics Office (NSO), the Indian GDP is expected to surpass the pre-pandemic level by growing at 8.7% in FY 2021-22, after recovering from a historic contraction of 6.6% in the preceding year. Private consumption is expected to witness robust growth though the services sector is expected to see muted performance.

Inflation will likely increase to 5.8% in FY 2021-22 amid rising oil prices, according to Asian Development Bank's forecast. While monetary policy will remain accommodative, most central banks will resort to rate hikes. Foreign direct investment inflow is expected to moderate amid rising global uncertainty and tightening of global economic and financial conditions. The forecast has pegged India's economic growth to 8% in FY 2022-23, supported by increased public investment in infrastructure and a pickup in private investment.

Source: https://www.adb.org/news/indian-economy-grow-7-5-fy2022-8-fy2023; National Statistics Office's provisional estimates

Industry overview

Global Flavours & Fragrance industry

The global flavours and fragrances market was valued at US$ 29.6 billion in 2021, as per IMARC research. While consumers are increasingly demanding natural flavours and fragrances, the higher costs of natural products are proving to be a hindrance.

Flavours find the majority of their application in the beverage and dairy segments, which together account for over half the applications of the product. The industry is aided by the rising demand for RTD and low-calorie beverages. As consumers are moving away from carbonated drinks, the flavoured milk segment is witnessing a growth, further aiding the flavours industry. Soap, detergents, toiletries, and cosmetics, on the other hand, account for over 55% of the fragrance applications.

The global flavours and fragrances market is being driven by the rising population and rapid urbanisation. The increasing disposable incomes combined with the rise in the middle-class population are further driving the industry. The growing awareness of hygiene and cleanliness through marketing campaigns and advertisements is also expected to aid the industry. As manufacturers and consumers are becoming more environmentally conscious, major players in the industries are investing in creating a sustainable supply chain.

Europe is the largest flavours and fragrances market accounting for over 25% of the industry. Germany is the leading market in the region, representing over 20% of the regional market. Western European economies like the UK and France are the other significant regional markets on the continent. North America and the Asia Pacific are also major players in the industry. While the industry is being driven by the rising demand for low-carbohydrate and low-fat food and beverages, and increasing demand for premium personal care products in North America and Europe, in the Asia Pacific, the industry is being propelled forward due to the increased consumption of scented personal care products, especially in India and China.

The flavours and fragrances market is expected to witness a robust growth in the coming years, particularly in the emerging economies. With the growth in the spending power of consumers in the emerging economies, we are seeing an upsurge in personal care products, especially those targeting the masses, in the developing economies is aiding the fragrance segment growth.

THE GLOBAL FLAVOURS AND FRAGRANCES MARKET IS BEING DRIVEN BY THE RISING POPULATION AND RAPID URBANISATION. THE INCREASING DISPOSABLE INCOMES COMBINED WITH THE RISE IN THE MIDDLE-CLASS POPULATION ARE FURTHER DRIVING THE INDUSTRY. THE GROWING AWARENESS OF HYGIENE AND CLEANLINESS THROUGH MARKETING CAMPAIGNS AND ADVERTISEMENTS IS ALSO EXPECTED TO AID THE INDUSTRY. AS MANUFACTURERS AND CONSUMERS ARE BECOMING MORE ENVIRONMENTALLY CONSCIOUS, MAJOR PLAYERS IN THE INDUSTRIES ARE INVESTING IN CREATING A SUSTAINABLE SUPPLY CHAIN.

The rising innovations in the segment are providing further impetus for its growth. The flavours segment is being aided by the shift towards low-calorie foods and beverages, which require additional enhancements to their flavours.

Source: https://www.expertmarketresearch.com/reports/flavours-and-fragrances-market

Outlook

According to IMARC group, the global flavours and fragrances market is projected to grow ~4% CAGR to reach US$ 37.8 billion by

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2027. A key driver of the global flavours and fragrances market is the strong growth in the food and beverage industry. Catalysed by a rising global population and increasing urbanisation rates, the demand for 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 lifestyles and increasing consciousness towards physical appearance, the market for personal care products has also been witnessing a strong growth creating a strong demand for flavours and fragrances. Other major factors driving the market include emerging markets, rising demand for organic and natural products, growing young population, etc.

Source: Flavors and Fragrances Market Size, Share and Forecast 2022-2027 (imarcgroup.com)

CONSIDERED AS AN ANCILLARY INDUSTRY TO FMCG, FOOD PROCESSING AND PHARMA INDUSTRIES, THE INDIAN FRAGRANCES AND FLAVOURS INDUSTRY IS WELL DISTRIBUTED ACROSS THE COUNTRY. ACCORDING TO THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES, GOVERNMENT OF INDIA, THE INDIAN FRAGRANCES AND FLAVOURS INDUSTRY SIZE IS ESTIMATED AT 20% OF THE GLOBAL FLAVOUR AND FRAGRANCE INDUSTRY. THE INDIAN F&F MARKET IS HIGHLY FRAGMENTED WITH BOTH PURCHASERS AND SUPPLIERS RANGING FROM MNCs AND LARGE INDIAN INDUSTRIAL HOUSES TO SMALL-SCALE INDUSTRIAL UNITS, AND LOCAL MANUFACTURERS.

Challenges

With growing competitive intensity, key players are focussing on developing novel flavouring and fragrance mixes and investing heavily in R&D. Lack of proper regulations have resulted in serious irregularities in the pricing of the majority of the products. Depending on the Company, price ranges from a few dollars per litre to hundreds of dollars per litre. This critically impacts market growth and prevents potential end-consumers from adopting quality products in their manufacturing processes.

COVID-19 pandemic apart from disrupting supply chains across the globe, impacted sensory improvements products sales as the infection led to the loss of smell and taste among many patients. Both anosmia and parasomnia were observed in patients. This presented a unique challenge to the flavouring and fragrance companies to develop solutions.

Source: https://www.fortunebusinessinsights.com/flavors-and-fragrances-market-102329

Indian Flavours & Fragrance industry (Overview, Outlook for Fragrance Segment, Outlook for Flavour Segment, Opportunities, Growth Drivers)

Considered as an ancillary industry to FMCG, food processing and pharma industries, the Indian fragrances and flavours industry is well distributed across the country. According to the Ministry of Micro, Small and Medium Enterprises, Government of India, the Indian fragrances and flavours industry size is estimated at 20% of the global flavour and fragrance industry. The Indian F&F market is highly fragmented with both purchasers and suppliers ranging from MNCs and large Indian industrial houses to small-scale industrial units, and local manufacturers. There are over 1,000 small, medium and large size enterprises operating in this industry, which is in the form of organised and unorganised sectors. A significant part of the ingredients come from extracts of natural plants while the bulk is aroma chemicals and synthetics which are used in this industry.

India has made a significant impact in global fragrance oil markets by producing essential oils of menthol mint, sandalwood, jasmine, tuberose, and spices. Similarly, there are more than 1,000 synthetic aromatic molecules or ingredients of which around 250 constitute more than 90% of global aroma chemical production. A large majority of these are manufactured as well as exported from India to key international markets making India a key player in the global fragrance supply chain. In 2020, The Fragrances and Flavours Association of India (FAFAI) inaugurated its R&D centre in Mumbai. The R&D centre is open to its 900 members from raw ingredients, distributors to finished products manufacturers.

The Indian fragrances and flavours industry is considered one of the fastest growing industries globally and a significant competitor to China in terms of exports. However, due to the

Fragrance Laboratory at Creative Flavours and Fragrances Spa, Italy

temporary lockdown in the country, the Indian industry was fearing to lose its ground to China.

Source: https://www.indianretailer.com/news/indian-fragrances-and-flavours-industry-fears-losing-its-ground-to-china.n10038/

Outlook

With its rich diversity of flora and fauna, Indian fragrances and flavours industry is projected to grow exponentially in the coming years due to increasing demand for personal care products, brand awareness, growing demand from the middle class due to rising disposable incomes and products now being available at affordable price points. The Indian fragrance and flavour market is estimated to grow at 15% CAGR to reach US$ 3.3 billion by 2025.

Outlook for fragrance segment

The Indian fragrance market is expected to be valued at US$ 1.812 billion in the year 2024 at 16% CAGR. This growth can be attributed to the rising personal care, increasing disposable income, and growing demand in middle-class people.

As a result of the COVID-19 pandemic, all fragrance types are projected to see slightly slower growth in market value sales in 2020 than the previous year. Premium fragrances, especially premium men's fragrances, will see the steepest declines in both volume and value sales. The fragrances group is expected to rebound in 2021, following a drastic drop in market value sales in 2020.

Source: https://chemicalmarketforecast.com/fragrance-and-flavor-industry-in-india/?msclkid=8333957bc20311eca50a28c5da8ed0a8

Outlook for flavour segment

The growing demand for processed food products is driving the market growth of food flavour industry. Food manufacturers require flavours for launching new products, extending existing product lines or changing processes for previously launched products. Increasing innovation in food flavours to cater to consumer demands owing to changing preferences and cultural differences is also expected to encourage market growth. The flavour of food products can be easily altered by changing its smell while retaining the original taste of foods. For instance, flavoured jellies, cold drinks, and chocolates or candies that taste and smell different due to addition of different flavours such as cola, lemon, orange, raspberry, etc.

Floral flavours are one of the major flavouring trends in the Indian market. The floral and fruity products are added to bakery products and beverages for giving a natural aroma and taste. Floral flavours such as jasmine, rose, elderflower, hibiscus, lavender, orange blossom, and chrysanthemum provide delicate and exotic tastes that offer a touch of ideas and taste to otherwise typical products.

Source: https://www.gmiresearch.com/report/india-food-flavors-market-analysis-industry-research/#:~:text=In%202020%2C%20The%20Fragrances%20and%20Flavours%20Association%20of,from%20raw%20ingredients%2C%20distributors%20to%20finished%20products%20manufacturers.

Opportunities

With a rise in disposable income and improved awareness regarding personal hygiene, people are not hesitating to splurge on fragrance products, thereby propelling the growth of the market.

Increased adoption of smartphones and the Internet, especially in tier II and tier III cities, has made e-commerce websites accessible to customers, thus facilitating online shopping. This leads to increased awareness about new flavours and fragrances in addition to increased consumption of FMCG products.

In recent years, Indians have been exposed to global trends, resulting in higher demand for international fragrance and flavours.

There is a spurt in acceptance of new flavours and fragrances giving rise to product innovation with differentiation only in smell or taste.

COVID-19 has contributed significantly to the already popular natural products demand.

Fragrances – Growth drivers

- Rise in the disposable income
- Improved awareness regarding personal hygiene
- People no longer hesitate to splurge on premium fragrance products
- Growing exposure to global trends, resulting in higher demand for international fragrance brands
- Continued growth in personal care category
- Emerging use of fragrance in newer products like paint, fabrics, stationery, toys, household care

Flavours – Growth drivers

- Growth in savoury market
- Increasing demand for packaged, ready-to-eat food items and beverages
- Rising utilisation of flavouring ingredients in bakery and confectionery items, ice-creams, smoothies, energy drinks, etc.
- The elevating levels of urbanisation and increasing penetration of numerous western food trends
- Escalating popularity of processed and shelf-stable food products
- Growing use of natural flavours in newer categories like oral care, skin care etc.

Financial Performance Analysis

Consolidated total income grew 17.6% in FY 2021-22, to ₹ 1,581.7 crore from ₹ 1,345.40 crore in FY 2020-21. The growth is attributable to a surge in demand for discretionary and non-discretionary products, with reopening of economic activity. Europe business delivered strong double-digit growth driving overall growth.

Emerging markets contributed to 78% of business with 7% growth over previous year and Creative Flavours and Fragrances S.p.A's core business grew at 21% in FY 2021-22.

EBITDA declined by 10% to ₹ 232.14 crore in FY 2021-22 from ₹ 259.34 crore in FY 2020-21 led by inflation in raw material cost which impacted gross margin and profitability of the Company.

THE INCOME TAX APPELLATE TRIBUNAL (ITAT) AS PER ITS RECENT ORDER SET ASIDE THE ORDER OF THE COMMISSIONER OF INCOME TAX ('CIT') AND HAS DIRECTED THE ASSESSING OFFICER TO ALLOW AMORTISATION OF GOODWILL AS AN ELIGIBLE EXPENDITURE. THE TRIBUNAL HAS ALSO SQUASHED THE DEPARTMENT'S APPEAL ON THE OTHER TWO ISSUES FAVOURING THE CIT EARLIER. CONSEQUENTLY, THE COMPANY REVERSED THE ADDITIONAL TAX PROVISION AGGREGATING TO ₹ 64.5 CRORE FOR THE PERIOD BETWEEN FY17 AND FY21.

The Income Tax Appellate Tribunal (ITAT) as per its recent order set aside the order of the Commissioner of Income Tax ('CIT') and has directed the assessing officer to allow amortisation of goodwill as an eligible expenditure. The Tribunal has also squashed the department's appeal on the other two issues favouring the CIT earlier. Consequently, the Company reversed the additional tax provision aggregating to ₹ 64.5 crore for the period between FY17 and FY21.

Reported PAT grew by 4% to ₹149.42 crore in FY 2021-22 from ₹ 143.97 crore in FY 2020-21. Excluding one time exceptional item and prior period tax adjustment (gain/loss). The adjusted PAT stood at ₹ 105 crore, drop by 23% YoY.

The Board of Directors of the Company approved the Buyback of 29,00,000 fully paid-up equity shares of ₹ 10 each of the Company at a price of ₹ 210 per equity share through tender offer route. The shares of the Company under Buyback were bought back and the shares were extinguished on 12 January 2022.

BUSINESS SEGMENT 1 – FRAGRANCE

Fragrance Laboratory, Creative Flavours and Fragrances Spa, Italy

Mr. Ramesh Vaze - Director & Chairman of the Board, an expert in field of perfumery

Fragrance segment remains the primary revenue contributor with ~91% share in FY 2021-22. The products are used in various consumption categories including personal wash, soaps and detergents, sanitisers, home cleaners, fabric care, fine fragrances etc. The Company leverages the expertise of its specialised perfumers and Creative Development Centres in India, Singapore and Europe in order to drive innovation and customise products based on specific geographical requirements.

S H Kelkar and Company Limited is a leader in the Indian fragrance industry constantly growing ahead of the market led by its rich 9 decades experience, long-lasting customer and vendor relationships, deep understanding of consumer preference, wide range of over 9,000 products, highly professional and motivated team of 20 perfumers, 31 scientists and seven state-of-the-art manufacturing facilities in India and abroad.

Key Highlights

- The segment revenue increased by 17.97% YoY on the back of rebound in consumer demand led by discretionary items and new client wins
- While the domestic core fragrance segment delivered healthy performance by 7.30%, sales in the South East Asia region continued to be affected by the COVID surge and are yet to recover
- In the European markets, the Company saw improved demand and offtake, which translated to healthy double digit growth from the acquired businesses
- The Company saw cost pressures on account of global inflation in raw materials and supply chain constraints, which impacted margin performance. In order to efficiently mitigate cost pressures, the Company is collaboratively working across customer segments and has been undertaking price hikes
- The Company is participating in a global RFP (Request for Proposal) and is working to engage with MNCs on an interactive pitch for commercial tender submission. Such global tender participation is in line with the Company's strategy of more deeply associating with large global MNCs. The Company's strong competence and such participation sets the stage to tap upon further global RFP opportunities, going forward
- Acquired businesses namely, Creative Flavours and Fragrances Spa, Nova Fragranze Srl, and Holland Aromatics BV, delivered robust performance led by improved demand and volume off-take in the Italian and European markets. The Company acquired Holland Aromatics BV to further strengthen its position in the European market
- Creative Flavours and Fragrances Spa – CFF's core business grew by 15% CAGR over FY 2019-20 to FY 2021-22. Strong performance in the CFF business was driven by robust volume off-take in the European markets. Sales in Europe grew by 17% on like-to-like basis, post full consolidation of Nova Fragranze SRL and Holland Aromatics BV into Keva

- South East Asia – SEA business was impacted by surge in COVID cases and the business grew by 5%
- The Company established business relationships with new clients in new geographies. The Company sees good headroom from growth in the existing geographies as well where it is striving to grow aggressively. New wins included extension of encapsulated fragrances technology to SEA markets
- In the domestic market, the Company managed to meet revenue targets despite the challenging environment given its strong dominance in the medium to small scale clients. Even amongst the large corporates, the Company has good business relationships. While growth was led by fabric care, personal wash, home care and health and hygiene products, the fine fragrance category gained good traction in the second half of the year. The Company saw good traction in Bangladesh and Sri Lankan markets

Outlook

Pandemic has brought in significant consumer behaviour changes like higher acceptability of the e-commerce brands and some of the niche brands. The Consumers prefer either very bulk sale volume packs with value-for-money proposition or a pamper yourself proposition with very good fragrance and a high premium product. This trend is coming in globally including in India where people are willing to spend that extra money on e-commerce or luxury products.

The pandemic has hastened the trend. The Company has been tracking these trends and behaviour and observes that pandemic has only enhanced consumer expectations and brought in behavioural changes faster. This bodes well for the growth prospects of the Company. The Company continues to remain focussed on the regional and local brands and specifically looking for niche opportunities which will benefit in the long-term growth.

Raw material availability is still a difficult scenario. However, the Company has maintained good inventory and good planning. In conjunction with the recent price increases, it is expected that gross margins will be maintained.

From the future demand standpoint, the Company is currently witnessing steady wins and enquiries across customers in domestic and international markets. While there are concerns with regard to the macro-environment given the uncertainties relating to the pandemic, internally the Company has several promising growth initiatives in place. Strategic growth levers along with a robust business model should enable the Company to continue to report healthy performance going forward.

A combination of our strategic business initiatives, recent acquisitions, healthy client engagements and participation in global RFPs is expected to result in a positive growth momentum. The Company is committed to delivering strong and sustainable growth in the medium to longer term.

BUSINESS SEGMENT 2 - FLAVOURS

Flavours Laboratory in Mumbai

Overview

The Company is a leading domestic manufacturer in the flavour segment catering to a wide variety of sectors like beverages, dairy products, confectioneries, bakery products, savoury, pharmaceuticals, nutraceuticals etc. Its products are FSSAI approved and manufactured in advanced modern facilities with a well-equipped R&D lab. The Company focusses on innovation to strengthen its reputation. The skilled team of 6 flavourists is driven to fortify leadership in the segment with in-depth market research and analysis of emerging trends. The health and wellness and naturals segments are currently the high growth categories. In the food science space in the naturals category several innovative flavours have been developed.

Scale with agility

The Company's products are US FDA and Halal certified depicting a strong quality management system. Its agile team works with utmost clarity of purpose and process design enabling development of new innovative flavours driving business growth. The Company is able to rapidly respond to requirements of changes in production aided by the use of advanced planning techniques, variable capacities and strong relationships with reputed logistics companies.

Products & Applications

The Company has developed a variety of flavours encompassing the categories of natural, nature-identical and artificial in different forms like dry, mix, liquid and encapsulated. The Company boasts of rich experience in the business and caters to different consumer needs with presence in a variety of categories including dairy (shakes and smoothies), beverages (fruit-based and health drinks), confectionery, bakery and pharmaceuticals.

Domestic Sales and rest of the world

Highlights of FY 2021-22

- Domestic revenue grew by 33.0% and witnessed 22.6% growth in rest of the world
- The segment reported steady performance despite raw material disruptions in the industry
- Although operating constraints due to COVID-induced disruptions impacted growth, client engagements and wins across FMCG space remained stable
- Flavours is seeing robust growth in the organic business
- For a second consecutive year, the Company lost the most part of the summer season in India because of the pandemic. A lot of the ice cream and beverage flavour sales were deferred particularly in the month of May and June. All of these sales are very seasonal with the very big peaks in the summer season
- Raw material cost pressures impacted profitability. However, the impact has been limited on the back of a healthy product mix
- EBITDA margins were impacted due to dilution in gross margin led by raw material inflation and increase in overheads
- The Company continues to invest in development in savoury market
- The Board approved the acquisition of 100% stake of NuTaste Food and Drink Labs Private Limited for a total consideration of ₹ 13.25 crore. The acquisition is expected to help accelerate the momentum of the flavour business and enable expansion into high-potential flavour categories such as syrups, sauces, seasonings, fruit preps and other such premium grade products
- On the Ayush front, the Company is seeing continuous robust growth, and expects good traction in the coming years as naturals is becoming a very big area of focus for the consumer trend

Outlook

Flavours business continues to witness robust growth and will accelerate further with the acquisition of NuTaste Food and Drink Labs Private Limited.

Though availability of raw material is a difficult scenario, the Company has maintained adequate inventory through its proper planning. In conjunction with the recent price increases it is expected that gross margins will be moderate in the near term.

For future long-term growth, the Company has in the pipeline certain sort of active molecules called health and active, Ayurvedic extract, etc. Such initiatives will drive growth on a very big quantum although it is in the nascent stage as of now.

Quality Management & Knowledge Capital

Quality management

Overview

- Required certifications including FSSAI, ISO 9001:2008, ISO 14001:2015, FSSC 22000, ISO 22000:2005, ISO 9001, ISO/TS 22002-12009, ISO 14001 and ISO 45001 are in place along with USFDA registration for all its facilities. The most rigorous certifications like HACCP for food safety, Integrated Management System for environment and occupational safety have been secured
- Strict adherence to rigorous HSE (Health, Safety and Environment) policy enables safe and healthy work environment
- The Vapi extraction unit has been granted FSSAI licence

- The ISO certifications for Quality, Environment Management System and the OHSAS (Safety) Management System has been awarded to the Mahad facility
- Department of Scientific and Industrial Research (DSIR) acknowledgement for inhouse development of innovative molecules in the R&D centre
- SAP-enabled processes facilitate better efficiency
- State-of-the-art plant is installed at the testing laboratory with modern scientifically advanced machinery including gas chromatographs, density meters, automatic polarimeters, tint meters, flashpoint testers, microbiological testing, etc.
- Strict adherence to world standard quality control practices
- Strict adherence to clean environment policies with effluent treatment plants installed at all facilities in close proximity
- The Vashivali plant is a Zero Liquid Discharge unit

Outlook

Strict adherence to compliance and commitment to highest quality standards are at the heart of the Company's policies. Both domestic and international products comply with all requisite regulatory compliances and conform with highest quality standards. The Company is rigorously working to dominate the ever-emerging environment conscious customers preferring greener, safer and more sustainable products.

Knowledge capital

- An integral pillar of the Company's growth is its manpower
- Talent acquisition is a healthy mix of campus hiring and lateral hiring resulting in high quality talent pool
- High potential talent is well nourished with management training programmes and groomed to assume senior roles
- Skill development and training of employees is ensured with a well-designed LEAD programme
- PACT – Promise of Accountability, Commitment and Teamwork is an effective morale boosting programme aimed at holistic career growth. Under this, the Company extends differentiated engagement plans, conducive work habitats with short-term and medium-term international exposure and learning opportunities to its existing talent pool
- Career Family Framework – The New Career Family Framework introduced to provide a clear line of sight to employees in terms of career development

THE COMPANY CONSIDERS THE HEALTH & SAFETY OF ITS EMPLOYEES, BUSINESS PARTNERS AND COMMUNITIES A KEY FOCUS AREA. UNDER ITS EMPLOYEE CARE INITIATIVE, THE COMPANY CONDUCTED VACCINATION DRIVES FOR PROTECTION AGAINST COVID-19 FOR ITS EMPLOYEES, EMPLOYEE DEPENDENTS, SUPPORT STAFF AND BUSINESS PARTNERS. THE FIRST PHASE OF THE DRIVE WAS ORGANISED THROUGH APOLLO HOSPITALS AT THE COMPANY'S OFFICE IN MULUND IN JUNE 2021. OVER 87% OF EMPLOYEES RECEIVED THE FIRST DOSE AND AROUND 22% OF THE EMPLOYEE BASE IS FULLY INOCULATED DUE TO THE SUCCESSFUL VACCINATION DRIVES CARRIED OUT BY THE COMPANY.

- Ear2Hear - Employee Assistance Programme (EAP) is a step in the direction to enable employees and their family members, to deal with any emotional issues ensuring complete professionalism and confidentiality
- The Company considers the health & safety of its employees, business partners and communities a key focus area. Under its employee care initiative, the Company conducted vaccination drives for protection against COVID-19 for its employees, employee dependents, support staff and business partners. The first phase of the drive was organised through Apollo Hospitals at the Company's office in Mulund in June 2021. Over 87% of employees received the first dose and around 22% of the employee base is fully inoculated due to the successful vaccination drives carried out by the Company.

Outlook

With "people first" attitude, the Company is equipped with a healthy talent pool. There is a strong focus on enhancing productivity by encouraging performance culture. The Company boasts of a robust talent pipeline suited for internal progression. The focus is to nurture talent with an integrated knowledge base of both flavours and fragrances.

Risk Identification & Mitigation

Global risk: Widespread global presence increases susceptibility to macro-economic developments in any/all of these countries impacting global trade.

Mitigation: An expert team is in place to closely monitor macro-economic developments in all countries of operation, and formulate continuity plans in response to any event likely to impact business.

Redundancy risk: Rapidly and constantly evolving consumer demands require the Company to keep pace with appropriate innovations and keep competition at bay.

Mitigation: The Company is committed to innovation and invests substantially towards R&D budget and robust manpower. Its team of professional perfumers and flavourists is constantly moving to stay ahead of any emerging trend.

Supply risk: Since the Company uses over 1,500 raw materials, it faces the risk of inadequate supply or unavailability of one or more raw materials causing unwarranted production delays.

Mitigation: The Company has established robust and long-lasting supplier relationships owing to its expanded presence in the fragrance and flavours segment. With long-term contracts and a strong inventory management system in place, the Company ensures adequate inventory is maintained at all times.

Regulatory risk: The fragrance and flavours segments being subject to several regulatory compliances, it is imperative for the Company to ensure strict adherence to all applicable rules and statutes.

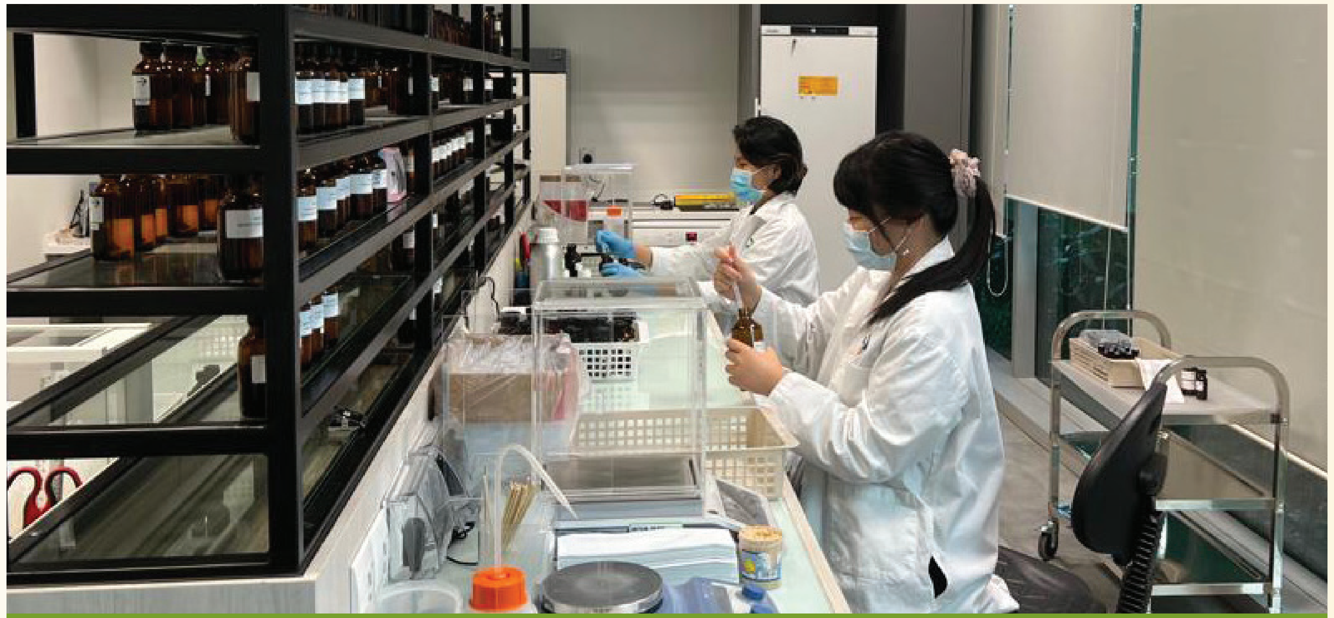
Mitigation: Strong internal financial control systems and online statutory compliance management system, combined with a dedicated team of internal auditors and external auditors ensure no rule or regulation is flouted whatsoever. To further strengthen regulatory risk mitigation, the Company's Audit Committee keeps a close eye on the forcefulness of various systems.

Foreign currency risk: Extended global presence in 50+ countries, increases risk to business in the event of sharp cross-currency fluctuation.

Mitigation: Extensive use of suitable and effective hedging techniques reduce vulnerability to cross currency volatility to a large extent.

Receivables risk: The nature of the business requires the Company to enter into long duration export receivable cycles, thereby increasing risk of bad debts.

Mitigation: The Company strives to reduce defaults through robust critical screening of trade partners and strict adherence to defined processes. Appropriate credit insurance further enables to mitigate receivables risk.



Fragrance Laboratory in Singapore

Revenue concentration risk: Substantial dependence for revenue inflow from a single large client or a few large clients poses risk to business continuity in the event of poor performance of such clientele.

Mitigation: To reduce revenue dependency on a single or a few large clients, the Company has established ongoing partnerships with several small and medium sized clients. This healthy mix of over 4,100 clients insulates the Company from being impacted by a particular partners' performance.

Business sustainability risk: A sustainable business requires a healthy team of professionals in addition to promoters to get a broader perspective and embark the journey of uninhibited growth.

Mitigation: Crucial management roles in the Company are assigned to independent specialists from downstream industries. Internal career progression, appropriate training and skill development initiatives and employee retention being the key focus areas of HR ensure smooth progression. This not only keeps employee involvement and morale high but also helps to de-risk concentration of power.

Competition risk: The widespread applications and lucrative growth prospects of the industry attracts high competition both domestically and internationally.

Mitigation: The Company manages to keep competition under control led by its strong focus on innovation, high compliance standards, best-in-class products and deep relationships with all stakeholders – suppliers, customers, employees and investors.

Concentration risk: In case of unforeseen challenges causing disruption in any of the selected downstream sectors the Company is dependent on, business continuity may be at risk.

Mitigation: The Company constantly endeavours to increase its offering to new sectors through both its fragrance and flavours divisions. The Company's products already find application in a wide variety of sectors including personal care, air care, skin & hair care, beverages and fine fragrances.

Significant Changes in Key Financial Ratios

Sr. No.	Particulars	2022	2021	Reason for Change
1	EBITDA Margin %	14.7	19.3	Global Inflation in raw material and supply chain constraints impacted margin
2	Net Profit Margin %	9.4	9.8	Gross Margin impact, set off by one-time tax benefit
3	Interest Coverage Ratio (times)	9.9	11.6	Impact of lower Gross Margins
4	Current Ratio	2.8	2.7	No Significant Change
5	Debt Equity Ratio	0.5	0.4	Debt increased on account of acquisitions made during the year
6	Return on Net Worth	15.6	17.9	Impacted by lower profitability
7	Debtors Turnover Ratio	3.38	3.51	No Significant Change
8	Inventory Turnover Ratio	2.81	3.06	Increase in inventory to support assured services to customers

More than Corporate Social Responsibility – A Moral Duty

As a responsible conscientious corporate citizen, Keva recognises its role and responsibility to deliver superior yet sustainable value to its customers, business partners, employees and communities. As a leading player in the Fragrance and Flavour industry, Keva aims to make a difference not only through its products and services, but also via sustainability and CSR initiatives.

During the year under review, Keva committed to contribute positively towards the social and economic development of communities as a whole. Child education remains the focus area for Keva in uplifting the potential of underprivileged children. The aim is to give them an opportunity for higher education thereby making them self-reliant and confident in securing a bright future.

The Company collaborated with Udaan India Foundation in its marquee project - Centre for Change, a one-stop solution for skilling, mentoring and providing higher education to the youth through scholarships.

Keva is committed to empowering, nurturing and enabling students from primary school who have the passion and will to excel at academics. The Company is providing opportunities for these students to pursue their higher studies in secondary school. To this end, Keva has contributed equipment for the Computer Lab in Pria School, located in the rural area of Khalapur. This will help students of the school become technologically savvy and creatively independent.

Keva also works on basic education through Balwadis at twelve centres in rural areas of Karjat and Murbad in collaboration with Shabri Sevati Samiti. The objective is to provide pre-primary education to children from the age group of three to six, from rural and vanavasi areas of Murbad.

Under the Enterprise Social Commitment plan, Keva also provided sustainable, technologically advanced and maintenance free solar street lights in the villages of Pandor, Salvav and Koparli. So far, over 30 solar street lights have been installed in these areas since 2019.

The Company supports Environment Sustainability; through greenbelt development initiatives to develop and preserve the rich flora and fauna near its industrial area.

Keva is actively involved in responding to and combating natural disasters and the pandemic in a timely manner, engaging with communities at large. In collaboration with Kai Kakasaheb Chitale Smruti Kendra – Jankalyan Blood Bank, Mahad, the Company provided resourceful equipment for Blood Centres, which were affected due to the flood in Mahad, Raigad. During these unprecedented times of the pandemic, Keva has been working with the government and customers to deal effectively with the situation. Keva collaborated with various NGOs and hospitals to provide COVID-vaccination doses, oxygen concentrators and ambulances, in many rural areas. Financial aid in the form of a contribution to the PM National Relief Fund was also provided. The Company continues to work towards the upliftment of society and the lives of people in and around its plants.

Directors' Report

Dear Shareholders,

Your Directors take pleasure in presenting their 66th 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 31 March 2022.

In compliance with the applicable provisions of Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, this report covers the financial performance and other developments during the financial year 2021-22 and upto the date of the Board Meeting held on 25 May 2022 to approve this report in respect of SHK on a standalone basis as well as SHK on a consolidated basis comprising of SHK, its subsidiaries and joint venture. Consolidated SHK has been referred to as "Keva" in this report.

FINANCIAL HIGHLIGHTS & BUSINESS REVIEW

Financial Highlights:

(₹ in Cr)

Particulars	Standalone			Consolidated		
	2021-22	2020-21	Growth %	2021-22	2020-21	Growth %
Sales	802.26	756.13	6	1559.60	1315.12	19
Other operating income	4.63	4.88	(5)	4.59	6.83	33
EBITDA	97.69	133.68	(27)	232.14	259.34	(10)
Royalty Expense	17.41	15.72	11	-	0.29	(100)
Finance Costs	3.91	6.28	(38)	16.18	17.07	(5)
Depreciation	27.68	27.63	-	71.77	61.51	17
Profit before Tax (PBT) before exceptional items	66.10	99.77	(34)	144.19	180.76	(20)
Share of profit in equity accounted investee	-	-	-	0.03	0.24	(88)
Profit before Tax (PBT) after exceptional items	66.10	99.77	(34)	132.26	193.50	32
Taxation	23.61	20.06	18	-17.16	49.53	135
Profit after Tax (PAT)	42.49	79.71	(47)	149.42	143.97	4

Business Review:

The Directors are pleased to inform that Keva delivered a steady business performance in FY 2021-22. On a consolidated basis, the total revenues from operations during FY 2021-22 grew by 19% on a year-on-year basis i.e. from ₹ 1,315.12 crore during the previous year to ₹ 1,559.6 crore in FY 2021-22. In FY 2021-22, on account of performance of Creative Flavours and Fragrances SpA, on a like-for-like basis, revenues grew by 9% year-on-year. On the profitability front, Keva's prudent inventory management in addition to better product mix enabled it to maintain margins at a healthy level despite the global supply chain and raw material inflation issues, particularly in the second half of the fiscal. Keva's gross margins during the year stood at 41% and EBITDA margins were at 15%. EBITDA was lower by 10%

In the last eight quarters, Keva has consistently delivered steady gross margins within the range of 39% to 44%. This indicates the financial efficiency and stability of Keva's business model. Profit after tax (PAT) during the year stood at ₹ 149.42 crore. Excluding exceptional gain and loss in FY 2021-22 and FY 2020-21, respectively, PAT in FY 2021-22 stood at ₹ 161.34 crore as against ₹ 131.47 crore in the previous year, higher by 23% year-on-year. During the year, the Company's debt increased owning to the acquisitions done by the Company pursuant to which the debt equity ratio stood at 0.5X.

On a standalone basis, the Company achieved a topline growth of 6%. EBITDA stood at ₹ 97.69 Cr and the net profit was ₹ 42.49 Cr.

The fragrance division delivered an improved performance with fragrance business reporting a healthy growth of 17.97% in revenues. The Company saw improved wins from existing and new large and mid-sized FMCG customers in the domestic markets. In addition, normalisation in demand across domestic and international markets assisted growth. Higher operating leverage resulted in improved profitability.

The flavours division reported a stable performance during the year with an improvement of 14.4% on like-to-like basis in revenues. The division witnessed steady offtake in domestic and international markets. Margins during the year remained at healthy levels.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report forms an integral part of this report and gives details of the overall industry structure, economic developments, performance and state of affairs of your Company's business in India and abroad, risk management systems and other material developments during the year under review.

CORPORATE GOVERNANCE

Your Company is committed to benchmarking itself with global standards of Corporate Governance. It has put in place an effective Corporate Governance system which ensures that provisions of the Act and Listing Regulations are duly complied with, not only in form but also in substance.

A Report on Corporate Governance along with a Certificate from the Statutory Auditors of the Company confirming corporate governance requirements as stipulated under the Listing Regulations form an integral part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

Your Company strives to create value for all stakeholders whilst growing responsibly and sustainably. 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

Your Directors are pleased to recommend a final dividend of 7.5% i.e. ₹ 0.75/- per equity share on 13,84,20,801 fully paid-up equity shares of face value of ₹10/- each for the financial year 2021-22.

The list of unpaid dividend declared upto the financial year 2020-21 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.

TRANSFER TO GENERAL RESERVE AND CAPITAL REDEMPTION RESERVE

During the year under review, no amount has been transferred to General Reserve of the Company. Company transferred an amount of ₹ 2.90 crore to Capital Redemption Reserve on Buyback.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, there was no unpaid/unclaimed dividend that was required to be transferred to the Investor Education and Protection Fund (IEPF) Authority of the Central Government of India.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of your Company for the financial year 2021-22, 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 / joint venture companies, as approved by their respective Board of Directors.

SUBSIDIARIES AND JOINT VENTURES

As on 31 March 2022, 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.
- Keva Ventures Pvt. Ltd.
- Creative Flavours & Fragrances S.p.A, Italy *(step-down subsidiary)*
- CFF Labs Srl, , Italy *(step-down subsidiary)*
- CFF Commerciale Srl, Italy *(step-down subsidiary)*
- Keva UK Ltd., United Kingdom
- Keva Europe BV, the Netherlands
- Keva Fragrance Industries Pte. Ltd., Singapore
- V N Creative Chemicals Pvt. Ltd. *(step-down subsidiary)*
- NuTaste Food and Drink Labs Pvt. Ltd. *(step-down subsidiary)*
- Amikeva Pvt. Ltd. (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 *(step-down subsidiary)*
- Keva Italy Srl, Italy *(step-down subsidiary)*
- Nova Fragranze Srl, Italy *(step-down subsidiary)*
- Provier Beheer BV, Netherlands (step-down subsidiary)
- Holland Aromatics BV, Netherlands *(subsidiary of step-down subsidiary)*
- Purandar Fine Chemicals Pvt. Ltd. *(Joint Venture)*

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. The financial statements of the subsidiaries are available on the website of the Company viz. www.keva.co.in.

The following key developments took place with regards to Subsidiaries and Joint Ventures of the Company:

- Keva Fragrances Private Limited, Keva Flavours Private Limited and Creative Falvours and Fragrances SpA are the material subsidiaries of the Company in terms of Listing Regulations.
- Keva Italy Srl ('Keva Italy') and Creative Flavours and Fragrances SpA ('CFF') subsidiaries of the Company, entered into an agreement on 07 April 2021 for acquisition of 70% equity stake of Nova Fragranze Srl, Italy ('Nova'). Pursuant to the said agreement, Keva Italy acquired 28% and CFF acquired 42%. In due course, CFF also acquired Keva Italy's 28% stake in Nova. As on date, CFF holds the entire 70% of Nova and therefore, Nova is a wholly owned subsidiary of CFF.
- The Company, through Keva Chemicals Pvt. Ltd., step-down subsidiary of the Company, had acquired Fragrance Encapsulation Technology from Tanishka Fragrance Encapsulation Technologies LLP ("TFET LLP") in April 2017. During the year under review, TFET LLP's name has been struck off from the Register of LLPs and this, the said LLP stands dissloved from 01 November 2021.
- During the year under review, Company incorporated a new company – Keva Ventures Private Limited (wholly owned subsidiary of S H Kelkar and Company Limited) to venture into new product line in F&F basis. Keva Ventures Private Limited acquired Amikeva Private Limited in February 2022 to venture into celebrity fine fragrance business development.
- Keva Flavours Private Limited acquired 100% equity stake of NuTaste Food and Drink Labs Private Limited ('NuTaste') in January 2022.
- During the year, Keva Europe BV - wholly owned subsidiary acquired 62% of Provier Beheer BV, holding company of Holland Aromatics BV - a leading fragrance Company in Netherlands.

ACQUISITIONS

Nova Fragranze Srl:

As the Members are aware, Keva Italy S.r.l. ("Keva Italy"), Italy and Creative Flavours & Fragrances S.p.A. ("CFF"), Italy, subsidiaries of the Company had entered into an agreement for acquisition of 70% equity stake of Nova Fragranze S.r.l. ("Nova"), Italy on April 07, 2021. Purusant to the said agreement, Keva Italy and CFF have acquired 28% and 42% equity stake of Nova during the year. Nova is an Italy-based company specialized in the fragrance development and marketing with focus on premium customers in hair care/beauty care segments.

This value-accretive and synergistic acquisition is in-sync with Keva's growth strategy to expand its addressable market in Italy and Europe, expand its product offerings and diversify into newer high-margin product segments. This acquisition will further strengthen Keva's business capabilities and enhance its position in the global fragrance industry.

Holland Aromatics B.V.:

During the year, the Company, through Keva Europe B.V., wholly owned subsidiary, has acquired 62% stake in Holland Aromatics B.V., a leading fragrance company in the Netherlands. Holland Aromatics B.V. has presence in Europe, Middle East and Asia. The acquisition was done by acquiring 62% stake of Provier Beheer B.V., holding company of Holland Aromatics B.V. domiciled in the Netherlands. The remaining stake of 38% would be acquired in two tranches in a span of two years, consideration for which would be linked to the performance of Holland Aromatics B.V.

Keva's entry into Europe through acquisition of Creative Flavours & Fragrancs SpA (Italy) in 2018 coupled with establishment of Creative Development Centre in Amsterdam has enabled Keva broaden its consumer understanding and geographical reach in a highly penetrated European fragrance market. The acquisition of Holland Aromatics B.V is in line with Keva's aspiration to be a global company thereby expanding its geographical presence to cater to upcoming Northern Europe requirement.

NuTaste Food and Drink Labs Private Limited:

During the year, the Company, through its wholly owned subsidiary, Keva Flavours Private Limited, has acquired 100% equity stake in NuTaste Food and Drink Labs Private Limited, India ("NuTaste"). Incorporated in year 2006 as a subsidiary of Fuerst Day Lawson Ltd. UK, NuTaste has presence throughout India. NuTaste is in the business of premium grade ingredients and products to the fast growing food and beverage companies with focus on taste and nutrition, natural ingredients and extracts, nutraceuticals etc.

The acquisition accelerates the momentum of Keva's flavour business. It will enable Keva to expand further into the high-potential flavour categories such as syrups, sauces, seasonings, fruit preps and other such premium grade products. The acquisition further brings on-board a solid and reputed customer base across the fast-growing FMCG & QSR space. Overall, the combined capabilities of NuTaste and Keva will add scale, provide cross-selling opportunities, and accelerate growth, going forward.

Amikeva Private Limited:

During the year, the Company's wholly owned subsidiary, Keva Ventures Private Limited, acquired 100% equity stake in Amikeva Private Limited ('Amikeva') formed to foray into development and marketing of fine fragrances basis emerging trends in European markets and curate new product profile for consumer delight.

Amikeva has been formed by the promoter group of the Company in July 2021 with a share capital of ₹ 2 lakhs to venture into fine fragrance business in line with Keva's strategy.

SHARE CAPITAL

During the year under review, the Company through tender offer route has bought back 29,00,000 fully paid-up equity shares of ₹ 10/- each of the Company at a price of ₹ 210/- per equity share representing 9.64% and 6.65% of the fully paid-up equity share capital and free reserves as per the audited standalone and consolidated financial statements of the Company for the financial year ended 31 March 2022. The Company has not issued shares with differential voting rights nor granted stock options nor sweat equity during the year

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

All related party transactions are placed before the Audit Committee for its approval. During the year under review, the Audit Committee approved transactions through the omnibus mode in accordance with the provisions of the Act and Listing Regulations. 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

In terms of applicable provisions of the Act and the Articles of Association of the Company, Mr. Ramesh Vaze will retire by rotation in the forthcoming Annual General Meeting and will be considered for re-appointment because of his eligibility. Brief resume and other details of Mr. Ramesh Vaze, who is proposed to be re-appointed as a Director of your Company, have been furnished in the explanatory statement to the notice of the ensuing Annual General Meeting.

Mr. Jairaj Purandare ceased to be an Independent Director of the Company with effect from 19 February 2022 pursuant to completion of his tenure as per the provisions of the Act and relevant provisions of the Listing Regulations. Mr. Amit Dalmia stepped down as Non – Executive Director of the Company on 17 May 2022 on account of his other professional commitments. The Board places on record its appreciation for the guidance and support provided by Mr. Jairaj Purandare and Mr. Amit Dalmia during their tenure with the Company.

Mr. Deepak Raj Bindra and Mr. Vasant Gujarathi were appointed as Independent Directors of the Company for a term of five years from 15 December 2021 and 20 February 2022. Mr. Mark Elliott was re-appointed as an Independent Director for second term of three years from 15 December 2021. The aforementioned appointment/re-appointments of the Independent Directors were approved by the members of the Company through Special Resolution passed on 04 December 2021 by way of Postal Ballot.

Ms. Neela Bhattacherjee has been appointed as an Additional Independent Director at the Board Meeting held on 25 May 2022, with effect from 25 May 2022. As per the provisions of Section 160 of the Companies Act, your Company has received a notice from a member specifying their intention to propose the appointment of Ms. Neela Bhattacherjee as Director in the forthcoming AGM.

The Whole-time Director does not receive 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. In the opinion of the Board, Independent Directors fulfil the conditions specified in the Act, Rules made thereunder and Listing Regulations and are independent of the management.

BOARD MEETINGS

During the year, 7 (seven) Board Meetings were convened and held on 27.05.2021, 06.08.2021, 24.08.2021, 29.10.2021, 14.12.2021, 07.02.2022 and 24.03.2022. 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 24 March 2022.

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
- Risk Management 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, KMP and senior management 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

The Key Managerial Personnel in the Company as per Section 2(51) and 203 of the Companies Act, 2013 as on 31 March 2022 are as follows:

- Mr. Kedar Vaze - Whole Time Director and Group Chief Executive Officer
- Mr. Rohit Saraogi - Executive Vice President and Group Chief Financial Officer
- Ms. Deepti Chandratre - Company Secretary & GM – Legal

Ms. Deepti Chandratre ceased to be Company Secretary & GM – Legal of the Company on 30 April 2022. Consequent upon her cessation, Mr. Rohit Saraogi has been redesignated as EVP Group Chief Financial Officer and Company Secretary of the Company with effect from 25 May 2022.

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

Your Company's Auditors, Deloitte Haskins & Sells LLP [holding Registration No. 117366W/W-100018 with the Institute of Chartered Accountants of India (ICAI)] were appointed as the Statutory Auditors at the 65th Annual General Meeting of the Company held on 10 August 2021 for a term of five years until the conclusion of 70th Annual General Meeting to be held in 2026.

The Auditors' Report on the financial statements of the Company forms part of the Annual Report. The same 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 2022-23. In accordance with the provisions of Section 148 of the Act read with Companies (Audit & Auditors) Rules, 2014, your Company is required to maintain cost records and accordingly, such accounts and records are maintained by the Company. Further, since the remuneration payable to the Cost Auditors is required to be ratified by the shareholders, the Board recommends the same for approval by members at the ensuing annual general meeting.

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, M/s. Mehta & Mehta, Practising Company Secretaries, were appointed to conduct Secretarial Audit of your Company during FY 2021-22.

The Secretarial Audit Report for the financial year ended 31 March 2022 is unqualified and annexed herewith as Annexure C to this Report.

INTERNAL CONTROL SYSTEMS

Your Company has a robust and well embedded system of internal controls that is commensurate with the nature of business and size and complexity of its operations. Comprehensive policies, guidelines and procedures are laid down for all business processes. The internal control system has been designed to ensure that financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets.

The internal audit plan is dynamic and aligned to the business objectives of the Company and is reviewed by the Audit Committee at regular intervals. Further, the Audit Committee also monitors the status of management actions emanating from internal audit reviews.

RISK MANAGEMENT

Management of risk has always been an integral part of the Company's strategy and straddles its planning, execution and reporting processes and systems. Your Company continues to focus on a system-based approach to business risk management.

Keva has a well-defined risk management framework in place and a robust organizational structure for managing and reporting risks. There is a Risk Management Policy in place that is reviewed by the Risk Management Committee from time to time. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Your Company continues to monitor legal and compliance functions through workflow based compliance software tool 'LRMS'. LRMS helps to assist in creating an internal legal risk management monitoring system to assess, monitor, mitigate and manage legal risks and is equipped with a tracking system alongwith timely reminders for compliances. This tool enables compliances to be made and tracked by factories and offices of your Company across the country.

VIGIL MECHANISM

To create enduring value for all stakeholders and ensure the highest level of honesty, integrity and ethical behaviour in all its operations, the Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder and the SEBI Listing Regulations has been implemented by the Company through the Whistle Blower Policy. The Policy provides 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 Whistle Blower 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

The Company has in place, 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, 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, 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 had lent ₹ 75 Crore to SH Kelkar Employee Benefit Trust ("Trust") for making secondary acquisition of equity shares, subject to statutory ceilings. During the year, 60,661 equity shares that had been tendered by the Trust for buy-back, had been bought back by the Company. As on 31 March 2022, Trust held 32,45,768 equity shares representing 2.34% of the paid-up share capital 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

Your Company's overarching aspiration to create significant and sustainable societal value, inspired by a vision to sub-serve a larger national purpose and abide by the strong value of trusteeship, is manifest in its Corporate Social Responsibility (CSR) initiatives that embrace the disadvantaged sections of society, especially in rural India. Your Company has 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 case of natural calamity or disaster.

During the year, the Company has spent ₹ 1.24 Crore on CSR activities. The Annual Report on CSR activities is annexed herewith marked as Annexure E.

CONSERVATION OF ENERGY

Your Company has always considered energy and natural resource conservation as a focus area. The Company's operations involve low energy consumption. The manufacturing facilities of the Company are equipped with hi-tech energy monitoring and conservation systems to monitor usage, minimize wastage and increase overall efficiency at every stage of power consumption. The Company advocates energy efficiency in the course of production, and thereby reduces its carbon footprint.

Some of the measures adopted across the Company for energy conservation are as under:

- Installation of Energy Efficient LED lights in place of conventional lights
- Installation of solar power generation units at Mulund and Vashivali Units
- 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
- Use of solid fuel boiler at plants plant to reduce energy consumption and thereby benefiting low running costs
- Use of gravity flow in place of using water transferring pump for blending, pressured water supply, toilet flush water tanks and WTP tank feed water

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

ENVIRONMENT, HEALTH AND SAFETY

An essential part of being a responsible company and employer is the health and safety of our employees and the protection of the environment in which we operate.

Keva's ingredients and extraction facility at Vapi has been certified with ISO 9001, ISO 14001 and ISO 45001. Facility at Mahad too has ISO certification for Quality, Environment Management System and the OHSAS (Safety) Management System.

Various EHS initiatives taken by Keva are as under:

- Installation of synchronization panel for use of solar energy during power failure
- Replacement of diesel forklifts replaced by battery operated forklifts.
- Use of STP-treated water for gardening
- Reuse of RO permeate and WTP backwash water for cooling tower feed water
- Repairing of weak / damaged fire hydrant line to arrest all leak points
- Installation of foodie machines at Mulund and Vashivali Units which convert waste food into manure.
- Installation of Reverse Osmosis Plant and Multi Effect Evaporator
- 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
- Annual Health Check-up was organized for the employees

Your Company is sensitive about the health and safety of its employees and has been achieving continuous improvement in safety performance through a combination of systems and processes as well as co-operation and support of all employees.

The Company took measures like daily disinfection of units, thermal screening during entry and exit, provision of hand sanitizers at workplace, tie-up with hospitals authorized to treat the COVID-19 patients, distribution of masks, sanitisers, immunity boosters to employees across Keva's facilities to ensure health and safety of its employees in light of COVID-19 pandemic.

INNOVATION

Innovation has become one of the most important pillars of Keva. Keva has been putting innovation and technology to work to make its growth journey more meaningful. Keva's Creative Centres at Amsterdam, Jakarta, Mumbai, Singapore and Milan (CFF) are continuously striving for innovative creations through research activities. Keva has also established a Food Innovation Centre in Mumbai.

Your Company's Innovation and R&D functions work hand in hand for adopting best practices in innovation of the products and continue to focus on development of superior product innovations, renovation of the current portfolio for superior product experience, building analytical excellence and regulatory compliance for the portfolio.

Expenditure on R & D and creative development during the year under review was ₹ 27.70 Crores on standalone basis and ₹ 39.10 Crores on consolidated basis.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earned in terms of actual inflows during the financial year 2021-22 was ₹ 26.99 Crores as against ₹ 17.26 Crores in financial year 2020-21 on a standalone basis. The foreign exchange outgo in terms of actual outflows during the financial year 2021-22 was ₹ 110.39 Crores as against ₹ 83.32 Crores in financial year 2020-21 on a standalone basis.

The foreign exchange earned in terms of actual inflows during the financial year 2021-22 was ₹ 686.10 Crores as against ₹ 598.65 Crores in financial year 2020-21 on a consolidated basis. The foreign exchange outgo in terms of actual outflows during the financial year 2021-22 was ₹ 682.46 Crores as against ₹ 555.51 Crores in financial year 2020-21 on a consolidated basis.

HUMAN RESOURCES

At Keva, we are focused on building an organization which continuously innovates, nurtures and develops talent and HR processes to deliver on the short term and long term business strategy. Our strength lies within the diverse cultures, backgrounds, skills, and experience of our global team.

Keva maintains a collaborative, inclusive, non-discriminative and safe work culture and provides equal opportunities to all employees. Keva's employees worked relentlessly during the pandemic to ensure that the business kept on going despite the challenges being faced as a result of the pandemic. Keva has developed a blended approach for learning and development that caters not only to each stage of an employee life-cycle but is also specific to the requirements of a specific function, business and role demand.

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 form 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. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

INDUSTRIAL RELATIONS

The Company maintained healthy, cordial and harmonious industrial relations at all levels during the year. The Board acknowledges the contribution of the workers and the employees towards meeting the objectives of the Company.

INFORMATION TECHNOLOGY

The Company's robust IT infrastructure includes a Centralised ERP system based on SAP covering business functions across finance, inventory management, procurement and logistics; Qlikview for data analysis; Cupid and BMango – customer project management applications, DarwinBox – an 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; Cloud CRM to empower the sales team to manage customer engagements for overseeing sales projects on real time basis.

ANNUAL RETURN

In accordance with the requirements of Section 92(3) of the Companies Act, 2013, the annual return of the Company in respect of FY 2021-22 has been hosted on the website of the Company on weblinkhttps://www.keva.co.in/investors-categories/fy-2021-2022-2

CONFIRMATIONS

There has been no change in the nature of business of the Company during the Financial Year 2021-22.

During the Financial Year 2021-22, there were no significant and material orders passed by the regulators or Courts or Tribunals which can adversely impact the going concern status of the Company and its operations in future.

There have been no instances of frauds reported by the auditors under Section 143(12) of the Companies Act, 2013 and the Rules framed thereunder, either to the Company or to the Central Government.

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the period from 31 March 2022 and the date of this Directors' Report.

The Company is fully compliant with the applicable Secretarial Standards (SS) issued by Institute of Company Secretaries of India viz. SS-1 & SS-2 on Meetings of the Board of Directors and General Meetings respectively.

There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year under review.

There was no instance of one time settlement of loan obtained from the Banks or Financial Institutions.

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 place on record their appreciation of the continued support extended during the year by the Company's customers, employees, business associates, suppliers, bankers, investors and government authorities. Your Directors would also like to thank all their shareholders for their continued faith in the company and its future.

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

Mumbai
25 May 2022

Ramesh Vaze
Director & Chairman of the Board
DIN: 00509751

Kedar Vaze
Director & Group Chief Executive Officer
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]

Amt. ₹ in Cr

Sr. No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Name of the subsidiary	Keva Fragrances Private Limited	Keva Flavours Private Limited	Keva UK Limited	Keva Fragrance Industries Pte Ltd	PFW Aroma Ingredients BV	P T SHKKEVA Indonesia	VN Creative Chemicals Private Limited	Creative Flavours & Fragrances S.p.A	Anhui Ruibang Aroma Co. Ltd	Purandar Fine Chemicals Pvt Ltd	Keva Europe B.V.	Keva Italy Srl	Keva Ventures Private Limited	Nova Fragranze Srl	Holland Aromatics BV^	NuTaste Food and Drink Labs Pvt Ltd	Amikeva Pvt Ltd
Financial Period ended	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022
Exchange rate (year ended) (₹)				75.76	84.02	0.0053		84.02	8.85		84.02	84.02		84.02	84.02		
Exchange rate (Average Rate) (₹)				74.44	86.62	0.0052		86.62	9.13		86.62	86.62		86.62	86.62		
Share Capital	1.54	0.22	7.21	7.85	0.12	18.14	0.01	54.26	28.29	0.01	67.58	0.08	1.00	0.44	0.34	0.01	0.02
Reserves & Surplus	503.84	57.40	20.87	7.42	43.90	-24.09	3.30	17.56	-6.60	0.82	-1.90	9.06	-	5.38	39.47	7.07	0.87
Total assets	946.89	138.28	28.37	255.01	133.57	16.35	133.24	243.63	22.24	1.50	339.01	198.30	4.00	19.42	47.14	31.57	-
Total liabilities	441.51	80.66	0.29	239.74	89.56	22.30	129.93	171.81	0.55	0.67	273.32	189.16	-	13.60	7.33	24.49	53.00
Investment	10.80	13.25	26.41	51.97	-	-	-	17.67	-	-	126.68	174.90	-	-	-	-	-
Turnover	599.25	189.26		195.82	84.73	19.70	92.67	317.56	3.42	2.78	-	-	-	23.49	17.31	12.68	-
Profit / (loss) before taxation	67.12	18.68	-0.32	-2.37	13.22	-4.65	-15.91	19.16	-4.23	0.11	-4.69	1.85	-	4.22	4.34	-2.16	-0.87
Provision for taxation	-47.65	4.80		0.28	2.65	-0.19	-4.34	5.74	-	0.04	-0.75	0.44	-	1.27	1.00	-0.22	0
Profit / (loss) after taxation	114.77	13.88	-0.32	-2.65	10.57	-4.46	-11.57	13.42	-4.23	0.07	-3.94	1.41	-	2.95	3.34	-1.94	-0.87
Proposed dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding*	100	100	100	100	100	100	100	100	90	50	100	100	100	70	62	100	100

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

^Consolidated figures of Provier Beheer BV and Holland Aromatics BV

Mumbai 25 May 2022	**Ramesh Vaze** Director & Chairman of the Board DIN: 00509751	**Kedar Vaze** Director & Group Chief Executive Officer DIN: 00511325

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Annexure B

FORM AOC -2

Form for 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:

₹ in Crores

Name of related party	Nature of relationship	Duration of contract	Salient terms	Amount
Sale of goods				
Keva Fragrances Private Limited	Subsidiary	ongoing	As per Transfer Pricing Guidelines	97.93
Keva Flavours Private Limited	Subsidiary	ongoing	As per Transfer Pricing Guidelines	123.90
Keva Aromatics Private Limited	Common Directors	ongoing	As per Transfer Pricing Guidelines	0.00
Creative Flavours & Fragrances SpA	Step Down Subsidiary	ongoing	As per Transfer Pricing Guidelines	0.12
Purandar Fine Chemicals Private Limited	Joint Venture	ongoing	As per Transfer Pricing Guidelines	0.11
Purchase of goods				
Keva Fragrances Private Limited	Subsidiary	ongoing	As per Transfer Pricing Guidelines	212.97
Keva Flavours Private Limited	Subsidiary	ongoing	As per Transfer Pricing Guidelines	1.61
Purandar Fine Chemicals Private Limited	Joint Venture	ongoing	As per Transfer Pricing Guidelines	0.60
Keva Frangrance Industries Pte. Limited	Subsidiary	ongoing	As per Transfer Pricing Guidelines	32.52
VN Creative Chemicals Private Limited	Subsidiary	ongoing	As per Transfer Pricing Guidelines	1.07
Keva Aromatics Private Limited	Common Directors	ongoing	As per Transfer Pricing Guidelines	40.87
Creative Flavours & Fragrances SpA	Subsidiary	ongoing	As per Transfer Pricing Guidelines	3.60
Rent income				
Keva Fragrances Private Limited	Subsidiary	3 Years	As per Agreement	3.43
Keva Flavours Private Limited	Subsidiary	3 Years	As per Agreement	0.73
BSG ITSoft Private Limited	Common Directors	3 Years	As per Agreement	0.75
Interest income				
V N Creative Chemicals Private Limited	Subsidiary	ongoing	As per Transfer Pricing Guidelines	0.43
Techincal know how income				
Keva Fragrances Private Limited	Subsidiary	ongoing	As per Transfer Pricing Guidelines	0.81
V N Creative Chemicals Private Limited	Subsidiary	ongoing	As per Transfer Pricing Guidelines	2.52
Interest expense				
Keva Fragrances Private Limited	Subsidiary	ongoing	As per Transfer Pricing Guidelines	2.09
Commission on guarantee given				
PFW Aroma Ingredients B.V.	Subsidiary	ongoing	As per Transfer Pricing Guidelines	0.22
Keva Flavours Private Limited	Subsidiary	ongoing	As per Transfer Pricing Guidelines	0.23
Keva Frangrance Industries Pte. Limited	Subsidiary	ongoing	As per Transfer Pricing Guidelines	0.74
Keva Fragrances Private Limited	Subsidiary	ongoing	As per Transfer Pricing Guidelines	0.50
Keva Europe B V	Subsidiary	ongoing	As per Transfer Pricing Guidelines	0.86
V N Creative Chemicals Private Limited	Subsidiary	ongoing	As per Transfer Pricing Guidelines	0.20
Other services reimbursement received (netted off against respective expenses)				
Keva Fragrances Private Limited	Subsidiary	ongoing	As per Transfer Pricing Guidelines	1.71
Keva Flavours Private Limited	Subsidiary	ongoing	As per Transfer Pricing Guidelines	0.27
Recharge cost paid				

₹ in Crores

Name of related party	Nature of relationship	Duration of contract	Salient terms	Amount
Keva Europe B.V	Subsidiary	ongoing	As per Transfer Pricing Guidelines	14.45
Rent Paid				
Keva Constructions Private Limited	Common Directors	3 Years	As per Agreement	5.32
Job Work Charges paid				
Keva Fragrances Private Limited	Subsidiary	ongoing	As per Transfer Pricing Guidelines	0.46
Royalty expense				
Keva Fragrances Private Limited	Subsidiary	ongoing	As per Transfer Pricing Guidelines	17.41
Reimbursement (for expenses incurred by Related party on behalf of us)				
Keva Constructions Private Limited	Common Directors	ongoing	As per Transfer Pricing Guidelines	0.11
Reimbursement (for expenses incurred by Company on behalf of related party)				
Keva Frangrance Industries Pte. Ltd	Subsidiary	ongoing	As per Transfer Pricing Guidelines	0.05
Keva Fragrances Private Limited	Subsidiary	ongoing	As per Transfer Pricing Guidelines	1.33
Keva Flavours Private Limited	Subsidiary	ongoing	As per Transfer Pricing Guidelines	0.42
PFW Aroma Ingredients B.V	Subsidiary	ongoing	As per Transfer Pricing Guidelines	0.04
V N Creative Chemicals Private Limited	Subsidiary	ongoing	As per Transfer Pricing Guidelines	0.46
NuTaste Food and Drink Labs Private Limited	Subsidiary	ongoing	As per Agreement	0.46
Fixed assets and Intangible assets purchased				
Keva Fragrances Private Limited	Subsidiary	ongoing	As per Transfer Pricing Guidelines	0.98
Fixed assets sold				
Keva Fragrances Private Limited	Subsidiary	ongoing	As per Transfer Pricing Guidelines	0.03

* less than ₹ 0.01 Cr

Place: Mumbai
Date: 25 May 2022

Ramesh Vaze
Director & Chairman of the Board
DIN: 00509751

Kedar Vaze
Director Group Chief Executive Officer
DIN: 00511325

Annexure C

FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

{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,
The Members,
S H 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 S H 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 conduct/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, 2022, complied with the statutory provisions listed here under 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, 2022, 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 there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;

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

(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 and Sweat Equity) Regulations, 2021.

(e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021 (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 (during the period under review not applicable to the Company);

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

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India;

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of Act, Rules, Regulations, Guidelines, Standards, etc.

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 notices are given to all Directors to schedule the Board / Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all the Directors, 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, if any, 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.

a. The Board at its meeting held on May 27, 2021 recommended a final dividend of 75 paisa per equity share on 141320801 fully paid- up equity shares of face value of ₹10/- each for the financial year 2020-21.

b. The Board at its meeting held on October 29, 2021 approved the Buyback of 29,00,000 equity shares through tender offer route at a price of ₹ 210/- per share aggregating to ₹60.90 crores.

c. The Board of Directors of the Company at its meeting held on December 14, 2021 approved the acquisition of 100% stake of NuTaste Food and Drink Labs Private Limited through its wholly-owned subsidiary Keva Flavours Private Limited.

d. The Board of Directors of the Company at its meeting held on February 7, 2022 approved the acquisition of 100% stake of Amikeva Private Limited through its wholly-owned subsidiary Keva Ventures Private Limited.

e. During the year under review, Keva Europe BV, foreign wholly- owned subsidiary of the Company acquired Holland Aromatics BV.

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

Ashwini Inamdar
Partner
FCS No: 9409
CP No: 11226
UDIN: F009409D000381176

Place: Mumbai
Date: 25 May 2022

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,
The Members,
S H 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) As regard the books, papers, forms, reports and returns filed by the Company under the provisions referred in Secretarial Audit Report in Form MR-3, the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.

7) 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
UDIN: F009409D000381176

Place: Mumbai
Date: 25 May 2022

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	01-Nov-17
			The SH Kelkar Stock Appreciation Rights Scheme 2017 ("Scheme") was initially approved by the Board of Directors of the Company on 10 August 2017. The same had been approved by the Shareholders on 01 November 2017 through postal ballot exercise. 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	None
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		1,012,000
	Number of STARs granted during the year		-
	Number of STARs forfeited/lasped during the year		1,012,000
	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		0
	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	-
	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	Nil
	Amount of loan outstanding (repayable to company/any company in the group) as at the end of the year	₹ 750,000,000
	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	3,306,429
	Acquired during the year	-
	Acquisition (total) as a percentage of paid up equity capital as at the end of the previous financial year	2.3
	Sold during the year**	60,661
	Transferred to the employees during the year	-
	Held at the end of the year	**3,245,768**

**Shares bought-back during the year

Annexure E

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2021-22

1. Brief outline on CSR Policy of the Company:

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 09 December 2014 approved the CSR Policy of the Company and its Group Companies ("the 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 –

- Promote the green concept to reduce the environmental impact.
- Energy conservation vouch for a greener tomorrow.
- Create a green belt through plantation program.

b. Education & Employability –

- Empower people through employability programs to support future livelihood.
- Support visually challenged people through perfumery trainings and employability.
- Support the cause of girl child education and empowerment.
- Equip and upgrade educational infrastructure set up with an aim to provide improved and advanced education system.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Ramesh Vaze	Non-Executive Director	1	1
2.	Mrs. Prabha Vaze	Non-Executive Director	1	1
3.	Mr. Shrikant Oka	Independent Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

Composition of CSR committee :
https://www.keva.co.in/board-committees

CSR Policy:
https://www.keva.co.in/investors-categories/policies

CSR projects:
https://www.keva.co.in/investors-categories/corporate-social-responsibility

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Not Applicable

6. Average net profit of the company as per section 135(5):

₹ 61.78 crore

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 1.24 crore

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b- 7c). : ₹ 1.24 crore

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8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in crore)	Amount Unspent (₹ in crore)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1.24	NA	NA	NA	NA	NA

NA – Not Applicable

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/ No).	(5) Location of the project		(6) Amount spent for the project (₹ in crore)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
1.	Contribution for funding installation of PSA Oxygen Generation Plant at Walavalkar Hospital	Covid – 19/ Promoting Healthcare	Yes	Maharashtra	Ratnagiri	0.10	No	Shri Vithalrao Joshi Charities Trust	CSR00006248
2.	Providing roti making machines and ration	Eradicating hunger, poverty and malnutrition	No	Haryana	Gurugram	0.06	No	The Earth Saviours Foundation	CSR00002026
3.	Partnering for establishment of Centre For Change, a dedicated space for educational programmes and skill enhancement	Promoting Education / skill enhancement	Yes	Maharashtra	Mumbai	0.25	No	Udaan India Foundation	CSR00000852
4.	Refurbishing of infrastructure of Jankalyan Blood Bank to make good the damage during Mahad floods	Promoting Healthcare	Yes	Maharashtra	Mahad (Raigad)	0.03	Yes	Kai Kakasaheb Chitale Smruti Kendra Sanchalit	CSR00009809
5.	Supporting education and school infrastructure facilities	Promoting education	Yes	Maharashtra	Mahad	0.00*	No	Patalganga Rasayani Industrial Medical Association	Awaited
6.	COVID Vaccination Programme for villagers	Covid – 19/ Promoting Healthcare	Yes	Maharashtra	Patalganaga, Rasayani	0.14	No	Rashtriya Swayamsevak Sangh Jankalyan Samiti	NA
7.	Installation of Oxygen concentrator in a hospital	COVID -19/ Promoting Healthcare	No	Rajasthan	Barmer	0.06	Yes	NA	NA
8.	School Infrastructure Development Project - Renovation and upgradation of Physics, Chemistry Bio & computer lab & supply of necessary lab equipments at Priya School	Promoting Education	Yes	Maharashtra	Vashivali	0.15	Yes	NA	NA
9.	Construction of Gutter chamber work at Nadode Gram Panchayat	Rural Development	Yes	Maharashtra	Vashivali	0.13	Yes	NA	NA
10.	E Class room for Vadgaon Zilla Parishad School	Promoting Education	Yes	Maharashtra	Vashivali	0.03	Yes	NA	NA
11.	Installation of Solar Street Light Poles	Rural Development	Yes	Maharashtra	Vashivali & Vapi	0.06	Yes	NA	NA
12.	Engagement of Apprentices	Promoting employment enhancing vocation skills	Yes	Maharashtra	Raigad (Vashivali)	0.23	Yes	NA	NA
	Total					1.24			

* Amount less than ₹ 0.01 crore

(c) Amount spent in Administrative Overheads: Nil

(d) Amount spent on Impact Assessment, if applicable: Nil

(e) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 1.24 crore

(f) Excess amount for set off, if any: Nil

Sl. No.	Particular	Amount (₹ in crore)
(i)	Two percent of average net profit of the company as per section 135(5)	1.24
(ii)	Total amount spent for the Financial Year	1.24
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

(a) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable.

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

Mumbai
25 May 2022

Ramesh Vaze
Director & Chairman of the Board
DIN: 00509751

Kedar Vaze
Director & Group 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 – Non-Executive Director & Chairman of Board	NA
		b)	Mr. Kedar Vaze – Wholetime Director & Group Chief Executive Officer	25.09:1
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 – Non-Executive Director & Chairman of Board	NA
		b)	Mr. Kedar Vaze – Wholetime Director & Group Chief Executive Officer	6.07%
		c)	Mr. Shrikant Mate – Executive Vice President & Group Chief Financial Officer*	4.14%
		d)	Mr. Rohit Saraogi - Executive Vice President & Group Chief Financial Officer$	NA
		e)	Ms. Deepti Chandratre – Company Secretary & GM Legal^	7.62%
iii)	The percentage increase in the median remuneration of employees in the financial year.	12.22%		
iv)	The number of permanent employees on the rolls of the company.	546 (standalone basis) 1,047 (consolidated 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 management employees has been 8.84%. 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. Workers' average increment was 12.04% (LTS and normal slab change increase)		
vi)	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.			

* Until 30 September 2021
$ From 15 November 2021; wef 25 May 2022, Mr. Rohit Saraogi has been re-designated as EVP Group Chief Financial Officer and Company Secretary
^Until 30 April 2022

Report on Corporate Governance

Company's Philosophy

Your Company believes that good corporate governance is essential for achieving long-term corporate goals and enhancing stakeholder value. At Keva, thrust is on ensuring good conduct and governance by following transparency, fairness, integrity, equity and accountability in all dealings with customers, vendors, employees, regulatory bodies, investors and community at large. Our Corporate Governance is a reflection of us – our value system, work culture and thought process. Keva's 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.

THE BOARD OF DIRECTORS

Composition

The Board of Directors of your Company has an optimum combination of Executive and Non-Executive Directors, representing a blend of professionalism, knowledge and experience. The size and composition of the Board meet the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The Board of Directors along with its Committees provide leadership and guidance to the Company's management as also direct, supervise and control the performance of the Company. The Board currently comprises of 10 (Ten) Directors out of which 9 (Nine) Directors (90%) are Non-Executive Directors. The Company has 7 (Seven) Independent Directors who comprise 70% 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 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 Ms. Prabha Vaze and father of Mr. Kedar Vaze. Mr. Ramesh Vaze and Ms. 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 Director(s) including the tenure and terms of remuneration are 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 31 March 2022 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	Non-Executive Chairman/Promoter	Yes	4	-	1
Ms. Prabha Vaze	00509817	Non-Executive/Promoter	Yes	4	-	-
Mr. Kedar Vaze	00511325	Whole-time Director & CEO/ Promoter	Yes	4	-	1
Mr. Amit Dalmia^^	05313886	Non-Executive/Non-Independent	No	1	-	1
Mr. Dalip Sehgal	00217255	Non-Executive/Independent	Yes	1	-	1
Mr. Jairaj Purandare$	00159886	Non-Executive/Independent	Yes	2	-	2
Ms. Sangeeta Singh	06920906	Non-Executive/Independent	Yes	5	1	4
Mr. Shrikant Oka	08135918	Non-Executive/Independent	Yes	-	-	-
Mr. Mark Elliott	08594890	Non-Executive/Independent	Yes	-	-	-
Mr. Deepak Raj Bindra#	06835196	Non-Executive/Independent	NA	-	-	-
Mr. Vasant Gujarathi@	06863505	Non-Executive/Independent	NA	1	1	-
Ms. Neela Bhattacherjee&	01912483	Non-Executive/Independent	NA	-	-	-

*Excludes directorship in private limited companies (other than wholly owned subsidiaries of public companies), foreign companies, companies incorporated under Section 8 of the Act 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.
\# Appointed with effect from 15 December 2021
$ Ceased to be a director with effect from 19 February 2022
@Appointed with effect from 20 February 2022
^^ Ceased to be a director on closure of business hours of 17 May 2022
& Appointed as Additional Director by the Board with effect from 25 May 2022

Details of directorship of listed entities as on 31 March 2022 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	Non – Executive Non - Independent Chairman
Ms. 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. Mark Elliott	S H Kelkar and Company Limited	Non – Executive Independent director
Mr. Dalip Sehgal	S H Kelkar and Company Limited	Non – Executive Independent Director
	Safari Industries (India) Limited	Non – Executive Independent Director
Ms. 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
	Laxmi Organic Industries Limited	Non – Executive Independent Director
Mr. Shrikant Oka	S H Kelkar and Company Limited	Non – Executive Independent Director
Mr. Deepak Raj Bindra	S H Kelkar and Company Limited	Non – Executive Independent Director
Mr. Vasant Gujarathi	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 Managing Director/ Whole Time 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 seven 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 27.05.2021, 06.08.2021, 24.08.2021, 29.10.2021, 14.12.2021, 07.02.2022 and 24.03.2022. 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	7
Ms. Prabha Vaze	7	7
Mr. Kedar Vaze	7	7
Mr. Amit Dalmia^^	7	4
Mr. Dalip Sehgal	7	7
Mr. Jairaj Purandare*	6	6
Ms. Sangeeta Singh	7	7
Mr. Shrikant Oka	7	7
Mr. Mark Elliott	7	7
Mr. Deepak Raj Bindra^	2	2
Mr. Vasant Gujarathi@	1	1

*Ceased to be a director with effect from 19 February 2022
^Appointed with effect from 15 December 2021
@Appointed with effect from 20 February 2022
^^Ceased to be a director on closure of business hours of 17 May 2022

Independent Directors

Eminent people having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered for appointment as Independent Directors.

In accordance with Section 149(10) and Section 149(11) of the Act, the current tenure of Independent Directors of the Company is for a term ranging from three to five years from the date of their appointment. Two Independent Directors are serving second term pursuant to their re-appointment in the year 2019-20 and one Independent Director is serving his second term pursuant to his re-appointment in the year 2021-22. Three Independent Directors are serving first term and shall be eligible for re-appointment for a further term of upto five years on passing of a special resolution by the Company.

The Company has issued formal letters of appointment to all the Independent Directors. Terms and conditions of appointment of independent directors have been 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.

During financial year 2021-22, none of the Independent Directors resigned from the Company before the expiry of his/her tenure. Mr. Jairaj Purandare ceased to be a Director of the Company with effect from 19 February 2022 due to completion of his tenure as per the provisions of the Act and relevant provisions of the Listing Regulations.

One Independent Directors' meeting was convened on 24 March 2022, 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 Directors' 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 Directors' 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 comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its Committees. In the context of Company's business and the industry in which the Company operates, the Board members have the appropriate experience and have the following skills/area of expertise/competencies:

- Business Operations (Mr. Ramesh Vaze, Mrs. Prabha Vaze, Mr. Kedar Vaze, Mr. Dalip Sehgal, Mr. Mark Elliott and Mr. Deepak Raj Bindra)
- Consumer sales/marketing (Mr. Ramesh Vaze, Mr. Kedar Vaze, Mr. Dalip Sehgal, Mr. Mark Elliott)
- Finance (Mr. Vasant Gujarathi, Mr. Dalip Sehgal)
- Legal, Corporate Governance, Regulatory (Mr. Shrikant Oka, Mr. Kedar Vaze)
- Human Resources / People Management (Ms. Sangeeta Singh)
- Knowledge of F&F and FMCG sector (Mr. Ramesh Vaze, Mr. Kedar Vaze, Mr. Dalip Sehgal and Mr. Deepak Raj Bindra)
- Strategy and business development (Mr. Ramesh Vaze, Mr. Kedar Vaze, Mr. Amit Dalmia, Mr. Dalip Sehgal, Mr. Mark Elliott and Ms. Neela Bhattacherjee)
- Corporate Social Responsibility (Mrs. Prabha Vaze)
- Information Technology (Ms. Neela Bhattacherjee)

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 31 March 2022.

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 is intended 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 senior management 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 Members
- 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 2021-22 along with their respective shareholding in the Company are as under:

(Amount in ₹ in Crores)

Name of Director	Salary & Perquisites	Contribution to Funds	Performance Linked Variable Incentive	Commission	Sitting Fees*	Total	Number of Equity Shares held as on 31 March 2022
Mr. Ramesh Vaze	-	-	-	0.42	0.08	0.50	14,48,980
Ms. Prabha Vaze	-	-	-	-	0.08	0.08	17,97,309
Mr. Kedar Vaze	1.88	0.11	0.30	1.16	-	3.45	1,69,38,055
Mr. Amit Dalmia	-	-	-	-	-	-	-
Mr. Shrikant Oka	-	-	-	-	0.17	0.17	-
Mr. Dalip Sehgal	-	-	-	-	0.14	0.14	-
Mr. Deepak Raj Bindra ^	-	-	-	-	0.03	0.03	-
Mr. Jairaj Purandare*	-	-	-	-	0.16	0.16	-
Ms. Sangeeta Singh	-	-	-	-	0.16	0.16	-
Mr. Mark Elliott	-	-	-	-	0.07	0.07	-
Mr. Vasant Gujarathi$	-	-	-	-	0.03	0.03	-

*Sitting fees include payments for Board appointed committee meetings also.
^Appointed with effect from 15 December 2021
*Ceased to be a director with effect from 19 February 2022
$Appointed with effect from 20 February 2022

Perquisites include performance linked incentives which are payable to the Whole-time Director(s) as employee(s) of the Company as per Company policy. Non-Executive Directors are remunerated by way of sitting fees. The Chairman of the Board is remunerated by way of commission. During the FY 2021-22, the Company did not advance any loan to any of its Directors.

The Company's Board consisted of one Executive Director as on 31 March 2022 viz. 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 Director within the overall limits approved by the members of the Company.

The remuneration to Executive Director comprises three broad terms – Fixed Remuneration, variable remuneration in the form of performance incentive and commission on consolidated net profits of the Company. 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 and Board.

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 5 committees of the Board – Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Risk Management 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 24 June 2014. The Committee was last re-constituted by the Board of Directors at its meeting held on 07 February 2022.

As on 31 March 2022, the Audit Committee comprised of the following members of which five are Non-Executive Directors (including four Independent Directors) and one is an Executive Director:

- Mr. Vasant Gujarathi – Non Executive Independent Director, Chairman
- Mr. Dalip Sehgal – Non Executive Independent Director, Member
- Ms. Sangeeta Singh – Non Executive Independent Director, Member
- Mr. Kedar Vaze – Executive Director, Member
- Mr. Amit Dalmia – Non-Executive Director, Member
- Mr. Shrikant Oka – Non Executive Independent Director, Member

The Members of the Committee possess knowledge of accounting and financial management. 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 5 (five) times during the year on 27.05.2021, 06.08.2021, 29.10.2021, 07.02.2022 and 24.03.2022. 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. Vasant Gujarathi^	1	1
Mr. Dalip Sehgal	5	5
Mr. Shrikant Oka	5	5
Ms. Sangeeta Singh	5	5
Mr. Kedar Vaze	5	5
Mr. Amit Dalmia&	5	3

*Ceased to be Member and Chairman of the Committee with effect from 19 February 2022

^Appointed as Member and Chairman of the Committee with effect from 20 February 2022

&Ceased to be a Member of the Committee on closure of business hours of 17 May 2022

Mr. Jairaj Purandare, Chairman of the Committee was present at the last Annual General Meeting of the Company held on 10 August 2021.

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;

26) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and

27) 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 24 June 2014. The Committee was last re-constituted by the Board of Directors at its meeting held on 25 May 2022.

As on 31 March 2022, the Nomination and Remuneration Committee comprised of the following members, all of them being Non-Executive Directors:

- Ms. Sangeeta Singh – Non Executive Independent Director, Chairperson
- Mr. Deepak Raj Bindra – Non Executive Independent Director, Member
- Mr. Amit Dalmia – Non-Executive Director, Member

The Company Secretary is the Secretary to the Committee.

Mr. Jairaj Purandare ceased to be a member of the Committee with effect from 19 February 2022 and Mr. Deepak Raj Bindra was appointed as a member of the Committee with effect from 20 February 2022.

Meetings and Attendance

The Committee met 4 (four) times during the year on 27.05.2021, 06.08.2021, 29.10.2021 and 24.03.2022. The attendance at the meetings was as under:

Committee Members	No. of Meetings held	No. of Meetings attended
Ms. Sangeeta Singh	4	4
Mr. Jairaj Purandare*	3	3
Mr. Amit Dalmia&	4	-
Mr. Deepak Raj Bindra^	1	1

*Ceased to be a member of the Committee with effect from 19 February 2022.

^Appointed as a member of the Committee with effect from 20 February 2022.

& Ceased to be a member of the Committee on the closure of business hours of 17 May 2022

The Chairperson of the Committee was present at the last Annual General Meeting of the Company held on 10 August 2021.

Ms. Neela Bhattacherjee - Independent Director was appointed as member of the Committee on 25 May 2022.

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;

5) For every appointment of an independent director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director

6) 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 24 June 2014. The Committee was last re-constituted by the Board of Directors at its meeting held on 08 December 2020.

As on 31 March 2022, the CSR Committee comprised of the following members, all of which were Non-Executive Directors:

- Mr. Ramesh Vaze – Non-Executive Director, Chairman
- Ms. Prabha Vaze – Non-Executive Director, Member
- Mr. Shrikant Oka – Non-Executive Independent Director, Member

The Company Secretary is the Secretary to the Committee.

Meetings and Attendance

The Committee met once during the year on 27.05.2021 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 Act;

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 12 March 2015. The Committee was last re-constituted by the Board of Directors at its meeting held on 07 February 2022.

As on 31 March 2022, the Stakeholders' Relationship Committee comprises of the following members, all of them being Non-Executive Directors:

- Mr. Dalip Sehgal – Non-Executive Independent Director, Chairman
- Mr. Deepak Raj Bindra – Non-Executive Independent Director, Member
- Mr. Shrikant Oka – Non-Executive Independent Director, Member

Mr. Jairaj Purandare ceased to be a member of the Committee with effect from 19 February 2022 and Mr. Deepak Raj Bindra was appointed as a member of the Committee with effect from 20 February 2022.

Ms. Deepti Chandratre, Company Secretary & GM – Legal ceased to be the Compliance Officer of the Company on 30 April 2022. Mr. Rohit Saraogi, has been appointed as the Company Secretary and Compliance Officer of the Company with effect from 25 May 2022. He has been re-designated as EVP Group Chief Financial Officer and Company Secretary.

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 Company Secretary acts as the Secretary to the Committee.

The Committee met twice during the year on 27.05.2021 and 29.10.2021. The attendance at the meetings was as under:

Committee Members	Number of Meetings held	Number of Meetings attended
Mr. Dalip Sehgal	2	2
Mr. Jairaj Purandare^	2	2
Mr. Shrikant Oka	2	2
Mr. Deepak Raj Bindra*	-	-

^Ceased to be a member of the Committee with effect from 19 February 2022.

*Appointed as a member of the Committee with effect from 20 February 2022.

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 2021-22:

1 complaint was received from shareholder/investors during the financial year ended 31 March 2022 and the same was resolved. There were no pending complaints as on 31 March 2022.

RISK MANAGEMENT COMMITTEE

Composition, meetings and attendance

The Risk Management Committee was constituted by the Board of Directors at its meeting held on 06 August 2021. The Committee was last re-constituted by the Board of Directors at its meeting held on 07 February 2022.

As on 31 March 2022, the Risk Management Committee comprises a combination of board members and senior executives of the Company (majority being board members) and one independent director:

- Mr. Shrikant Oka – Non-Executive Independent Director, Chairman
- Mr. Kedar Vaze – Wholetime Director and Group CEO, Member
- Mr. Vasant Gujarathi – Non-Executive Independent Director, Member
- Mr. Rohit Saraogi – EVP and Group CFO, Member
- Mr. Amit Gulati – COO - Fragrances, Member

Mr. Jairaj Purandare ceased to be a member of the Committee with effect from 19 February 2022 and Mr. Vasant Gujarathi was appointed as a member of the Committee with effect from 20 February 2022.

Ms. Deepti Chandratre, Company Secretary & GM – Legal was the Compliance Officer of the Company upto 30 April 2022. She was also the Secretary to the Committee upto 30 April 2022. Mr. Rohit Saraogi has been appointed as the Company Secretary and Compliance Officer of the Company wef 25 May 2022 and he will also act as Secretary to the Committee.

The Committee met twice during the year on 07.02.2022 and 24.03.2022. The attendance at the meetings was as under:

Committee Members	Number of Meetings held	Number of Meetings attended
Mr. Shrikant Oka	2	2
Mr. Kedar Vaze	2	2
Mr. Jairaj Purandare^	1	1
Mr. Vasant Gujarathi*	1	1
Mr. Rohit Saraogi	2	2
Mr. Amit Gulati	2	2

^Mr. Jairaj Purandare stepped down as the member of the Committee with effect from 19 February 2022.

*Mr. Vasant Gujarathi was appointed as the member of the Committee with effect from 20 February 2022.

Terms of Reference

1) Periodically review the Risk Management Policy including evaluating the adequacy of risk management systems;

2) Defining and implementing framework for identification and assessment of risk at enterprise level across all functions;

3) Monitoring implementation plan for mitigating risk including strengthening of internal financial control;

4) Reviewing the company financial and risk management policies including cyber security;

5) Ensuring that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities; and

6) Carrying out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

DISCLOSURES

General Body Meetings

Annual General Meetings

Year	Venue	Date	Time	Special Resolutions passed
2018-19	Indraprastha Hall, 261, Balrajeshwar Road, Vaishali Nagar, Mulund (West), Mumbai – 400 080	09 August 2019	04:30 p.m.	Nil
2019-20	Through Video Conferencing and Other Audio Visual Means	01 September 2020	04:00 p.m.	1. Payment of Remuneration by way of commission to Mr. Ramesh Vaze (DIN: 00509751) as a Non-Executive Director and Chairman of the Board 2. Increase in limits available for making Investments / Extending Loans And Giving Guarantees or providing securities in connection with loan(s) to person(s) / bodies corporate(s) under section 186 of the Companies Act, 2013
2020-21	Through Video Conferencing and Other Audio Visual Means	10 August 2021	04:00 p.m.	Payment of remuneration by way of commission to Mr. Ramesh Vaze (DIN: 00509751) as a Non-Executive Director and Chairman of the Board

Postal Ballot

Details of Special Business including Special and Ordinary Resolutions passed through Postal Ballot during the Financial Year 2021-22:

1)

Details	Type of Resolution	Votes cast in favour		Votes cast against	
		No. of Votes	%	No of Votes	%
Continuation of directorship of Mrs. Prabha Vaze, Non-Executive Director in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Special Resolution	3,13,62,329	93.72	21,01,055	6.28
Scrutinizer for Postal Ballot	Mr. Sachin Sharma, Designated Partner, M/s Anantha and Ved LLP, Company Secretaries				
Date of commencement of Postal Ballot	08 May 2021				
Date of closing of Postal Ballot	07 June 2021				
Declaration of results of Postal Ballot	09 June 2021				

2)

Details	Type of Resolution	Votes cast in favour		Votes cast against	
		No. of Votes	%	No of Votes	%
Alteration of Articles of Association of the Company	Special Resolution	90,699,355	99.99	1,070	0.001
Re-appointment of Mr. Mark Elliott (DIN: 08594890) as an Independent Director on the Board of Directors of the Company to hold office for a period of 3 (three) consecutive years from December 15, 2021 to December 14, 2024	Special Resolution	90,699,265	99.99	1,160	0.001
Appointment of Mr. Deepak Raj Bindra (DIN: 06835196) as an Independent Director on the Board of Directors of the Company to hold office for a period of 5 (five) consecutive years from December 15, 2021 to December 14, 2026	Special Resolution	86,839,799	95.74	3,860,526	4.26
Appointment of Mr. Vasant Gujarathi (DIN: 06863505) as an Independent Director on the Board of Directors of the Company to hold office for a period of 5 (five) consecutive years from February 20, 2022 to February 19, 2027	Special Resolution	90,699,264	99.99	1,161	0.001
Scrutinizer for Postal Ballot	Mr. Sachin Sharma, Designated Partner, M/s Anantha and Ved LLP, Company Secretaries				
Date of commencement of Postal Ballot	05 November 2021				
Date of closing of Postal Ballot	04 December 2021				
Declaration of results of Postal Ballot	06 December 2021				

Procedure followed by Company for conducting Postal Ballot:

In compliance with Regulation 44 of the Listing Regulations and Section 108, 110 and other applicable provisions of the Act, read with the rules thereunder, the Company usually provides electronic voting (e-voting) facility, in addition to physical postal ballot, to all its members but due to the restrictions imposed on account of Covid-19 pandemic by Central and State Government, in FY 2021-22, the Company took approval of its Members in respect of resolutions to be passed by way of Postal Ballot through the e-voting process only, in accordance with the guidelines prescribed by the Ministry of Corporate Affairs (the "MCA") for holding general the meetings/conducting postal ballot through e-voting vide General Circular Nos. 14/2020 dated April 08, 2020; 17/2020 dated April 13, 2020; 22/2020 dated June 15, 2020; 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020 and 10/2021 dated June 23, 2021 (the "MCA Circulars") and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). For this purpose, the Company engages services of Central Depository Services (India) Limited ("CDSL") or National Securities Depository Limited ("NSDL"). Postal Ballot Notices along with explanatory statement were sent only in electronic form to the members of the Company, whose names appeared in the Register of Members/list of Beneficial Owners, for obtaining their consent with respect to the resolutions to be passed by means of Postal Ballot. The Company also publishes a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable Rules. Voting Rights are reckoned on the paid-up value of shares registered in the names of the members as on the cut-off date. The Company requested the members to cast their vote through e-voting process only and provided e-voting facility to all the members. Members are also requested to vote before the close of business hours on the last date of e-voting. The scrutinizer completes his scrutiny and submits his report to the Authorised Officer of the Company. The results of the Postal Ballot are also displayed on the Company's website- www.keva.co.in, besides being communicated to the stock exchanges and depository.

General Shareholder Information

Annual General Meeting	:	Date and Time – 10 August 2022 ; 4:30 pm (through Video Conferencing / Other Audio Visual Means as set out in the Notice convening the Annual General Meeting)
Financial Year	:	April 01 to March 31
Financial Reporting for:		
Quarter ending June 30, 2022	:	Second week of August, 2022
Half-year ending September 30, 2022	:	Second week of October, 2022
Quarter ending December 31, 2022	:	Second week of February, 2023
Year ending March 31, 2023	:	Second week of May, 2023
Note: The above dates are indicative.		
Record date	:	03 August 2022
Date of Dividend Payment	:	on or after 11 August 2022
Corporate Identity Number	:	L74999MH1955PLC009593
ISIN	:	INE500L01026
Registrar & Transfer Agent	:	Link Intime India Pvt. Ltd.
Plant Locations of the Group	:	Vashivali, Mulund, Vapi, Mahad, Anhui, Milan and Amsterdam.

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 2021-22 to the above Stock Exchanges.

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 earnings call are also available on the website of the company.

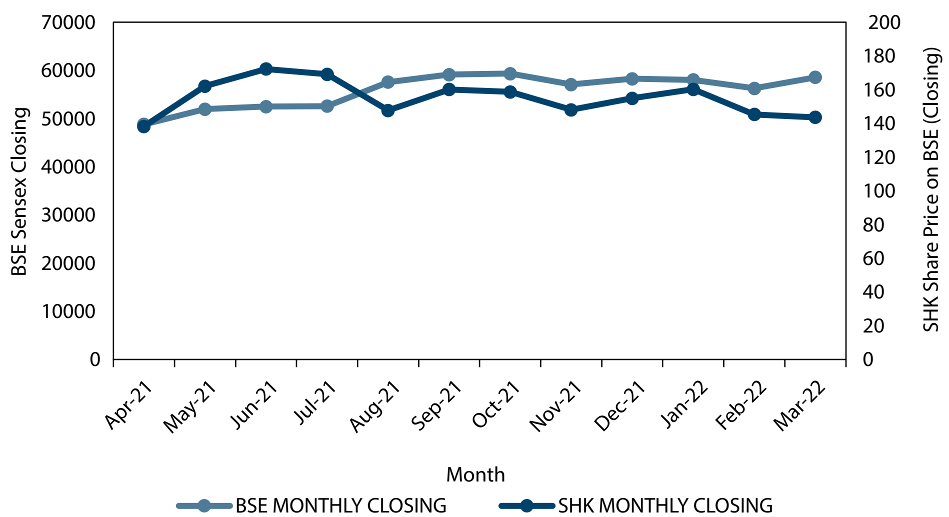
The Annual Report, Quarterly Results, Shareholding Pattern, Press Releases, Intimation of Board Meetings and Issuance of shares and other relevant details of the Company are posted through BSE Listing Centre and NSE Digital Exchange portals for the information of investors.

Stock Price Data

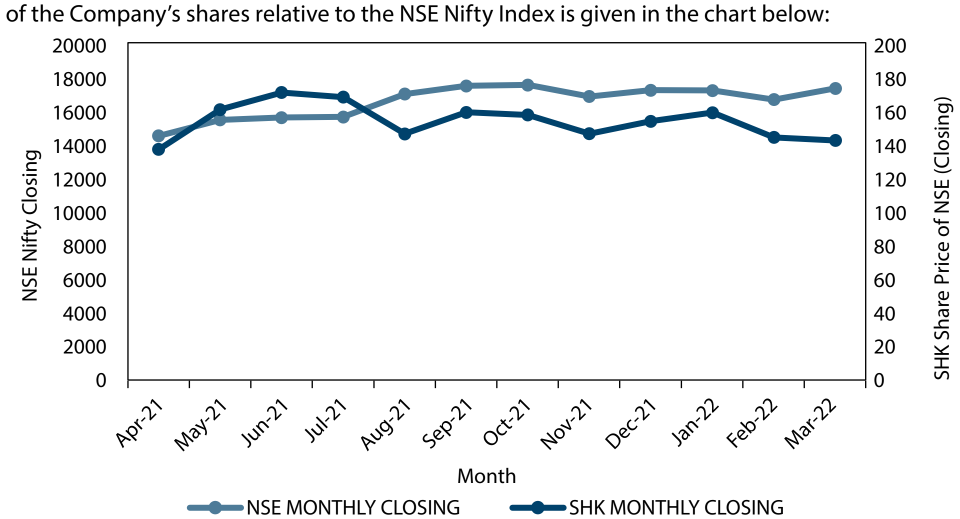
Month	BSE			BSE (Sensex)	NSE			NSE (Nifty)
	High	Low	Close	(Monthly Closing)	High	Low	Close	(Monthly Closing)
April 2021	145.60	110.05	138.20	48782.36	145.90	110.05	138.25	14631.10
May 2021	168.00	137.25	162.10	51937.44	168.00	137.05	162.00	15582.80
June 2021	186.40	151.40	172.20	52482.71	186.50	151.00	172.25	15721.50
July 2021	189.80	159.95	169.10	52586.84	189.80	160.25	169.45	15763.05
August 2021	182.00	134.85	147.70	57552.39	182.20	135.00	147.50	17132.20
September 2021	175.10	145.20	160.10	59126.36	175.50	148.25	160.35	17618.15
October 2021	167.90	142.20	158.65	59306.93	166.40	142.00	158.80	17671.65
November 2021	207.30	142.00	148.00	57064.87	207.45	141.40	147.55	16983.20
December 2021	165.85	143.40	154.85	58253.82	165.80	143.25	155.00	17354.05
January 2022	171.40	148.05	160.15	58014.17	171.80	148.00	160.20	17339.85
February 2022	165.40	136.35	145.25	56247.28	162.70	136.00	145.40	16793.90
March 2022	153.05	135.50	143.55	58568.51	151.45	135.10	143.55	17464.75

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 31 March 2022. 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 41.54% and the stock is liquid.

Distribution of Shareholding as on 31 March 2022

Category of Shares	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shareholding
0*	1	0.00	0	0.00
1 – 500	46443	90.08	4486882	3.24
501 - 1000	2616	5.07	2054543	1.48
1001 – 2000	1184	2.30	1814718	1.31
2001 - 3000	448	0.87	1155466	0.83
3001 - 4000	209	0.41	744323	0.54
4001 - 5000	159	0.31	750760	0.54
5001 - 10000	256	0.50	1905137	1.38
10001 and above	245	0.48	125508972	90.67
Total	**51561**	**100.00**	**138420801**	**100.00**

* Belong to promoter group

Shareholding Pattern as on 31 March 2022

Category of Shareholder	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shareholding
Promoter & Promoter Group	21**	0.04	80922669	58.46
Public	51539	99.96	54252364	39.20
Shares held by Employee Trust	1	0.00*	3245768	2.34
Total	**51561**	**100.00**	**138420801**	**100.00**

**Includes Promoter & Promoter Group plus the folios held by them

* less than 0.01%

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

The Company has no outstanding GDRs/ADRs/Warrants/Convertible instruments as on 31 March 2021.

Details of public funding obtained in the previous three years

The Company has not obtained any public funding in the previous three years.

Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

The Company has not raised funds through preferential allotment or qualified institutions placement during the year.

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, 2022
2015-16	Interim	10 March 2016	14 May 2023	16,812.00
2016-17	Final	10 August 2017	13 October 2024	65,626.75
2017-18	Final	09 August 2018	12 October 2025	56,595.00
2019-20	Interim	18 March 2020	22 May 2027	24,596.45
2020-21	Interim	11 November 2020	15 January 2028	47,240.00
2020-21	Final	19 August 2021	13 October 2028	55,883.00

Reconciliation of Share Capital Audit

Audits were carried out by the practicing Company Secretary to reconcile the total admitted capital with NSDL and CDSL. The reports for the same were submitted to BSE and NSE. The audit confirms that the total issued/paid-up and listed capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

Compliance with Secretarial Standards

The Institute of Company Secretaries of India, a statutory body, has issued Secretarial Standards on Meeting of the Board of Directors and General Meetings. The Company has complied with all the applicable provisions of the Secretarial Standards.

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:

Rohit Saraogi

Group CFO & CS

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 21645271

Email: investors@keva.co.in

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

Credit Rating:

CRISIL, credit rating agency has re-affirmed its long term rating to the Company as under during FY 2021-22:

Particulars	Rating
Bank facilities of ₹ 187 Crore	CRISIL AA-/(Stable) (Re-affirmed)

Other Disclosures

A. Policy for determining material subsidiaries:

The Company has formulated a policy for determining material subsidiaries in terms of the Listing Regulations. The 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 2021-22, the Company had three material subsidiaries viz. Keva Fragrances Pvt. Ltd. ('KFG'), Keva Flavours Pvt Ltd and Creative Flavours & Fragrances SpA (CFF), Italy. KFG's and CFF's income was more than twenty percent of the consolidated income of the Company in the previous financial year. Mr. Mark Elliott was appointed on board of CFF. Also, Ms. Sangeeta Singh acts as an independent director on the Board of Keva Fragrances Pvt. Ltd.

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 01 April 2022 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

M/s B S R & Co. LLP were Statutory Auditors until the last Annual General Meeting were paid a fee of ₹ 0.13 crore in respect of Limited Review for Q1/FY201-22 carried out by them during their tenure.

A total fee of ₹ 0.58 crore was paid by the Company and its subsidiary, on a consolidated basis, for all services to Deloitte Haskins and Sells LLP, incumbent Statutory Auditors and all entities in the network firm/ network entity of which they are part, details of which are as under:

(Currency : ₹ in crores)

Company	Nature of Service	Amount
S H Kelkar and Company Limited	Statutory Audit	0.33
	Limited Review of Consolidated Financial Results for 3 Quarters*	0.06
	Other (Tax Audit, Corporate Governance Certificate, other certification)	0.09
Keva Fragrances Private Limited	Statutory Audit	0.08
	Other (Tax Audit, certification)	0.02
Total		**0.58**

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 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 Company has in place a comprehensive and robust legal compliance management online tool which is devised to ensure compliance with all applicable laws which impact the Company's business. The tool is intended to provide an assurance to the Board on legal compliances as ensured by the Company. 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 31 March 2022. 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 Chairman 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.

S. Disclosure of Loans and Advances by listed entity to firms/ companies in which directors are interested – NA

T. The Company does not have any shares in the demat suspense account or unclaimed suspense account.

U. Outstanding GDR/ADR/ warrants or any convertible instruments, conversion date and likely impact on equity - NA

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

	Ramesh Vaze	**Kedar Vaze**
Mumbai	Director & Chairman of Board	Director & Group Chief Executive Officer
25 May 2022	DIN: 00509751	DIN: 00511325

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 31 March 2022.

Mumbai	**Kedar Vaze**
25 May 2022	Director & Group Chief Executive Officer

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

(Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosures) Requirements Regulations, 2015)

To the Board of Directors of
S H Kelkar and Company Limited
Dear Sir/Madam,

Sub: CEO / CFO Certificate

We, the undersigned, in our respective capacities as Wholetime Director & Group CEO and EVP & Group CFO of S H Kelkar and Company Limited ("the Company"), to the best of our knowledge and belief certify that:

A. We have reviewed financial statements and the cash flow statement for the year ended 31 March 2022 and that to the best of our knowledge and belief we state that:

   a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   b) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. We further state that to the best of our knowledge and belief, there are no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated, based in our most recent evaluation, wherever applicable, to the auditors and the Audit committee

   a) significant changes in internal control over financial reporting during the year;

   b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   c) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Yours faithfully,

	Rohit Saraogi	**Kedar Vaze**
Mumbai	EVP Group Chief Financial Officer and Company Secretary	Director & Group Chief Executive Officer
25 May 2022		

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

TO THE MEMBERS OF
S H Kelkar and Company Limited

1. This certificate is issued in accordance with the terms of our engagement letter reference no. MP/EL/2021-22/15 dated October 14, 2021.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of S H Kelkar and Company Limited("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

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

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2022.

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.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Mehul Parekh
Partner
Membership No: 121513
UDIN: 22121513AJOVIF2234

Mumbai
25 May 2022

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 31 March 2022 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:	2021-22
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 abroad. 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 1 joint venture and 19 subsidiaries, including 13 subsidiaries outside India as on 31 March 2022. The subsidiaries contribute to the sustainability initiatives of the Company.
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 (Standalone Basis):

1.	Paid up Capital (As on 31.03.202):	₹ 138.42 Crores
2.	Total Turnover:	₹ 802.26 Crores
3.	Total Profit after taxes:	₹ 42.49 Crores
4.	Total Spending on Corporate Social Responsibility (CSR):	₹ 1.24 Crores
5.	As percentage of Profit after taxes:	5.3%
6.	List of CSR activities in which expenditure has been incurred:	Please refer Annexure E to the Board's Report.

CORPORATE OVERVIEW 01-05
STATUTORY REPORTS 06-63
FINANCIAL STATEMENTS 64-218

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 are available on www.keva.co.in/policies for information of the internal and 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 2021-22 forms part of the Company's Annual Report for financial year 2021-22 and can be accessed at www.keva.co.in.

PRINCIPLE-WISE PERFORMANCE:

Principle 1 – Ethics, Transparency and Accountability:

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 Policy on Ethics, Transparency and Accountability along with the Code of Conduct, is applicable to all employees working in the Company. The Code of Conduct for Employees and Directors cover issues related to ethics, workplace responsibilities and conflict of interest. Further, the Company has adopted a Whistle Blower Policy as well as Fraud Risk Management Policy to provide a mechanism for employees and Directors of the Company to approach the Chairman of the Audit Committee for reporting unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct. 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?

The particulars of stakeholder complaints received and resolved during the year are as under:

Nature / Stakeholder	Complaints Received during FY 2021-22	Complaints Resolved during FY 2021-22	Complaints Resolved (%)
Investor complaints	-	-	NA
Customer complaints	127	127	100%
Sexual Harassment complaint	-	-	NA

Principle 2 – Product Life Cycle Sustainability:

Keva strives to weave the principles of sustainability, as far as practicable, into the various stages of product life-cycle right from sourcing of ingredients to transportation of final products.

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

   Keva procures five 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. Keva is an exclusive distributor for Santalol - Isobionics' product in India. The new fragrance ingredient which is the first joint product from BASF and Isobionics, is an alternative to sandalwood oil and is produced by a biotechnological basis using fermentation process.

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

   Keva recognises the impact of its operations on the environment and adopts strategies to ensure optimum utilisation of resources in all its processes. To channelise its endeavours, Keva consciously tracks usage of resources – water, energy and raw materials, throughout its operations. With a diverse portfolio of products and complex production processes an overall tracking of energy, water and raw material, etc. is an ongoing process across the sites.

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

   The Company officials engage with the farmer fraternity across the country to encourage cultivation of aromatic oils. The Company offers aromatic plants for cultivation to such farmers with guarantee of buy back for oils from them thereby contributing to sustainable sourcing.

4. Has the Company taken any steps to procure goods and services from local and 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?

   About 56% of material from third party suppliers is sourced locally from within the boundary of India. Out of this 16% is sourced from small and medium enterprises. Keva works in collaboration with Sukruta Rural Employment Foundation, an NGO that works for the drought stricken Jat Taluka, in the district of Sangli, Maharashtra for manufacturing Neem oil. Through this initiative, Keva has been able to provide the women of Jat taluka a source of livelihood that does not require them to migrate to long distances and can be done in the non-harvesting season.

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 makes concerted efforts on limiting waste in its production processes across its units. Keva continuously seeks to prevent and minimize generation of waste at our production units. It is part of Keva's constant efforts to find ways to bring about change that will positively impact the environment without compromising on operational standards.

The Company recycles 100% of Industrial Effluents and Sewage after treatment. Hazardous wastes 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. E-waste is given to Authorised E-waste Disposal vendors for disposal. Foodie Machines have been installed at the units which convert Canteen and Garden waste into manure.

Principle 3 – Employee well-being:

Keva believes that a healthy working environment founded on principles of empathy and symbiosis can unleash the full potential of the employees. Keva provides a work environment that promotes well-being of its employees while giving them various opportunities to grow. It has adopted various policies, procedures and manuals for the protection and welfare of the employees. Keva acknowledges that the employees are its greatest assets and is consistently taking various initiatives, adopting various policies, conducting training programmes etc., to enable the employees to feel good, live healthy and work safely.

1.	Total number of employees	546
2.	Total number of employees hired on temporary /contractual /casual basis	-
3.	Number of permanent women employees	105
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?	31.87%

*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.

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	%
Permanent Employees	57.27
Permanent Women Employees	37.5
Casual/ Temporary/ Contractual Employees	70.83
Employees with disabilities	-

Since many employees were working from home during the year owing to the COVID-19 pandemic and restrictions imposed by the Statutory Authorities in respect thereof, safety and skill-upgradation training was given to the employees who had been attending office / units in person.

Principle 4 – Stakeholder Engagement:

Keva believes that its success is directly dependent on satisfaction levels of the stakeholders and Keva strives to meet their expectations. Depending on the purpose of the engagement, Keva has been adopting appropriate practices to engage with them.

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

   Yes, Keva has mapped its internal and external stakeholders. Keva recognises employees, customers, shareholders and investors, business associates viz. suppliers and dealers), local communities surrounding our operations, regulatory authorities and industrial associations as its key stakeholders.

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

   The Company strongly believes that working with economically weaker sections of society supports growth and development. 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 identified by the Company include differently-abled employees, women and rural communities in the vicinity of its plants.

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

   Keva thinks beyond business and undertakes various initiatives to improve the lives of the lower socio-economic sections of the society. The Company has employed two visually challenged persons who have been working in Technology & Application Function. The Company has provided them training in olfactive profile and identification i.e. identifying type of raw materials and fragrances and has also procured a software "JAWS" to aid them in typing.

   The initiatives undertaken for disadvantaged, vulnerable and marginalized stakeholders are elaborated in Annual Report on Corporate Social Responsibility activities for financial year 2021-22 which forms Annexure E to the Board's Report.

Principle 5 – Human Rights:

Keva firmly believes in upholding and promoting human rights. Human Rights are protected under Code of Conduct, Whistle Blower Policy, Fraud Risk Management Policy, Policy for Prevention of Sexual Harassment at Workplace and various other Labour and Employee Welfare Policies.

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?

   Currently, the policy of the Company on human rights covers only the Company. The Group does not employ any forced labour and child labour and is committed to promoting the general equality among the employees.

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

   No complaint pertaining to human rights violation was received during the past financial year.

Principle 6 – Protection of Environment:

Keva endeavours to adopt an inclusive approach to protect and conserve the environment. Keva has been constantly working towards improving its environmental footprint while optimally utilising natural resources.

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?

   Keva is addressing the critical area of climate change mitigation through several innovative and pioneering initiatives. These include continuous improvement in energy efficiency, enhancing the renewable energy portfolio, integrating green attributes into the built environment, better efficiency in material utilisation, maximising water use efficiency and rainwater harvesting, maximising recycling and safe disposal of waste under solid waste management drive.

   The Company, at its manufacturing plants at Mulund and Vashivali, have utilized the roof space of the infrastructure for the installation of solar panels for generation of electricity upto 460 and 120 KW per day, respectively. Your Company uses PNG instead of LPG in its canteens.

   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.

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

   The Company firmly believes in sustainable development which is reinforced by environmental management systems practiced across manufacturing units. The Company identifies and assesses potential environmental risks. Hazards are analysed, evaluated and adequate control measures are implemented to reduce impact on environment and human.

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

   No, the Company has not registered any project related to Clean Development Mechanism.

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 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. We are reusing water from treated effluent at the plants. Also more efficient use has reduced raw water consumption even with increase in production. Expanding green cover through plantation drives is another activity that we undertake on an ongoing basis.

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. The Company is moving towards usage of clearer fuels - LDO and LSHS, instead Furnace oil, as per new guidelines from NGT and MPCB.

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.

   Nil.

Principle 7 – Responsible Advocacy:
Keva believes 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.

   Keva, being leading F&F company in India, actively participates in various industry and business associations. The Company is a member of several industrial and trade bodies namely:

   - IFRA (International Fragrance Association)
   - FAFAI (Fragrance and Flavours Association of India)
   - 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
   - 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)

   The Company uses banners and safety promotional material of National Safety Council ("NSC") for celebration of Road Safety Week, National Safety Week, Fire Service Week, World Environment Day etc. The Company alongwith its subsidiaries participates in various competitions of "Best Safety Practises" organised by National Safety Council from time to time. The Company regularly participates in On site and Off site mock drills organized by DISH and MARG (Mutual Aids Response Group). Keva prefers to be part of the broader policy development process and does not practice lobbying on any specific issue.

Principle 8 – Inclusive Growth and Equitable Development:
Inspired by the embedded tenets of trust, fairness and care, we strive to create shared value through inclusive growth, bringing about a measurable change in the lives of communities. Over the years, Keva has steadily built a culture of empowerment and providing appropriate opportunities to support to uplift the communities in which it operates.

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

   Yes, Keva supports the principles of inclusive growth and equitable development. Keva strives to enhance the lives of communities that surround its operations. 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 CSR projects are 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 2021-22 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.

   An internal assessment is done to understand the efficacy of Keva's programmes 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?

   Keva's contribution towards projects carried under its CSR policy during the reporting period is ₹ 1.24 crore. A detail report on CSR activities is annexed as Annexure E to the Board's Report of Company. This report is in the format mandated by Ministry of Corporate Affairs.

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

   Keva's community outreach initiatives have been developed keeping in mind the specific needs of various communities. The initiatives are finalised after a thorough understanding of the specific requirements of each community through stakeholder dialogue and engagement. Also, Keva follows a participatory approach where the beneficiaries also contribute towards the programme. This ensure complete participation from the community and also makes the initiative sustainable. Since the programmes are developed after a detailed need assessment, it ensures that the initiatives are successfully adopted by the community.

Principle 9 – Customer Value:
We choose to work in a sensitive and responsible manner to create a partnership with our customers for giving them a delightful experience. 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. No customer complaints / consumer cases received during Financial Year 2021-22 were pending as on 31 March 2022.

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?

   Yes, as part of Keva's stakeholder engagement strategy, Keva engages with its consumers on an ongoing basis and conducts methodical research on their satisfaction with respect to the Company's offerings. Consumers are provided multiple options to connect with the Company through email, telephone, website, feedback forms, etc.

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

Mumbai
25 May 2022

Ramesh Vaze
Director & Chairman of the Board
DIN: 00509751

Kedar Vaze
Director & Group Chief Executive Officer
DIN: 00511325

Independent Auditor's Report

To the Members of

S H Kelkar and Company Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of S H Kelkar and Company Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its joint venture, which comprise the Consolidated Balance Sheet as at 31st March 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 the other auditors on separate financial statements / financial information of the subsidiaries, joint venture referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter 1: Impairment of goodwill in consolidated financial statements (Refer note 2.4 (e) and note 47 to the Consolidated Financial Statements)

The Group's assessment of impairment in carrying value of goodwill relating to Creative Flavours and Fragrances SpA (CGU) amounting to ₹ 157.18 crores involves significant management estimates and judgements relating to forecast of future revenues, operating margins and discount rates while determining the recoverable value using discounted cash flow method.

Considering the judgement required for estimating the cash flows and the complexity of the assumptions used, this has been considered as a key audit matter.

Principal audit procedures performed:

- Tested the design, implementation and operating effectiveness of key controls over impairment assessment of goodwill.
- Evaluated the reasonableness of key assumptions and inputs in the cash flow forecasts (including revenue, operating margin, discount rate) considering the current economic scenario, understanding of the business, retrospective review of prior year's forecast against actual results and inputs from internal valuation specialists.
- Assessed the sensitivity of the outcome of impairment assessment in response to changes in the key assumptions.
- Evaluated adequacy of the related disclosures in the consolidated financial statements

Key Audit Matter 2: Acquisitions Accounting – Fair valuations (refer to note 2.4 (c) to the Consolidated Financial Statements)

During the year, the Group has acquired controlling stake over Nova Fragranze S.r.l, Holland Aromatics B.V and NuTaste Food and Drink Labs Private Limited for consideration aggregating to ₹ 169.16 crores

Accounting for business combination of aforesaid entities involved allocation of purchase price to the assets acquired and liabilities (including contingent liabilities, if any) assumed based on their fair values on their respective acquisition dates. The determination of such fair values for the purpose of purchase price allocation involves assessing appropriateness of the valuation methodology used, significant judgments and estimates relating to future cash flow forecasts and requires the use of specialists (Group's independent valuation expert).

Considering the judgement required for estimating the purchase price allocation and the complexity of the assumptions used, this has been considered as a key audit matter.

Principal audit procedures:

- Read the Share Purchase Agreements (SPA) to understand the key terms and conditions of the acquisition and completeness of identified assets and liabilities.
- Evaluated the appropriateness of the valuation methodology used, reasonableness of the assumptions and estimates relating to cash flow forecasts and discount rate, taking inputs from the internal valuation specialist.
- Verified the allocation of purchase price to the identified assets and liabilities as per their respective fair values.
- Evaluated the competence, qualification, and objectivity of the Group's independent valuation expert;
- Assessed the adequacy of the group's disclosure in respect of the acquisition in accordance with the Indian Accounting Standards in the consolidated financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, Report on Corporate Governance, and Business Responsibility Report but does not include the consolidated financial statements, standalone financial statements and our auditor's 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, compare with the financial statements of the subsidiaries and joint venture audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint venture is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 Consolidated Financial Statements

The Parent Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its joint venture in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture 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 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 Parent as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its joint venture are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities 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 venture are also responsible for overseeing the financial reporting process of the Group and its joint venture.

Auditor's Responsibility 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 financial 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 Parent has adequate internal financial controls system 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 the 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 ability of the Group and its joint venture 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 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 and its joint venture 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 the business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the or 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent 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 auditor's 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 13 subsidiaries, whose financial statements reflect total assets of ₹ 1,309.43 crores as at 31st March, 2022, total revenues of ₹ 903.16 crores and net cash inflows amounting to ₹ 10.47 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 of ₹ 0.03 crores for the year ended 31st March, 2022, as considered in the consolidated financial statements, in respect of 1 joint venture, whose financial statements have not been audited by us. These financial statements 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, joint venture, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint venture is based solely on the reports of the other auditors.

    Four of the subsidiaries are located outside India whose financial statements have been prepared by its management in accordance with accounting principles generally accepted in their respective countries and which have been audited by the other auditor under generally accepted auditing standards applicable in their respective countries. The Parent management has converted the audited financial statements of the aforesaid subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries located outside India, is based on the reports of other auditors, our review of the conversion adjustments prepared by the Management of the Company and the procedures performed by us as stated in Opinion paragraph above.

(b) We did not audit the financial information of 5 subsidiaries, whose financial information reflect total assets of ₹ 296.42 crores as at 31st March, 2022, total revenues of ₹ 53.48 crores and net cash inflows amounting to ₹ 22.20 crores for the year ended on that date, as considered in the consolidated financial statements. These financial information are unaudited and 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 is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

    Our opinion on the consolidated financial statements above 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.

(c) The comparative consolidated financial statement of the Group for the year ended March 31, 2021 were audited, by the predecessor auditor. The reports of the predecessor auditor on this comparative financial statement for the year ended March 31, 2021, dated May 27, 2021 expressed unmodified opinion.

    Our opinion on the consolidated financial statement is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/ financial information of the subsidiaries and joint venture referred to in the Other Matters section above 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, returns 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 Cash Flowsand the Consolidated Statement of Changes in Equity 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 Parent as on 31st March, 2022 taken on record by the Board of Directors of the Company and the reports of the subsidiary companies, and joint venture company incorporated in India, none of the directors of the Group companies, its joint venture company incorporated in India is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent subsidiary companies, joint venture company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture;

ii) The Group and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies, and joint venture company incorporated in India.

iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The final dividend proposed in the previous year, declared and paid by the Parent during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 19 to the consolidated financial statements, the Board of Directors of the Parent have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Mehul Parekh
(Partner)
Place: Mumbai (Membership No. 121513)
Date: May 25, 2022 UDIN: 22121513AJOUUR9383

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of S H Kelkar and Company Limited (hereinafter referred to as "Parent") and its subsidiary companies, its joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies, its joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (ICAI). 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies, its joint venture, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting 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 controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgement, 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 other auditors of the subsidiary companies, joint venture, which are companies incorporated in India, 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 system over financial reporting of the Parent and its subsidiary companies, joint venture, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion 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 referred to in the Other Matters paragraph below, Parent and its subsidiary companies, its joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three subsidiary companies, and 1 joint venture, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Mehul Parekh
(Partner)
(Membership No. 121513)
UDIN: 22121513AJOUUR9383

Place: Mumbai
Date: May 25, 2022

Consolidated Balance Sheet

as at 31 March 2022

(₹ in crores)

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4A	344.23	333.21
Capital work-in-progress	4B	4.04	7.88
Right of use asset	5A	61.24	50.07
Investment Property	6	13.01	12.90
Goodwill	7	289.48	204.40
Other intangible assets	8A	251.52	140.77
Intangible assets under development	8B	4.84	19.97
Investment in a joint venture	9	1.33	1.29
Financial assets			
- Investments	10	0.02	0.02
- Other financial assets	12	16.78	7.55
Deferred tax assets (net)	38	17.95	24.08
Current tax assets (net)	37	56.55	36.57
Other non-current assets	13	3.81	15.76
Total non-current assets		**1,064.80**	**854.47**
Current assets			
Inventories	14	555.44	429.41
Financial assets			
- Trade receivables	15	461.30	374.50
- Cash and cash equivalents	16	119.24	136.53
- Other bank balances	17	3.28	2.64
- Loans	11	5.47	5.99
- Other financial assets	12	4.04	5.34
Other current assets	13	83.48	61.18
Total current assets		**1,232.25**	**1,015.59**
Assets Held for Sale	49	**-**	**28.01**
TOTAL ASSETS		**2,297.05**	**1,898.07**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	138.42	141.32
Other equity	19	874.88	810.29
Equity attributable to owners of the Company		**1,013.30**	**951.61**
Non-controlling interests		**80.35**	**2.96**
Total equity		**1,093.65**	**954.57**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	20	363.02	294.37
- Lease Liabilities	21	47.80	37.21
- Other financial liabilities	22	18.47	1.63
Provisions	23	0.55	0.58
Deferred tax liabilities (net)	38	48.58	36.18
Total non-current liabilities		**478.42**	**369.96**
Current liabilities			
Financial liabilities			
- Borrowings	24	268.91	167.33
- Lease Liabilities	21	18.29	18.78
Trade payables			
- total outstanging dues of micro enterprises and small enterprises	25	20.08	9.98
- total outstanging dues of creditors other than micro enterprises and small enterprises	25	331.90	237.32
- Other financial liabilities	26	22.60	28.11
Other current liabilities	27	33.45	31.36
Provisions	23	14.82	13.37
Current tax liabilities (net)	37	14.93	67.29
Total current liabilities		**724.98**	**573.54**
Total liabilities		**1,203.40**	**943.50**
TOTAL EQUITY AND LIABILITIES		**2,297.05**	**1,898.07**
Significant accounting policies	1-3		
The notes referred to above and other notes form an integral part of the consolidated financial statements.	4-58		

As per our report of even date attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-10018

Mehul Parekh
Partner
Membership No: 121513

Mumbai
25 May 2022

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

Ramesh Vaze
Director & Chairman
DIN: 00509751

Kedar Vaze
Director & Group Chief Executive Officer
DIN: 00511325

Prabha Vaze
Director
DIN: 00509817

Rohit Saraogi
Group Chief Financial Officer and Company Secretary
Membership no: A24225

Mumbai
25 May 2022

Consolidated Statement of Profit and Loss

for the year ended 31 March 2022

(₹ in crores)

	Note	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Revenue from operations	28	1,564.19	1,321.95
Other income	29	17.51	23.46
Total income		**1,581.70**	**1,345.41**
Expenses			
Cost of materials consumed	30	989.36	749.48
Changes in inventories of finished goods, stock-in-trade and work-in-progress	31	(63.84)	0.89
Employee benefits expense	32	198.75	150.04
Finance costs	33	16.18	17.07
Depreciation and amortisation expense	34	71.77	61.51
Other expenses	35	225.29	185.66
Total expenses		**1,437.51**	**1,164.65**
Profit before share of profit in Joint venture (net of tax), exceptional items and tax		144.19	180.76
Share of profit in Joint Venture (net of tax)	9	0.03	0.24
Profit before exceptional items and tax		144.22	181.00
Exceptional items			
- Exceptional gain /(loss)	49	(11.96)	12.50
Profit before tax		132.26	193.50
Tax expense:			
Current tax			
- for current year	37	48.24	45.46
- for earlier years		(57.74)	0.84
Deferred tax charge			
- for current year	38	(7.66)	3.23
Profit for the year		**149.42**	**143.97**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement gain/(losses) on defined benefit obligation (net)		(1.23)	0.66
Income tax (expenses)/credit related to items that will not be reclassified to profit or loss		0.33	(0.16)
Items that will be reclassified subsequently to profit or loss			
Exchange differences in translating the financial statements of foreign operations		(5.45)	(3.75)
Other Comprehensive Income for the year, net of income tax		**(6.35)**	**(3.25)**
Total Comprehensive Income for the year		**143.07**	**140.72**
Profit attributable to:			
Owners of the Company		148.57	144.69
Non-controlling interests		0.85	(0.72)
Other Comprehensive Income attributable to:			
Owners of the Company		(6.35)	(3.25)
Non-controlling interests		-	-
Total Comprehensive Income attributable to:			
Owners of the Company		142.22	141.44
Non-controlling interests		0.85	(0.72)
Earnings per equity share (Nominal value of ₹ 10 each, fully paid-up)	36		
Basic earnings per share (₹)		10.81	10.48
Diluted earnings per share (₹)		10.81	10.48
Significant accounting policies	1-3		
The notes referred to above and other notes form an integral part of the consolidated financial statements.	4-58		

As per our report of even date attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-10018

Mehul Parekh
Partner
Membership No: 121513

Mumbai
25 May 2022

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

Ramesh Vaze
Director & Chairman
DIN: 00509751

Kedar Vaze
Director & Group Chief Executive Officer
DIN: 00511325

Prabha Vaze
Director
DIN: 00509817

Rohit Saraogi
Group Chief Financial Officer and Company Secretary
Membership no: A24225

Mumbai
25 May 2022

Consolidated Statement of Changes in Equity

for the year ended 31 March 2022

(₹ in crores)

(a) Equity share capital

	As at 31 March 2022	As at 31 March 2021
Opening balance	141.32	141.32
Changes in equity share capital during the year (refer note 18)	(2.90)	-
Closing balance	**138.42**	**141.32**

(b) Other equity

(₹ in crores)

	Attributable to the equity holders of the Company											
	Reserves and Surplus											
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained earnings	STARs reserves	Other reserves	Foreign Currency Translation Reserve	Treasury Shares	Total	Non-Controlling Interests	Total Equity
Balance as at 01 April, 2021	**17.07**	**157.70**	**3.30**	**107.86**	**572.99**	**0.08**	**8.77**	**15.47**	**(72.95)**	**810.29**	**2.96**	**813.25**
Total Comprehensive Income for the year ended 31 March 2022												
- Profit for the year	-	-	-	-	148.57	-	-	-	-	148.57	0.85	149.42
- Remeasurement gain/(losses) on defined benefit obligation (net)	-	-	-	-	(0.90)	-	-	-	-	(0.90)	-	(0.90)
- Exchange differences in translating the financial statements of foreign operations	-	-	-	-	-	-	-	(5.45)	-	(5.45)	-	(5.45)
Total Comprehensive Income for the year	-	-	-	-	147.67	-	-	(5.45)	-	142.22	0.85	143.07
Contributions and distributions												
Dividends	-	-	-	-	(10.60)	0.25	-	-	-	(10.35)	-	(10.35)
Others												
Shares extinguished on buy-back (Refer note 18 e)	-	(58.00)	-	-	-	-	-	-	-	(58.00)	-	(58.00)
Adjustment on account of acquisition of Nova	-	-	-	-	(4.74)	-	-	-	-	(4.74)	-	(4.74)
Adjustment pursuant to buy back of equity shares	-	-	2.90	(2.90)	-	-	-	-	1.86	1.86	-	1.86
Expenses pursuant to buy back of equity shares and tax thereon	-	-	-	-	(5.80)	-	-	-	-	(5.80)	-	(5.80)
Loss on participation in buy back by trust	-	-	-	-	-	(0.60)	-	-		(0.60)	-	(0.60)
Exchange difference in translating NCI	-	-	-	-	-	-	-	-	-	-	(0.44)	(0.44)
Acquisition of Holland Aromatics	-	-	-	-	-	-	-	-	-	-	76.98	76.98
Balance at 31 March 2022	**17.07**	**99.70**	**6.20**	**104.96**	**699.52**	**(0.27)**	**8.77**	**10.02**	**(71.09)**	**874.88**	**80.35**	**955.23**

As per our report of even date attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-10018

Mehul Parekh
Partner
Membership No: 121513

Mumbai
25 May 2022

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

Ramesh Vaze
Director & Chairman
DIN: 00509751

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Director & Group Chief Executive Officer
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Prabha Vaze
Director
DIN: 00509817

Rohit Saraogi
Group Chief Financial Officer and Company Secretary
Membership no: A24225

Mumbai
25 May 2022

Consolidated Statement of Changes in Equity

for the year ended 31 March 2021

(₹ in crores)

(b) Other equity (previous year)

	Attributable to the equity holders of the Company											
	Reserves and Surplus											
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained earnings	STARs reserves	Other reserves	Foreign Currency Translation Reserve	Treasury Shares	Total	Non-Controlling Interests	Total Equity
Balance at 01 April 2020	**17.07**	**157.70**	**3.30**	**107.86**	**441.93**	**(0.25)**	**8.77**	**19.22**	**(72.95)**	**682.65**	**10.58**	**693.23**
Total Comprehensive Income for the year ended 31 March 2021												
- Profit for the year	-	-	-	-	144.69	-	-	-	-	144.69	(0.72)	143.97
- Remeasurement gain/(losses) on defined benefit obligation (net)	-	-	-	-	0.50	-	-	-	-	0.50	-	0.50
- Exchange differences in translating the financial statements of foreign operations	-	-	-	-	-		-	(3.75)	-	(3.75)		(3.75)
Total Comprehensive Income for the year	-	-	-	-	145.19	-	-	(3.75)	-	141.44	(0.72)	140.72
Contributions and distributions												
Dividends	-	-	-	-	(14.13)	-	-	-	-	(14.13)	-	(14.13)
Remeasurement gain/(losses) on defined benefit obligation (net)	-	-	-	-	-	0.33	-	-	-	0.33	-	0.33
Acquisition of Anhui Ruibang additional stake	-	-	-	-	-	-	-	-	-	-	(6.90)	(6.90)
Balance at 31 March 2021	**17.07**	**157.70**	**3.30**	**107.86**	**572.99**	**0.08**	**8.77**	**15.47**	**(72.95)**	**810.29**	**2.96**	**813.25**

Significant accounting policies	1-3
The notes referred to above and other notes form an integral part of the consolidated financial statements.	4-58

As per our report of even date attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-10018

Mehul Parekh
Partner
Membership No: 121513

Mumbai
25 May 2022

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

Ramesh Vaze
Director & Chairman
DIN: 00509751

Kedar Vaze
Director & Group Chief Executive Officer
DIN: 00511325

Prabha Vaze
Director
DIN: 00509817

Rohit Saraogi
Group Chief Financial Officer and Company Secretary
Membership no: A24225

Mumbai
25 May 2022

Consolidated Statement of Cash Flow

for the year ended 31 March 2022

(₹ in crores)

		Year ended 31 March 2022	Year ended 31 March 2021
A.	**Cash flow from operating activities**		
	Profit before tax from continuing operations	132.26	193.50
	Adjustments for :		
	Depreciation and amortization	71.77	61.51
	Exceptional Item	11.96	(12.50)
	Interest income	(0.51)	(1.30)
	(Profit)/loss on sale of investment	(0.05)	-
	(Profit)/loss on sale of fixed assets	(0.44)	(0.44)
	Rent income	(2.22)	(1.15)
	Interest expense	16.18	17.07
	Provision for doubtful debts	(0.79)	7.03
	Provision/ Liabilities no longer required written Back	(0.67)	(3.31)
	Remeasurement of defined benefit liability	(0.90)	-
	Bad Debts written off	0.02	0.50
	Intangible assets under development written off	12.86	14.42
	Unrealised (gain) / loss on foreign exchange (net)	1.59	1.61
	(Gain)/ Loss on Derivative contract	1.34	(3.64)
	Share of profit in joint venture (net of tax)	(0.03)	(0.24)
	Operating profit before working capital changes	**242.37**	**273.06**
	Changes in working capital		
	(Increase) in trade and other receivables	(59.33)	(12.78)
	(Increase) in loans and advances	(0.47)	(1.39)
	(Increase) in inventories	(118.08)	(69.34)
	(Increase) / Decrease in other current assets	(20.40)	2.81
	(Increase) / Decrease in Non current assets	13.32	-
	Increase /(decrease) in trade and other payables	67.87	14.24
	Increase / (decrease) in Provision	(12.75)	0.95
	Net change in working capital	**(129.84)**	**(65.51)**
	Cash flows generated from operating activities before taxes	**112.53**	**207.55**
	Direct taxes paid	(62.34)	(12.40)
	Net cash flows generated from operating activities (A)	**50.19**	**195.15**
B.	**Cash flows from investing activities**		
	Purchase of Property, plant and equipment, investment property and intangibles (Including Capital work in progress and intangible under development)	(26.77)	(33.77)
	Proceeds from sale of fixed assets (net)	0.19	3.55
	Proceeds from sale of assets held for sale (net)	28.01	-
	Proceeds from sale of mutual funds	41.65	-
	Investment in mutual funds	(41.60)	-
	Loan Given	(2.01)	(2.07)
	Increase / (decrease) in non-current deposits with bank	(0.94)	0.46
	Rent income	2.22	1.15
	Payrment of acquisition of subsidiary	(161.21)	(119.47)
	Interest received	0.51	1.28
	Net cash flows (used in) investing activities (B)	**(159.95)**	**(148.87)**
C.	**Cash flows from financing activities**		
	Proceeds from term loan	82.52	220.25
	Repayment of term loans	(6.87)	(5.20)
	Proceeds of working capital loans	49.58	1.31
	Repayment of working capital loans	(3.04)	(66.91)
	Payment of lease obligations	(22.11)	(24.22)
	Proceeds from sale of Treasury Shares by Employee Benefit Trust	1.26	-
	Payment for buy back of equity shares - security premium	(58.00)	-
	Payment for buy back of equity shares	(2.90)	-
	Payment for Expenses on buy back	(5.80)	-
	Dividend received on treasury shares	0.25	0.33
	Dividend Paid including Tax thereon	(10.60)	(14.13)
	Increase/(Decrease) in Non Controlling interest	0.41	(6.91)
	Interest paid	(12.12)	(16.92)
	Net cash flows generated from financing activities (C)	**12.58**	**87.60**

Consolidated Statement of Cash Flow

for the year ended March 31, 2022

(₹ in crores)

		Year ended 31 March 2022	Year ended 31 March 2021
D.	**Net (Decrease)/increase in cash and cash equivalents (A + B + C)**	**(97.18)**	**133.88**
E.	**Cash and cash equivalents at the beginning of the year**	102.09	(33.07)
	Cash taken over on acquisition of subsidiary	23.78	-
F.	**Effect of exchange rate changes on cash and cash equivalents**	**2.05**	**1.28**
G.	**Cash and cash equivalents at the end of the year (D+E+F)**	**30.74**	**102.09**
	Cash and cash equivalents (end of the year)		
	Cash and cash equivalents comprise of :		
	Balances with banks in -		
	current accounts	108.84	114.30
	exchange earners foreign currency account	10.12	22.05
	Cash on hand	0.28	0.18
	Cash and cash equivalents at the end of the year	**119.24**	**136.54**
	Bank overdraft	(88.50)	(34.45)
	Total Cash and cash equivalents	**30.74**	**102.09**
	The above statement of cash flow has been prepared under the indirect method as set out in Indian Accounting standard 7 'Statement of Cash Flows'.		
	Notes:		
1.	**Debt reconciliation statement in accordance with INDAS 7**		
	Opening balances		
	Long-term borrowing (excluding Finance Lease obligation)	294.37	22.82
	Short-term borrowing(excluding bank overdraft)	126.87	192.47
	Lease liabilities	55.99	54.32
	Cash flows		
	Long-term borrowing (excluding Finance Lease obligation)	75.65	215.05
	Short-term borrowing	46.54	(65.60)
	Lease Liabilities	(22.11)	(24.22)
	Pursuant to acquisition- Long term borrowing	-	66.20
	Non-cash changes		
	Foreign exchange movement	-	(3.69)
	Net addition in lease liability	32.21	25.89
	Reclassification in accordance with amendment to Schedule III		
	Current maturities of Long term borrowings reclassed to Other financial liabilities	(7.00)	(6.01)
	Current maturities of Long term borrowings reclassed to short term borrowings	7.00	-
	Closing balances		
	Long-term borrowing (excluding Finance Lease obligation)	363.02	294.37
	Short-term borrowing(excluding bank overdraft)	180.41	126.87
	Lease Liabilities	66.09	55.99

2. The above Cash flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (IND AS 7) - "Statements fo Cash Flows".

3. 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).

As per our report of even date attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-10018

Mehul Parekh
Partner
Membership No: 121513

Mumbai
25 May 2022

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

Ramesh Vaze
Director & Chairman
DIN: 00509751

Kedar Vaze
Director & Group Chief Executive Officer
DIN: 00511325

Prabha Vaze
Director
DIN: 00509817

Rohit Saraogi
Group Chief Financial Officer and Company Secretary
Membership no: A24225

Mumbai
25 May 2022

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

1 Company and Group overview

S H Kelkar and Company Limited ('SHK' or 'the parent') was incorporated under the provisions of the Companies Act, 1913, and has its registered office at Devkaran Mansion, 36, Mangaldas Road, Mumbai – 400002. The parent has its equity shares listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. These Consolidated financial statements comprise the parent along with its subsidiaries, collectively referred to as 'the Group' and the Group's interest in joint venture. The Group and its joint venture 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

These 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.

The consolidated financial statements for the year ended 31 March 2022 have been proposed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on 25 May,2022.

2.2 Functional and presentation currency

These consolidated financial statements are presented in Indian rupees, which is also the parent'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

These consolidated financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting, 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.

The accounting policies have been applied consistently over all the periods presented in these consolidated financial statements.

2.4 Use of estimates and judgements

The preparation of the consolidated financial statements requires the management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in the outcome that requires a material adjustment to the carrying amount of assets or liabilities effected in future period.

The key assumptions concerning the future and key sources of estimation uncertainty at the reporting date, that have a significant risk of resulting in a material adjustment to the carrying amounts of the assets and liabilities within the next finanancial year, are as follows:

a. 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. The same is disclosed in the note 42.

b. 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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

c. 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.

d. Loss allowances on trade and other receivables

The Group and its joint venture makes loss allowances on trade and other receivables based on an assessment of the recoverability of trade and other receivable balances. The identification of loss allowance 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 loss allowance expenses in the period in which such estimate has been changed.

e. 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 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.

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 Group and its joint venture intends to and has sufficient resources to complete development and sell the asset.

g. Determining whether an arrangement contains a lease

The Group and its joint venture evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group and its joint venture determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group and its joint venture is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group and its joint venture is reasonably certain not to exercise that option. In assessing whether the Group and its joint venture is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group and its joint venture to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

h. Fair value measurement of financial instruments

All financial instruments are required to be measured at fair value on initial recognition. In case of financial instruments which are required to subsequently measured at amortised cost, interest is accrued using the effective interest method. Refer accounting policy on financial instrument.

i. Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions (refer note no 34)

j. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

2.5 Measurement of fair values

The Group and its joint venture accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group and its joint venture 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.

When measuring the fair value of a financial asset or a financial liability, the Group and its joint venture uses observable market data as far as possible. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs)."

- 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 venture recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

2.6 Current / non-current classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

i. the asset/liability is expected to be realized/ settled in the Company's normal operating cycle;

ii. the asset is intended for sale or consumption;

iii. the asset/liability is held primarily for the purpose of trading;

iv. the asset/liability is expected to be realized/ settled within twelve months after the reporting period;

v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

vi. in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents."

3 Significant accounting policies

3.1 Revenue

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved. 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.

Sale of products

Revenue from sale of products is recognised when upon the transfer of control of promised goods have been transferred to the customers in at an amount that reflects the consideration which the Company expects to receive in exchange for those goods. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer. Advance from customers is recognized under other liabilities and released to revenue on satisfaction of performance obligation."

Rental income

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."

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.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

3.2 Foreign currency

Foreign currency transactions initial recognition:

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Consolidated Statement of Profit and Loss. Transactions in foreign currencies are translated into the Company's functional currency at the exchange rates at the dates of the transactions.

Measurement of foreign currency items at reporting date:

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing 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.

Exchange differences arising out of these translations are recognized in the Consolidated Statement of Profit and Loss.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations (having non-INR functional currency) are translated to Indian rupees at the exchange rate prevailing on the balance sheet date, Income and expenses items are translated at the average rate of exchange for the respective months. Exchange differences arising on such translation are recognised as currency translation reserve under equity.

3.3 Employee benefits

Short-term employee benefits

Short-term employee benefits obligations payable wholly within twelve months of rendering the service are measured on an undiscounted basis and are recognized in the period in which the employee renders the related service. These benefits include bonus and other employee benefits.

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.

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 Profit and Loss. There are no other obligations other than the contribution payable to the Superannuation Fund Trust.

If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund."

ii Defined benefit plans

The Group and its joint venture gratuity benefit scheme and provident fund managed by the Group and its joint venture trust are defined benefit plans.

The Group and its joint venture provident fund is managed by the trust set up by the Group and its joint venture. 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 Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall if any shall be made good by the Group and its joint venture. The Group and its joint venture makes specified monthly contributions towards employee provident fund.

The Group and its joint venture's 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 venture, 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 venture recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Gratuity

Group and its joint venture entities in India have an obligation towards gratuity, a defined benefit scheme covering eligible employees. The Group and its joint venure accounts for gratuity benefits payable in future based on an independent actuarial valuation method as stated above. Also, for certain entities in India the Group's Gratuity fund is managed by the trust set up by the parent and for other entities it is managed by LIC of India.

Provident fund trust

Eligible employees of the parent receive benefits from a provident fund which is a defined benefit plan and managed by the trust set up by the parent. Both the employee and the parent 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 investments 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

Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date. Expenses related to other long term employee benefits are recognized in the Statement of Profit and loss (including actuarial gain and loss).

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

Termination benefits
Termination benefits are expensed at the earlier of when the Group and its joint venture can no longer withdraw the offer of those benefits and when the Group and its joint venture recognises 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 venture 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 that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities. 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 venture:

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 venture to the extent that the Group and its joint venture 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 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.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

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 venture 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.

The credit available under the Minimum Alternate Tax ('MAT') as per the provisions of the Income-tax Act, 1961 in respect of MAT paid is recognised as an asset only when and there is 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.

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.

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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 venture.

iii. **Capital work in progress and Capital advances:**

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Other Non-Current Assets.

iv. **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.

Assets acquired under leases, including leasehold improvements are depreciated over the lease terms. 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	15-20 years
Furniture & Fixture	10 years	10 years
Electrical installation	10 years	10 years
Motor cars and vehicles	8 years	8 years
Motor cars under lease	4-5 years	4-5 years
Officeequipments 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 capitalised 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 venture 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, 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 6.

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 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 intends to and has sufficient resources to complete development and sell the asset. Otherwise, it is recognised in consolidated 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 technical know-how, computer software, brand, customer relationships, non-compete fees and formulations which are acquired by the Group and its joint venture 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
- Licences (Reach cost)	10 years
- Customer relationships	5 years
- Non-compete fees	non-compete period
- Formulations (internally generated)	3 years
- Patent and trade marks5 years	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 securities issued are initially recognised when they are originated. All other financial assets are initially recognised when the Group and its joint venture becomes a party to the contractual provisions of the instrument.

A financial asset is initially measured at fair value other than trade receivables and contract assets which are measured at transaction price plus, for an item not at fair value through profit and loss(FVPTL), transaction cost that are directly attributable to its acquisition or issue.

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for the year ended 31 March 2022

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 Group and its joint venture 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 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.

On initial recognition of an equity investment that is not held for trading, the Group and its joint venture 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 venture 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 consolidated statement of profit and loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. 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 venture 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 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 venture 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.

On Derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

v. Impairment of financial assets:

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

i. Trade receivables and lease receivabl

ii. Financial assets measured at amortized cost (other than trade receivables and lease receivables

iii. Financial assets measured at fair value through other comprehensive income (FVTOC)

In case of trade receivables and lease receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased, and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

Notes to the Consolidated Financial Statements

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As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

b. Financial liabilities

i. Recognition and initial measurement

All financial liabilities are initially recognised when the Group and its joint venture becomes a party to the contractual provisions of the instrument.

A financial liability is initially measured at fair value minus, for an item not at fairvalue through profit and loss(FVTPL), transaction cost that are directly attributable to its acquistion or issue.

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.

iii. Derecognition

The Group and its joint venture 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 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 venture 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 Group and its joint venture uses 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 statement of profit and loss.

3.12 Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Group and its joint venture 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 or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

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3.13 Leases

i Company as Lessee

The Group assesses whether a contract is or contains a lease, at inception of a contract. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Company has the right to direct the use of the asset.

The Group recognises right-of-use asset representing its right to use (RoU) the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Consolidated Statement of Profit and Loss.

The group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, exercise price of a purchase option where the group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and Statement of Profit and Loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the group recognises any remaining amount of the re-measurement in Consolidated Statement of Profit and Loss.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Group is reasonable certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss.

After the commencement date, the amount of lease liabilities is increased to reflect the

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accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

Short-term leases and leases of low-value assets:

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Company as Lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not then it is an operating lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

3.14 Impairment of non-financial assets and Goodwill

The Group'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. Intangible assets under development is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of a CGU (or an individual asset) 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 CGU or the asset.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the consolidated statement of profit and loss. Impairment loss recognised in respect of CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets of the CGU or group of CGUs on pro-rata basis.

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 consolidatedstatement 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 venture cash management.

3.16 Employee Stock Appreciation Rights Scheme:

Liability for the parent's Employee Stock Appreciation Rights (STARs), granted pursuant to the parent's Employee Stock Appreciation Rights Plan, 2017 of the Company which was adopted by the Board on 10 August, 2017 and approved by shareholders of the parent on 01 November, 2017, shall be measured,

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initially and at the end of each reporting period until settled, at the fair value of the STARs, by applying an option pricing model, 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.

3.17 Events after Reporting date

Where events occurring after the consolidated 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 consolidated 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 venture 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 Basis of consolidation

i. Business combinations

In accordance with Ind AS 103, the Group and its joint venture accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has ability to produce outputs.

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.

The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at their fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

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 recognised. 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's cash generating units (CGUs) or combination of CGUs,

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that are expected to benefit from the combination. A CGU is the smallest identifiable Group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or Group 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.

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 venture recognizes 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 recognised 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 venture. 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 obligations for its liabilities. Interest in joint venture are accounted for using the equity method. They are initially recognised at cost which includes transactions 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 venture uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group and its joint venture member’s financial statements in preparing the consolidated financial statements to ensure conformity with the Group's 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 parent, 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 intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-Group transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-Group 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 parent 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 venture’s accounting policies.

The list of companies, controlled directly or indirectly by the parent and the joint venture which are included in the consolidated financial statements are set out in Note no. 46.

3.21 Recent accounting pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

i. Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.

ii. Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

iii. Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

iv. Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability.

v. Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

The Parent is assessing the impact of these changes and will accordingly incorporate the same in the financial statements for the year ending March 2023.

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(₹ in crores)

4A Property, plant and equipment

Block of asset	Gross Block						Accumulated Depreciation						Net Block	
	As at 1 April 2021	Additions during the year	Business Acqisitions during the year *	Translation impact	Disposals/ reclassification during the year	As at 31 March 2022	As at 1 April 2021	Business Acqisitions during the year	Charge for the year	Translation impact	Disposals/ reclassification during the year	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Leasehold Land	0.08	-	-	-	-	0.08	0.03	-	-	-	-	0.03	0.05	0.05
Freehold land	16.45	-	19.78	(0.02)	(17.50)	18.71	-	-	-	-	-	-	18.71	16.45
Buildings	145.34	1.71	11.30	(0.02)	(4.72)	153.61	23.72	10.65	4.03	(0.01)	(2.43)	35.96	117.65	121.62
Factory building and sheds	25.49	-	-	-	(0.45)	25.04	3.35	-	0.59	-	(0.08)	3.86	21.18	22.14
Leasehold improvements	22.05	1.95	0.51	(0.06)	-	24.45	6.59	0.34	3.79	0.02	-	10.74	13.71	15.46
Research and development - equipments	13.04	6.57	-	(0.01)	(0.01)	19.59	5.87	-	1.43	-	-	7.30	12.29	7.17
Furniture and fixtures	12.24	1.27	0.73	(0.12)	(0.13)	13.99	6.58	0.66	1.24	(0.08)	(0.12)	8.28	5.71	5.66
Computers and printers	3.52	1.44	0.93	(0.08)	-	5.81	2.71	0.85	0.65	(0.08)	-	4.13	1.68	0.81
Office equipment	5.86	0.70	1.21	0.05	-	7.82	2.75	0.95	0.80	-	-	4.50	3.32	3.11
Plant and machinery	180.40	14.48	6.48	0.62	-	201.98	47.93	3.38	11.38	(1.68)	(0.62)	60.39	141.59	132.47
Electrical equipment and installations	12.83	0.25	0.31	-	(0.02)	13.37	5.26	0.22	1.02	-	(0.02)	6.48	6.89	7.57
Motor cars and vehicles	1.49	0.67	0.97	(0.02)	(0.46)	2.65	0.79	0.49	0.38	(0.02)	(0.44)	1.20	1.45	0.70
Total	**438.79**	**29.04**	**42.22**	**0.34**	**(23.29)**	**487.10**	**105.58**	**17.54**	**25.31**	**(1.85)**	**(3.71)**	**142.87**	**344.23**	**333.21**

Property, plant and equipment (previous year)

Block of asset	Gross Block						Accumulated Depreciation						Net Block	
	As at 1 April 2020	Additions during the year	Business Acqisitions during the year *	Translation impact	Disposals during the year	As at 31 March 2021	As at 1 April 2020	Business during the year	Charge for during the year	Translation impact	Disposals/ during the year	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Leasehold Land	0.08	-	-	-	-	0.08	0.02	-	0.01	-	-	0.03	0.05	0.06
Freehold land	15.44	-	-	1.01	-	16.45	-	-	-	-	-	-	16.45	15.44
Buildings	146.46	0.42	-	0.29	(1.83)	145.34	19.35	-	4.53	0.15	(0.31)	23.72	121.62	127.11
Factory building and sheds	25.49	-	-	-	-	25.49	5.40	-	(2.05)	-	-	3.35	22.14	20.09
Leasehold improvements	17.86	-	4.65	(0.16)	(0.30)	22.05	5.75	-	2.56	(0.01)	(1.71)	6.59	15.46	12.11
Research and development - equipments	13.09	0.59	-	-	(0.64)	13.04	4.87	-	1.16	-	(0.16)	5.87	7.17	8.22
Furniture and fixtures	12.32	0.18	0.69	0.02	(0.97)	12.24	5.01	-	1.88	(0.05)	(0.25)	6.59	5.65	7.31
Computers and printers	2.98	0.38	0.43	(0.04)	(0.23)	3.52	2.46	-	0.52	(0.07)	(0.20)	2.71	0.81	0.52
Office equipment	5.51	0.62	0.07	0.03	(0.37)	5.86	2.19	-	0.77	(0.02)	(0.19)	2.75	3.11	3.32
Plant and machinery	160.44	2.17	21.43	(1.20)	(2.44)	180.40	36.35	-	14.10	(1.61)	(0.91)	47.93	132.47	124.09
Electrical equipment and installations	12.51	0.32	-	-	-	12.83	4.19	-	1.07	-	-	5.26	7.57	8.32
Motor cars and vehicles	1.18	0.25	0.13	(0.01)	(0.06)	1.49	0.64	-	0.15	-	(0.01)	0.78	0.71	0.54
Total	**413.36**	**4.93**	**27.40**	**(0.06)**	**(6.84)**	**438.79**	**86.23**	**-**	**24.70**	**(1.61)**	**(3.74)**	**105.58**	**333.21**	**327.13**

* Refer note 47 on Business combination

1 Group adopted Ind AS 116 effective 1st April 2019. Consequently, the motor cars acquired under finance lease agreements has been reclassified from 'Property, Plant & Equipment' to 'Right of Use assets'.

2. Property, plant and equipment of the parent have been hypothecated against corporate guarantee issued by the company towards loan availed by its foreign subsidiary ('Nil' in previous year). (refer note 20)

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

(₹ in crores)

4B Capital Work-in-progress

	For the year ended	
	Year ended 31 March 2022	Year ended 31 March 2022
Opening Balance	7.88	2.78
Additions during the year	6.67	6.20
Capitalised during the year	(10.51)	(1.10)
Closing Balance	**4.04**	**7.88**

4C Capital Work-in-progress ageing schedule as on 31 March 2022

Particulas	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	3.22	0.71	0.03	0.08	4.04
	3.22	**0.71**	**0.03**	**0.08**	**4.04**

Capital Work-in-progress ageing schedule as on 31 March 2021

Particulas	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	3.96	3.05	0.76	0.11	7.88
	3.96	**3.05**	**0.76**	**0.11**	**7.88**

Note :

There are no projects as of 31 March 2022 and 31 March 2021, capital work-in-progress whose completion is overdue or has exceeded its cost compared to original plan.

5A Leases

The Group's leasing arrangements are in respect of Building and mototr cars. These leasing arrangements are renewable on a periodic basis by mutual consent on mutually acceptable terms. Average lease term of Right of use assets is around 8 years.

Right-of-use assets

	Buildings	Motor cars	Total
Cost			
As at 1 April 2021	88.44	0.36	88.80
Business Acquisition during the year (refer note 47)	12.08	-	12.08
Additions / Adjustments	18.16	-	18.16
Disposals	(1.62)	-	(1.62)
Balance at 31 March 2022	**117.06**	**0.36**	**117.42**
Accumulated depreciation and impairment			
As at 1 April 2021	38.37	0.36	38.73
Business Acquisition during the year (refer note 47)	0.34	-	0.34
Amortisation	17.11	-	17.11
Balance at 31 March 2022	**55.82**	**0.36**	**56.18**
Carrying amounts			
As at 1 April 2021	50.07	-	50.07
Balance at 31 March 2022	**61.24**	**-**	**61.24**

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(₹ in crores)

Right-of-use assets

	Buildings	Motor cars	Total
Cost			
As at 1 April 2020	59.53	0.36	59.89
Additions	39.73	-	39.73
Disposals	(10.82)	-	(10.82)
Balance at 31 March 2021	**88.44**	**0.36**	**88.80**
Accumulated depreciation and impairment			
As at 1 April 2020	13.44	0.33	13.77
Amortisation	14.92	0.03	14.95
Impairment loss	10.06	-	10.06
Disposals	(0.05)	-	(0.05)
Balance at 31 March 2021	**38.37**	**0.36**	**38.73**
Carrying amounts			
As at 1 April 2020	46.09	0.03	46.12
Balance at 31 March 2021	50.07	-	50.07

Breakdown of lease expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Short-term lease expense	7.12	5.17
Interest on lease Liability	3.59	1.46
Total lease expense	**10.71**	**6.63**

Cash outflow on leases

	Year ended 31 March 2022	Year ended 31 March 2021
Repayment of lease liabilities (including interest)	22.11	24.22
Interest on lease Liability	7.12	5.17
Total cash outflow on leases	**29.23**	**29.39**

Note :- Average lease term of right of use asset is 8 years.

5B Operating leases

Leases as lessor

Group leases out its investment property on operating lease basis, as they do not transfer substantially all of the risk and rewards incidental to the ownership of the assets. Rental income recognised by the company during FY 21-22 was ₹.2.22 crores (31 March 2021: ₹ 1.15 crores). The following table sets out maturity analysis of lease payments to be received after the reporting date.

i Future minimum lease payments

The future minimum lease payments to be received under non-cancellable operating leases are as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Receivable within one year	2.71	1.31
Receivable between one year and five years	3.94	2.72
	6.65	**4.03**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

(₹ in crores)

6 Investment property

Block of asset	Gross Block				Accumulated Depreciation			Net Block	
	As at 1 April 2021	Additions/ Adjustment during the year	Disposals during the year	As at 31 March 2022	As at 1 April 2021	Charge for the year	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Buildings	14.72	0.59	-	15.31	1.82	0.48	2.30	13.01	12.90
	14.72	**0.59**	**-**	**15.31**	**1.82**	**0.48**	**2.30**	**13.01**	**12.90**

Investment property *(previous year)*

Block of asset	Gross Block				Accumulated Depreciation			Net Block	
	As at 1 April 2020	Additions during the year	Disposals during the year	As at 31 March 2021	As at 1 April 2020	Charge for the year	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Buildings	14.72	-	-	14.72	1.35	0.47	1.82	12.90	13.37
	14.72	**-**	**-**	**14.72**	**1.35**	**0.47**	**1.82**	**12.90**	**13.37**

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 ₹ 23.47 Crores excluding, addition made during the year (31 March, 2021 : ₹ 21.23 crores).
3. The property rental income earned by the Company from its investment property all of which is leased out under operating leased amount to ₹ 0.75 Crore (previous year ₹ 0.53 Crore). Direct operating expenses arising on the investment property all of which generated rental income in the year amounted to ₹ 0.11 Crore (previous year ₹ 0.11 Crore).

Fair Value

The fair value of investment property has been determined using external property rates available in the market. 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. The fair valuation is carried out by independent registered valuer.

Description of Valuation Technique used:

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.

7 Goodwill

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning	204.40	40.23
Additions due to subsidiary / business acquisition during the year (Refer note 47)	90.81	163.01
Translation impact	(5.73)	1.16
Balance at the end	**289.48**	**204.40**

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for the year ended 31 March 2022

(₹ in crores)

Impairment testing of Goodwill

For the purposes of impairment testing, goodwill is allocated to the Group's operating divisions (CGU) 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:

	As at 31 March 2022	As at 31 March 2021
Flavour Division		
Gujarat Flavours Private Limited (Part of Keva Flavours Private Limtied)	4.95	4.95
High-Tech Technologies (Part of Keva Flavours Private Limtied)	8.50	8.50
Saiba Industries Private Limited (merged with S H Kelkar and Company Limited)	7.56	7.56
Fragrance Division		
PFW Aroma Ingredients B.V.	13.15	13.88
Rasiklal Hemani Agencies Private Limited (merged with S H Kelkar and Company Limited)	2.03	2.03
Anhui Ruibang Aroma Co Ltd.	5.57	6.55
Keva Fragrances Industries Pte. Ltd.	0.00*	0.00*
Creative Flavours & Fragrances SpA	157.16	160.93
Nova Fragranze S.r.l. (Refer note 47)	4.47	-
Holland Aromatics B.V. (Refer note 47)	86.00	-
NuTaste Food and Drink Labs Private Limited (Refer note 47)	0.09	-
	289.48	**204.40**

* Amount less than ₹ 0.01 crore

The recoverable amount of a CGU is based on value in use. Value in use has been determined based on future cash flows, after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions. Value in use for CGU Saiba Industries Private Limited also factors the fair value of underlying Investment Property (refer note 6)

Operating margins and growth rates for the 5 years cash flow projections have been estimated based on past experience and after considering the financial budgets/forecasts provided by the management. Cash flows beyond 5 years is estimated by capitalising the future maintainable cash flows by an appropriate capitalisation rate and then discounted using appropriate discount rate. Other 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	Discount rate		Terminal value growth rate		Sales growth rate	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
PFW Aroma Ingredients B.V.	5.00%	4.47%	1.00%	1.00%	3.00%	3.00%
Saiba Industries Private Limited	12.83%	10.53%	1.00%	1.00%	3.00%	5.00%
High-Tech Technolgies and Gujarat Flavours Private Limited	12.83%	10.53%	3.00%	3.00%	15.00%	15.00%
Rasiklal Hemani Agencies Private Limited	12.83%	10.53%	1.00%	3.00%	3.00%	7.00%
Anhui Ruibang Aroma Co.Ltd.	7.00%	7.66%	1.00%	2.00%	10.00%	12.00%
Creative Flavours and Fragrances S.p.A.	14.57%	N.A.	3.00%	N.A.	10.00%	N.A.

With regard to assessment of recoverable value, 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.

The Group has also performed sensitivity analysis calculations on the projections used and discount rate applied. Group has concluded that, given the significant headroom that exists, and the results of the sensitivity analysis performed, there is no significant risk that reasonable changes in any key assumptions would cause the carrying value of goodwill to exceed its value in use.

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(₹ in crores)

8A Other Intangible Assets

Block of asset	Gross Block						Accumulated Amortisation				Net Block	
	As at 1 April 2021	Additions (including internally generated) during the year	Business / subsidiary acqisitions done during the year*	Disposals during the year	Translation impact	As at 31 March 2022	As at 1 April 2021	Charge for the year	Translation impact	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Computer software	15.49	2.61	0.28	-	(0.05)	18.33	14.00	2.92	-	16.92	1.41	1.49
Land Rights	5.66	-	-	-	-	5.66	0.15	0.09	-	0.24	5.42	5.51
Formulation	90.38	7.04	50.83	(0.88)	(0.14)	147.23	33.81	19.31	(1.85)	51.27	95.96	56.57
Customer Relationship	2.94	-	59.49	-	-	62.43	2.41	1.90	-	4.31	58.12	0.53
Non compete fees	4.16	-	15.62	-	-	19.78	1.07	3.85	-	4.92	14.86	3.09
Brand	2.00	-	-	-	-	2.00	1.70	0.30	-	2.00	-	0.30
Licenses	10.01	-	-	-	-	10.01	2.17	-	-	2.17	7.84	7.84
Concept Development	0.45	-	-	-	(0.31)	0.14	0.05	0.09	-	0.14	-	0.40
Patents & Trademarks	65.59	2.60	-	-	(0.08)	68.11	0.55	0.07	(0.42)	0.20	67.91	65.04
Total	**196.68**	**12.25**	**126.22**	**(0.88)**	**(0.58)**	**333.69**	**55.91**	**28.53**	**(2.27)**	**82.17**	**251.52**	**140.77**

Other intangible assets (previous year)

Block of asset	Gross Block						Accumulated Amortisation				Net Block	
	As at 1 April 2020	Additions (including internally generated) during the year	Business / subsidiary acqisitions done during the year*	Disposals during the year	Translation impact	As at 31 March 2021	As at 1 April 2020	Charge for the year	Translation impact	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Computer software	13.50	1.36	0.28	-	0.35	15.49	10.71	3.29	-	14.00	1.49	2.79
Land Rights	5.66	-	-	-	-	5.66	-	0.15	-	0.15	5.51	5.66
Formulation	41.04	1.51	48.25	-	(0.42)	90.38	18.91	14.90	-	33.81	56.57	22.13
Customer Relationship	2.77	-	0.18	-	(0.01)	2.94	2.20	0.21	-	2.41	0.53	0.57
Non compete fees	1.26	-	2.90	-	-	4.16	0.82	0.25	-	1.07	3.09	0.44
Brand	2.00	-	-	-	-	2.00	1.30	0.40	-	1.70	0.30	0.70
Licenses	10.01	-	-	-	-	10.01	0.58	1.59	-	2.17	7.84	9.43
Concept Development	-	-	0.61	-	(0.16)	0.45	-	0.05	-	0.05	0.40	-
Patents & Trademarks	3.93	-	61.66	-	-	65.59	-	0.55	-	0.55	65.04	3.93
	80.17	**2.87**	**113.88**	**-**	**(0.24)**	**196.68**	**34.52**	**21.39**	**-**	**55.91**	**140.77**	**45.65**

*Refer Note 47 on Business combination

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(₹ in crores)

8B Intangible assets under development

	For the year ended As at 31 March 2022	As at 31 March 2021
Opening Balance	19.97	15.00
Additions during the year	4.13	15.12
Pursuant to CFF acquisition	-	6.12
Capitalised during the year	(6.40)	(1.84)
Impaired / written off during the year	(12.86)	(14.43)
Closing Balance	**4.84**	**19.97**

8C Intangible assets under development ageing schedule as on 31 March 2022

Particulas	As at 31 March 2022				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	2.38	0.69	1.05	0.72	4.84
Total	**2.38**	**0.69**	**1.05**	**0.72**	**4.84**

Intangible assets under development ageing schedule as on 31 March 2021

Particulas	As at 31 March 2021				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	17.43	1.78	0.76	-	19.97
Total	**17.43**	**1.78**	**0.76**	**-**	**19.97**

Note :

There are no projects as of 31 March 2022 and 31 March 2021, under Intangible Assets under Development whose completion is overdue or has exceeded its cost compared to original plan.

9 Disclosure of Joint Ventures

Financial information of joint ventures that are material to the Group is provided below :

Name of the entity	Place of business	% of ownership interest as of 31 March 2022	% of ownership interest as of 31 March 2021	Carrying Amounts 31 March 2022	Carrying Amounts 31 March 2021	Nature of business
Investment in Joint venture (unquoted) (at cost)						
Purandar Fine Chemicals Pvt. Ltd. (5,000 shares held of face value @ ₹10 each)	India	50.0%	50.0%	1.33	1.29	Manufacuturing and selling Fragrances
Total equity accounted investments				**1.33**	**1.29**	

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(₹ in crores)

Summary financial information of Purandar Fine Chemicals Private Limited not adjusted for the percentage ownership held by the Company is as follows:

Particulars	31 March 2022	31 March 2021
Current assets (including cash and cash equivalents ₹ 0.77 crores (31 March 2021 - ₹ 0.66 crores))	1.31	1.57
Non-current assets	0.19	0.27
Total assets	**1.50**	**1.84**
Current liabilites (current liabilities other then trade payables and other financial liabilities and provisions ₹ 0.04 crores (31 March 2021 - ₹ 0.09 crores))	0.62	0.49
Non current liabilities	0.05	0.59
Total liabilities	**0.67**	**1.08**
Net assets	**0.83**	**0.76**
Ownership	50%	50%
Groups' share of net assets	**0.42**	**0.38**
Add: Consol adjustment	0.91	0.91
Carrying amount of Investment in Joint venture	**1.33**	**1.29**

Particulars	Purandar Fine Chemicals Private Limited 31 March 2022	Purandar Fine Chemicals Private Limited 31 March 2021
Revenues	2.78	6.17
Cost of Goods Sold	2.55	5.30
Depreciation	0.09	0.13
Finance Cost	0.03	0.06
Profit before tax	**0.11**	**0.68**
Income tax expense	0.04	0.21
Profit after tax	**0.07**	**0.47**
Group's share of profit	**0.03**	**0.24**
Less: Amortisation of identified intangible assets	**-**	**-**
Group's share of profit	**0.03**	**0.24**

10 Non-current investments

	Number of shares / units As at 31 March 2022	Number of shares / units As at 31 March 2021	Amount As at 31 March 2022	Amount As at 31 March 2021
Equity shares designated at FVTPL				
Hico Products Limited (face value ₹ 10 per share) (Unquoted)**	19,250	19,250	-	-
Banco BPM Bank (Unquoted)	307	307	0.02	0.02
Reliance Industries Limited (face value of ₹ 10 per share) (Quoted)	-	16	-	*0.00
			0.02	**0.02**

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(₹ in crores)

The aggregate book value and market value of quoted non-current investments are as follows:

	As at 31 March 2022	As at 31 March 2021
Aggregate book value of quoted investments	-	*0.00
Aggregate market value of quoted investments	-	*0.00
Aggregate value of unquoted investments	0.02	0.02
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 parent and the market value is considered Nil.

11 Loans - current *(unsecured, considered good)*

	As at 31 March 2022	As at 31 March 2021
Advances to employees	3.35	2.92
Loan to Others	2.12	2.57
Loans to related parties *(Refer note no. 46)*	-	0.50
	5.47	5.99

12 Other financial assets *(unsecured, considered good)*

	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
To other than related parties				
Security deposits				
- considered good	8.08	6.19	-	2.31
- considered doubtful	0.81	0.18	-	-
	8.89	6.37	-	2.31
Loss Allowance for bad and doubtful loans	(0.81)	0.18	-	-
	8.08	6.19	-	2.31
Other Deposit (Refer note 47)	8.40	-	-	-
Interest receivable on Income tax refund	-	-	1.47	1.28
Interest accrued and due on fixed deposits	-	-	0.04	0.05
Derivatives assets - Foreign currency forward exchange contracts	-	-	0.33	1.67
Other receivables	-	-	2.20	0.03
Term deposits with banks with remaining maturity more than 12 months	0.30	1.36	-	-
	16.78	**7.55**	**4.04**	**5.34**

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(₹ in crores)

13 Other assets *(unsecured, considered good)*

	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
To other than related parties				
Capital advances	1.43	2.39	0.01	0.11
Prepaid expenses	0.12	-	11.25	7.94
Balances with government authorities	-	13.31	57.79	36.53
VAT/Sales tax refund receivable	2.22	0.06	2.84	2.34
Others	-	-	1.22	0.31
Gratuity	-	-	-	0.11
Advance to suppliers	0.04	-	8.59	7.81
To related parties (Refer note no. 46)				
Advance to suppliers	-	-	1.78	6.03
	3.81	**15.76**	**83.48**	**61.18**

14 Inventories

	As at 31 March 2022	As at 31 March 2021
Raw materials	335.05	285.99
Raw materials in transit	2.77	3.70
Packing materials	14.25	5.81
Work-in-progress	132.18	87.00
Finished goods	71.19	46.91
	555.44	**429.41**

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.

The write-down of inventories to net realisable value during the year amounted to ₹ 0.80 crores (31 March 2021: ₹ 1.30 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 and loss.

Borrowings are secured by way of hypothecation of Inventories both in hand and transit.(refer note 20)

15 Trade receivables *(Unsecured)*

	As at 31 March 2022	As at 31 March 2021
Trade receivables considered good**	484.24	394.57
Less: Allowance for expected credit loss*	(22.94)	(20.07)
Trade receivables which have significant increase in credit risk		
Trade receivables - credit impaired	1.62	1.13
Less: Allowance for credit impairment	(1.62)	(1.13)
Net trade receivables	**461.30**	**374.50**

*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 Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 44 (ii).

Borrowings are secured by way of hypothecation of book debts and other receivables (refer note 20 and 24).

**Trade receivables (unsecured, considered good) as at 31st March 2022 includes ₹2.08 crores (31st March 2021: ₹11.11 crores) due from firms, body corporates or private companies in which a director is a partner or a director or member.

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for the year ended 31 March 2022

(₹ in crores)

16 Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Balance with banks in:		
- current accounts	108.84	114.30
- exchange earners foreign currency account	10.12	22.05
Cash on hand	0.28	0.18
Cash and cash equivalents in the balance sheet	119.24	136.53
Bank overdrafts used for cash management purposes	(88.50)	(34.45)
Cash and cash equivalents in the statement of cash flows	**30.74**	**102.08**

17 Other bank balances

	As at 31 March 2022	As at 31 March 2021
Bank deposits due to mature within 12 months of the reporting date*	1.49	1.84
Current account of parent's employee benefit trust (refer note 48)	1.77	0.79
Parents's Unclaimed dividend accounts	0.02	0.01
	3.28	**2.64**

*Bank deposits of ₹1.49 crores (31 March 2021 : ₹1.83 crores) are pledged with bank for guarantees issued.

18 Equity share capital

	Number of shares		Amount	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Authorised				
Equity shares of ₹ 10 each	159,314,500	159,314,500	159.31	159.31
Preference shares of ₹ 10 each	11,935,500	11,935,500	11.94	11.94
			171.25	**171.25**
Issued, subscribed and paid up				
Equity shares of ₹ 10 each, fully paid-up	138,420,801	141,320,801	138.42	141.32
			138.42	**141.32**

a Reconciliation of number of shares outstanding at the beginning and end of the reporting year :

	Number of shares		Amount	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
i) Equity share of ₹ 10 (Previous year ₹10) each fully paid-up				
Outstanding at the beginning of the year	141,320,801	141,320,801	141.32	141.32
Shares extinguished on buy-back (refer note e)	(2,900,000)	-	(2.90)	-
Outstanding at the end of the year	138,420,801	141,320,801	138.42	141.32

b Terms of / Rights attached to each classes of shares

Terms of / 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.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

(₹ in crores)

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:

	As at 31 March 2022		As at 31 March 2021	
	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	10.22%
Ramesh Vinayak Vaze Family Trust	27,000,100	19.51%	100	0.00%
Kedar Ramesh Vaze	16,938,055	12.24%	17,254,614	12.21%
KNP Industries Pte. Ltd.	14,876,223	10.75%	15,229,000	10.78%
Firmenich Aromatics Production (India) Private Limited	14,117,948	10.20%	-	0.00%
Keva Constructions Private Limited	8,503,689	6.14%	8,691,139	6.15%
Ramesh V. Vaze	1,448,980	1.05%	25,915,024	18.34%

d Shares held by promoters and promoter group in the Company at end of the year :

	As at 31 March 2022			As at 31 March 2021		
	Number of Shares	% of total shares	% change during the year	Number of Shares	% of total shares	% change during the year
With Promoter						
Kedar Ramesh Vaze	16,938,055	12.24%	0.03%	17,254,614	12.21%	12.21%
Prabha Ramesh Vaze	1,797,309	1.30%	(2.18%)	4,914,514	3.48%	(6.38%)
Ramesh Vinayak Vaze	1,448,980	1.05%	(17.29%)	25,915,024	18.34%	10.77%
With promoter group						
Anagha Sandeep Nene	1,470,464	1.06%	(0.01%)	1,514,267	1.07%	(9.70%)
Nandan Kedar Vaze	1,258,098	0.91%	(0.02%)	1,318,000	0.93%	(0.50%)
Parth Kedar Vaze	1,258,098	0.91%	(0.02%)	1,318,000	0.93%	(2.54%)
Neha Kedar Karmarkar	730,875	0.53%	(0.01%)	761,250	0.54%	(0.54%)
Nishant Kedar Karmarkar	730,875	0.53%	(0.01%)	761,250	0.54%	(0.53%)
Sumedha Kedar Karmarkar	150	0.00%	0.00%	150	0.00%	(18.22%)
Ramesh Vinayak Vaze Family Trust	27,000,100	19.51%	19.51%	100	0.00%	(0.93%)
KNP Industries Pte. Ltd.	14,876,223	10.75%	(0.03%)	15,229,000	10.78%	9.84%
Keva Constructions Private Limited	8,503,689	6.14%	(0.01%)	8,691,139	6.15%	5.61%
Vinayak Ganesh Vaze Charities	1,926,995	1.39%	(0.04%)	2,019,000	1.43%	0.89%
SKK Industries Private Limited	1,478,550	1.07%	(0.01%)	1,522,500	1.08%	1.08%
ASN Investment Advisors Private Limited	1,470,366	1.06%	(0.01%)	1,514,167	1.07%	1.07%
Kedar Ramesh Vaze Family Trust	100	0.00%	0.00%	100	0.00%	(1.07%)
Keva Investment Partners	33,742	0.02%	0.00%	33,742	0.02%	0.02%

During the year, Mr. Ramesh Vaze and Mrs. Prabha Vaze transferred 2,40,00,000 and 30,00,000 equity shares to Ramesh Vinayak Vaze Family Trust - belonging to Promoter Group.

e The Company during the year bought back 29,00,000 equity shares for an aggregate amount of ₹ 60.90 crores, being 2.05% of the total paid-up equity share capital at ₹ 210 per equity share. The equity shares bought back were extinguished on 12 January 2022.

f There are no shares reserved for issue under options as at 31 March 2022 (Nil as at 31 March 2021)

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for the year ended 31 March 2022

(₹ in crores)

19 Other equity

A. Reserves

Other reserves	Note	As at 31 March 2022	As at 31 March 2021
Capital reserve	i.	17.07	17.07
Capital redemption reserve	ii.	6.20	3.30
Securities premium	iii.	99.70	157.70
Other reserves	iv.	8.77	8.77
General reserve	v.	104.96	107.86
Foreign currency translation reserve	vi.	10.02	15.47
Treasury Shares	vii.	(71.09)	(72.95)
STARs Shares	viii.	(0.27)	0.08
Retained Earnings	ix.	699.52	572.99
		874.88	**810.29**

Please refer statement of changes in equity for details.

B. Notes to 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

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 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).

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

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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

(₹ in crores)

viii. STARs shares

The profit/loss on sale of treasury shares and dividend earned on the same by the trust is recognised in STARs reserves.

ix. Retained earnings

Retained earnings are the profits that the Company has earned till date, less any IndAS transition adjustments, transfers to general reserve, dividends or other distributions paid to shareholders.

C. Dividends

The following dividends were declared and paid by the Company during the years ended:

	As at 31 March 2022	As at 31 March 2021
Interim equity dividend of 2020-2021 paid at ₹ 1 per equity share	-	14.13
Final equity dividend of 2020-2021 paid at ₹ 0.75 per equity share	10.60	-
	10.60	**14.13**

Board of Director's in their meeting held on 25 May 2022 have recommended a final dividend of ₹ 0.75 per equity share (31 March 2021 : ₹ 0.75 per equity share) subject to the approval at the annual general meeting.

20 Non-current Borrowings

	Current	
	As at 31 March 2022	As at 31 March 2021
Term Loans (at amortised cost)		
Secured		
Term loans from banks (refer note 'a' below)	293.68	211.60
Term Loan from other (refer note 'c' below)	76.34	75.77
Unsecured		
Term loan from banks (refer note 'b' below)	-	13.01
Less: Amount included under "current borrowings"	370.02	300.38
Current portion of term loan from bank (refer note 'b' below)	(7.00)	(6.01)
	363.02	**294.37**

Terms of repayment and security

a) Term Loans from banks of ₹293.68 crores (Euro 34.12 million) (31 March 2021 ₹211.60 crores- EUR 24.58 million) includes loan from bank taken by foreign subsidiary companies in Euro Currency. A long-term loan availed for an amount of ₹51.42 crores (Euro 6.12 million) (31 March 2021 ₹56.62 crores - EUR 6.58 million) with applicable interest rate of 3 month Euribor + (1.45 % to 2.95%) for appropriate tenor. Further Term Loan of ₹235.26 crores. (Euro 28 million) (31 March 2021 ₹154.98 crores- EUR 18 million) is backed by the Standby Letter of Credit (SBLC) from the Parent. The SBLC issued is hypothecated against the current and future movable and immovable Property, Plant & Equipment of the Parent company and the 17% equity shares held in Creative Flavors & Fragrances SpA. The rate of interest is Euribor + 160 bps p.a. during the tenor of the credit facility (Euribor is floating).

b) Term Loan from banks includes loan taken by a subsidiary company in INR Currency. It is a long-term loan availed for an amount of ₹28.00 crores, having current outstanding as ₹7.00 crores (disclosed under note 21 as current borrowings) (31 March 2021 ₹13.01 crores - including current maturity of ₹6.01 crores). This loan is repayable in 16 equal quarterly installments after moratorium of 12 months for each Tranche i.e. from 20 June 2019. The loan is backed by way of Corporate Guarantee from parent. Applicable Interest Rate is MCLR plus applicable Margin. Current Rate of Interest is 7.00% p.a.

c) Loan from other comprises of 5 year loan payable on the completion of the tenor i.e 31 July 2025. It carries interest of 5% p.a. payable every six months till the end of the tenor.

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(₹ in crores)

21 Lease Liabilities

	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Lease Liabilities	47.80	37.21	18.29	18.78
	47.80	**37.21**	**18.29**	**18.78**

a) Lease liabilities has been recognised and accounted in accordance with INDAS 116. refer note 3.13 (accounting policy) and note 5.

22 Other financial liabilities - non current

	As at 31 March 2022	As at 31 March 2021
Security deposits	1.62	1.63
Contingent consideration (Refer Note 47)	16.85	-
	18.47	**1.63**

23 Provisions

	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits				
Gratuity (refer note 42)	0.44	0.22	0.54	-
Compensated absences	0.11	0.36	14.28	13.37
	0.55	**0.58**	**14.82**	**13.37**

24 Current Borrowings

	As at 31 March 2022	As at 31 March 2021
Secured		
Loans repayable on demand		
Working capital loans (Refer note "a,b & c" below)	56.40	34.82
Bank over draft (Refer note "a,b & c" below)	88.50	34.45
Unsecured		
Current maturities of long-term debt (Refer note 20)	7.00	6.01
Working capital loans (Refer note "d" below)	42.01	43.05
Pre-shipment loans (Refer note "e" below)	75.00	49.00
	268.91	**167.33**

a) Working capital demand loan and Bank Overdraft from banks by a foreign subsidiary company of USD 18.40 million equivalent to ₹ 139.26 crores (31 March 2021: USD 9.42 million equivalent to ₹ 69.27 Crores) carries interest between 1.50% to 3.50% p.a. (including Libor) and is secured by way of hypothecation of stock in trade, primary charge on book debts and corporate guarantee of the Parent. 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) Working capital demand loan and Bank Overdraft from banks by a foreign subsidiary company of EUR 0.39 million equivalent to ₹ 3.24 crores carry interest between 1.5% to 3% + 1M Euribor.

Notes to the Consolidated Financial Statements
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(₹ in crores)

c) Working Capital loans & Bank Overdraft from bank by an Indian Subsidiary ₹ 2.4 crores carrying interest at the rate of 5.85% p.a. are repayable on demand with interest computed on a monthly basis on the actual amount utilised. Working capital loans from banks (including the sanctioned limits) 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) Debt with Bank taken by a foreign subsidiary company is a credit facility of total EUR 5.00 million (31 March 2021: EUR 5.00 million) equivalent to ₹ 42.01 crores (31 March 2021: ₹ 43.05 crores) to finance working capital. The interest rate for this was 1-month Euribor plus 1.5%. The loan was backed by way of Corporate Guarantee from Parent.

e) Pre-shipment loans from bank by an Indian Subsidiary ₹ 75.00 crores (31 March 2021: ₹ 49.00 crores) carries interest between 2.50% to 5.60% p.a. (Includes Spread + MCLR/T-Bill). The loans are repayable within a period of 90 to 180 days from the date of disbursement. All the loans are backed by way of Corporate Guarantee from the Parent.

f) The Company has sanctioned working capital loans from banks which are repayable on demand with interest computed on a monthly basis on the actual amount utilised. Working capital loans from banks (including the sanctioned limits) are secured by way of hypothecation of inventories both on hand and in transit and book debts, and other receivables both present and future. The Company has filed / submitted the statements comprising (stock statements, book debt statements, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information) with such banks and these statements are in agreement with the unaudited books of account of the Company of the respective quarters ended on 30th June 2021, 30th September, 2021, 31st December 2021, and 31st March, 2022.

25 Trade payables

	As at 31 March 2022	As at 31 March 2021
Dues to Micro and small enterprises (refer note 40)	20.08	9.98
Due to others	331.90	237.32
	351.98	**247.30**

Category	As at 31 March 2022					
	Total	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Undisputed – micro and small enterprises	20.08	16.52	3.48	0.06	0.01	0.01
Undisputed – Others	331.90	138.77	172.20	11.17	5.24	4.52
Total	**351.98**	**155.29**	**175.68**	**11.23**	**5.25**	**4.53**

Category	As at 31 March 2021					
	Total	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Undisputed – micro and small enterprises	9.98	6.48	3.50	-	-	-
Undisputed – Others	237.32	161.47	27.25	40.70	5.33	2.57
Total	**247.30**	**167.95**	**30.75**	**40.70**	**5.33**	**2.57**

26 Other financial liabilities - Current

	As at 31 March 2022	As at 31 March 2021
Interest accrued and due under MSMED Act, 2006	1.21	0.74
Security deposits	0.15	0.15
Employee benefits payable	20.92	25.57
Unclaimed dividend account	0.02	0.01
Other payables	0.30	1.64
	22.60	**28.11**

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(₹ in crores)

27 Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Advances received from customers	7.24	6.33
Other payables		
- For statutory dues*	26.05	25.03
- Others	0.16	-
	33.45	**31.36**

* Statutory dues includes dues in respect to GST, tax deducted at source, service tax, VAT/ CST tax, provident fund, ESIC, profession tax and other material statutory dues. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

28 Revenue from operations

	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products		
Gross sales	1,470.88	1,268.57
Sales Contract Manufacturing (Refer note below)	101.14	55.11
	1,572.02	1,323.68
Less: Discounts	12.42	8.56
Net sales (revenue from contracts with customers)	**1,559.60**	**1,315.12**
Other operating revenue		
Sale of Scrap	2.17	1.64
Export incentives	2.42	5.19
	4.59	**6.83**
Total revenue from operations	**1,564.19**	**1,321.95**

Pursuant to the acquisition of 100% stake in Creative Flavours & Fragrances SpA(CFF), the Group acquired a customer contract whereby CFF sells fragrance formulations to one large customer on contract manufacturing. Accordingly, CFF performs processing of raw materials under the guidance of the customer. This activity is not part of the Group's core business and is done only for one large customer due to a past long term agreement entered by CFF.

29 Other income

	Year ended 31 March 2022	Year ended 31 March 2021
Interest income under effective interest method on:		
-Deposits with banks at amortised cost	0.15	0.35
-Loans and other deposits at amortised cost	0.36	0.95
Interest received on tax refund	3.81	3.31
Rental income	2.22	1.15
Gain on derivative contracts, mandatorily at FVTPL	1.34	3.64
Gain on sale of investment, designated at FVTPL	0.05	-
Net gain on modification / termination of leases	-	2.41
Net foreign exchange gain	3.08	6.60
Net gain on sale of property, plant & equipement	0.44	0.44
Reversal of loss allowance on trade receivable	1.02	1.18
Other liabilities written back	1.23	1.81
Miscellaneous income	3.81	1.62
Total other income	**17.51**	**23.46**

Notes to the Consolidated Financial Statements
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(₹ in crores)

30 Cost of materials consumed

	Year ended 31 March 2022	Year ended 31 March 2021
Opening stock:		
- Raw materials	289.69	202.13
- Packing materials	5.82	9.84
Add: Pursuant to acquisitions (refer note 47)		
- Raw materials	6.12	12.07
- Packing materials	-	1.26
Add: Purchases		
- Raw materials	1,005.37	798.88
- Packing materials	34.43	20.81
Less: closing stock		
- Raw materials	337.82	289.69
- Packing materials	14.25	5.82
Materials consumed		
- Raw materials	963.36	723.39
- Packing materials	26.00	26.09
Cost of materials consumed	**989.36**	**749.48**

31 Changes in inventories of finished goods, stock-in-trade and work-in-progress

	Year ended 31 March 2022	Year ended 31 March 2021
Opening Stock:		
Finished goods	46.92	59.30
Work-in-progress	87.00	65.70
Add: Pursuant to acquisitions (refer note 47)		
Finished goods	5.63	8.11
Work-in-progress	-	1.70
Closing Stock:		
Finished goods	71.19	46.92
Work-in-progress	132.18	87.00
Changes in inventories:		
Finished goods	(18.66)	20.49
Work-in-progress	(45.18)	(19.60)
Changes in inventories of finished goods, stock-in-trade and work-in-progress	**(63.84)**	**0.89**

32 Employee benefits expense

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	161.41	132.90
Contribution to provident fund and other funds (Refer note 42)	25.18	19.31
Compensated absences (Refer note 42)	2.26	1.56
Staff welfare expense	9.90	8.01
	198.75	**161.78**
Less: Transferred to intangible assets under development	-	(11.74)
Employee benefits expense	**198.75**	**150.04**

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(₹ in crores)

33 Finance costs

	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense under effective interest method on:		
Term loans	3.72	2.67
Working capital loans	2.32	6.24
Buyers credit	-	0.36
Lease liabilities	3.59	1.46
Interest on dues to micro and small enterprises	0.44	0.23
Interest on delayed payment of Income tax	-	0.23
Other finance costs	6.11	5.88
Finance costs	**16.18**	**17.07**

34 Depreciation and amortisation

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of property, plant and equipment (refer note 4A)	25.31	24.70
Depreciation of investment property (refer note 6)	0.48	0.47
Amortisation of intangible assets (including amortization of intangible asset acquired- 31 March 2022 ₹10.54 crores 31 March 2021 ₹2.07 crores) (refer note 8A)	28.53	21.39
Amortisation of Right of use assets (refer note 5A)	17.45	14.95
	71.77	**61.51**

35 Other expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Commission and brokerage	15.46	15.48
Power and fuel	26.70	22.42
Selling and promotion expenses	8.84	10.05
Freight and forwarding	31.39	22.38
Legal and professional charges	33.31	23.62
Travelling and conveyance	8.05	4.45
Research and development	3.46	1.48
Repairs and maintenance:		
- Buildings	2.03	2.61
- Plant and machinery	2.94	2.71
- Others	5.54	2.42
Security charges	3.79	3.28
Rent	7.12	5.17
Rates and taxes	5.36	4.60
Bank charges	3.08	3.19
Insurance	4.04	3.27
Stationery and printing expenses	1.16	0.76
Training expenses	0.41	0.18
Pollution control expenses	2.57	1.25
Stores and spares consumed	6.50	4.60
Intangible asset under development written off	12.86	14.42
Corporate social responsibility expense	1.80	1.65

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(₹ in crores)

	Year ended 31 March 2022	Year ended 31 March 2021
Loss allowance on trade receivables	(0.79)	7.03
Bad debts written off	0.02	0.50
Payment to auditors (Refer note below)	2.06	1.83
Postage and telephone expenses	2.00	1.42
Directors Commission Expenses	3.84	4.00
Directors sitting fees	0.96	1.84
Contract labour charges	6.77	5.93
Loss on sale of Property Plant and equipment	-	0.28
Loss on derivative contracts, mandatorily at FVTPL	1.34	-
Information technology expenses	5.43	4.27
Cleaning and housekeeping expenses	4.30	3.10
Miscellaneous expenses	12.95	8.85
	225.29	189.04
Less: Transferred to intangible assets under development	-	(3.38)
	225.29	**185.66**

Payment to Auditors :

For the year ended 31 March 2022

Entities	Auditor	Statutory Audit Fees	Tax Audit Fees	Consolidation & Other Cost	Total
S H Kelkar and Company Limited	Deloitte Haskins & Sells LLP	0.39	0.03	0.06	0.48
	Erstwhile	0.13	-	-	0.13
Keva Fragrances Private Limited	Deloitte Haskins & Sells LLP	0.08	0.02	0.00	0.10
Domestic & Foreign Subsidiary	Others	1.25	0.09	0.01	1.35
Total		**1.85**	**0.14**	**0.08**	**2.06**

For the year ended 31 March 2021

Entities	Auditor	Statutory Audit Fees	Tax Audit Fees	Consolidation & Other Cost	Total
S H Kelkar and Company Limited	B S R & Co LLP	0.48	0.04	0.07	0.59
Keva Fragrances Private Limited	B S R & Co LLP	0.11	0.01	0.01	0.13
Domestic & Foreign Subsidiary	Others	1.10	0.01	-	1.11
Total		**1.69**	**0.06**	**0.08**	**1.83**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

(₹ in crores)

36 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit attributable to equity shareholders of the parent 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 parent by the weighted average number of equity shares outstanding during the year, after considering adjustment for the effects of all dilutive potential equity shares.

		As at 31 March 2022	As at 31 March 2021
Profit attributable to equity shareholders (basic and diluted)			
Profit for the year attributable to equity shareholders (₹ in crores)	(A)	148.57	144.69
Weighted average number of equity shares for basic and diluted earnings per share			
Number of equity shares at beginning of the year		141,320,801	141,320,801
Equity shares held in controlled trust		(3,245,768)	(3,306,429)
Buy back of equity shares		(2,900,000)	-
Number of equity shares outstanding at the end of the year		135,175,033	138,014,372
Weighted average number of equity shares for the year	(B)	137,394,646	138,014,372
Basic earnings per share of face value of ₹ 10 each	(A) / (B)	10.81	10.48
Diluted earnings per share of face value of ₹ 10 each	(A) / (B)	10.81	10.48

37 Tax expense

(a) Amounts recognised in consolidated balance sheet

	Year ended 31 March 2022	Year ended 31 March 2021
Current tax assets (net of provision)	56.55	36.57
Current tax liabilities (net of advance tax)	14.93	67.29

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 relate to income taxes levied by the same tax authority.

(b) Amounts recognised in consolidated statement of profit and loss

	Year ended 31 March 2022	Year ended 31 March 2021
Current tax		
Current year	48.24	45.46
Previous years (refer note below)	(57.74)	0.84
Current tax expense	**(9.50)**	**46.30**
Deferred income tax liability / (asset), net		
Current year (Refer note 38)	(7.66)	3.23
Deferred tax expense	**(7.66)**	**3.23**
Tax expense for the year	**(17.16)**	**49.53**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

(₹ in crores)

(c) Amounts recognised in other comprehensive income

	For the year ended 31 March 2022			For the year ended 31 March 2021		
	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						
Remeasurement gain/(losses) on defined benefit obligation (net)	(1.23)	0.33	(0.90)	0.66	(0.16)	0.49
Items that will be reclassified to profit or loss						
Exchange differences in translating the financial statements of a foreign operation	(5.45)	-	(5.45)	(3.65)	-	(3.65)
	(6.68)	**0.33**	**(6.35)**	**(3.00)**	**(0.16)**	**(3.16)**

(d) Reconciliation of effective tax rate

	Year ended 31 March 2022	Year ended 31 March 2021
Profit before tax	132.26	193.50
Tax using the parent's domestic tax rate (current and previous year 25.17%)	33.29	48.65
Tax effect of:		
Differences in tax rates of subsidiaries	1.40	0.16
Non-deductible tax expenses	0.62	1.63
Deferred tax assets not recognized	5.63	-
Change in rate on deferred tax	0.21	(0.34)
MAT credit write off	-	0.35
Tax impact of earlier years	(57.74)	(0.84)
Tax-exempt income	(0.24)	(0.08)
Others	(0.33)	-
	(17.16)	**49.53**

The Group's weighted average tax rates for the years ended 31 March 2022 and 2021 were 25.17% and 25.17%, respectively.

Note :

i. In respect of ongoing tax appeal in case of Keva Fragrances Pvt. Ltd, a wholly owned subsidiary of the Group, the Income Tax Appellate Tribunal (ITAT) in its order vide dated 2nd August 2021 (uploaded on the ITAT site on 4th August 2021), has set aside the order of Commissioner of Income Tax (Appeals) and has directed Assessing officer to allow the amortisation of goodwill as an eligible expenditure. ITAT has also quashed the departmental appeal on the two issues favoured by CIT (A) earlier i.e. allowing set off of brought forward losses and unabsorbed depreciation and deletion of additions under section 56(2)(viib). Consequent to the said order, the group has reversed the additional tax provisions amounting to ₹ 64.49 crore, provided in its books in earlier periods, which had been made given the uncertainty over the allowability of goodwill amortisation as an eligible expenditure. Thus, profit for the year ended March 31, 2022 includes reversal of the aforementioned provision, the same has been reported as Prior period Income/Expenses.

ii. In respect of deduction U/s. 35(2AB), Company has received Form 3CL from Department of Scientific and Industrial Research [DSIR] for the FY 2016-17 to FY 2018-19, de-recoginizing perfumery cost for weighted deduction. The Company will be contesting against the disallowance of entire expense with the appropriate authorities. The Company has provided for ₹6.35 crores towrds amount claimed as deduction u/s 35(2AB) on conservative basis.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

(₹ in crores)

38 Deferred Tax
(a) Amounts recognised in consolidated balance sheet

	Year ended 31 March 2022	Year ended 31 March 2021
Deferred tax assets (net)	17.95	24.08
Deferred tax liabilities (net)	48.58	36.18

(b) Significant components of deferred tax assets and liabilities for the year ended March 31, 2022

(₹ in crores)

	Opening balance 1 April 2021	Recognised in profit or loss	Recognised in OCI	Acquired on business acquisition*	Closing Balance
Deferred tax asset					
Lease Liabilities	0.12	(0.03)	-	-	0.09
Business Loss	14.30	(5.78)	-	-	8.52
MAT Credit	1.69	-	-	-	1.69
Others	7.97	(0.65)	0.33	-	7.65
Total	**24.08**	**(6.46)**	**0.33**	**-**	**17.95**
Deferred tax liabilities					
Property, plant and equipment, intangible assets and intangible assets under development	(35.76)	13.74	-	(26.52)	(48.54)
Derivatives	(0.42)	0.42	-	-	-
Investments	-	(0.04)	-	-	(0.04)
Total	**(36.18)**	**14.12**	**-**	**(26.52)**	**(48.58)**
Net Assets/(liabilities)	(12.10)	7.66	0.33	(26.52)	(30.63)

Significant components of deferred tax assets and liabilities for the year ended March 31, 2021

(₹ in crores)

	Opening balance 1 April 2020	Recognised in profit or loss	Recognised in OCI	Acquired on business acquisition	Closing Balance
Deferred tax asset					
Business loss	16.10	(1.80)	-	-	14.30
Inventories	0.50	(0.50)	-	-	-
Lease Liabilities	0.04	0.08	-	-	0.12
MAT credit	2.04	(0.35)	-	-	1.69
Investments	0.29	(0.29)	-	-	-
Others	7.79	0.35	(0.17)	-	7.97
Total	**26.76**	**(2.51)**	**(0.17)**	**-**	**24.08**
Deferred tax liabilities					
Property, plant and equipment, intangible assets and intangible assets under development	(17.55)	(0.55)	-	(17.66)	(35.76)
Derivatives	(0.27)	(0.15)	-	-	(0.42)
Total	**(17.82)**	**(0.70)**	**-**	**(17.66)**	**(36.18)**
Net Assets/(liabilities)	8.94	(3.23)	(0.17)	(17.66)	(12.10)

* Refer note 47 & 49

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

(₹ in crores)

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off tax assets and tax liabilities and the deferred tax assets and they relate to income taxes levied by the same tax authority.

(d) Unrecognised deferred tax assets/ liabilities
Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the company, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the company were able to recognise all unrecognised deferred tax assets, the profit would increase by ₹ 5.28 crores.

	31 March 2022	Expiry date
Year 2019	4.23	Mar 24
Year 2021	6.67	Mar 26
Year 2022	10.07	Mar 27

39 Contingent liabilities and commitments (to the extent not provided for)
A. Contingent liabilities

	As at 31 March 2022	As at 31 March 2021
a. Direct and indirect taxes		
Income taxes	67.96	16.26
Excise duty & Service taxes	11.95	12.07
Sales tax	2.07	1.16
Custom Duty	1.13	1.13
GST	-	0.79

B. Commitments

	As at 31 March 2022	As at 31 March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances, tangible assets	1.90	2.67

40 Dues to micro and small suppliers

	As at 31 March 2022	As at 31 March 2021
1. The amounts remaining unpaid to micro and small suppliers as at the end of the year		
Principal	20.08	9.98
Interest	1.21	0.74
2 The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
3 The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	28.02	13.92
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	0.44	0.23
5 The amount of interest accrued and remaining unpaid at the end of each accounting year	1.21	0.74
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	1.21	0.74

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

(₹ in crores)

41 Disclosures as required under Schedule III to the Companies Act 2013 with respect to consolidated financial statements As at 31 March 2022

S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated Other comprehensive income	Amount	As % of consolidated profit or loss	Amount
	Parent								
1	S H Kelkar and Company Limited	55.00%	601.28	28.40%	42.50	6.10%	(0.39)	29.40%	42.11
	Subsidiaries								
	Indian								
1	Keva Fragrances Private Limited	46.20%	505.38	76.80%	114.77	0.90%	(0.06)	80.20%	114.71
2	Keva Flavours Private Limited	5.30%	57.62	9.30%	13.88	4.40%	(0.28)	9.50%	13.60
3	VN Creative Chemicals Pvt Ltd (Subsidiary of Keva Fragrances Pvt.Ltd.)	0.30%	3.31	(7.70%)	(11.57)	3.50%	(0.22)	(8.20%)	(11.79)
4	NuTaste Food and Drink Labs Private Limited	0.60%	7.08	(1.30%)	(1.94)	(0.80%)	0.05	(1.30%)	(1.89)
5	Keva Ventures Private limited	0.00%	0.04	0.00%	-	0.00%	-	0.00%	-
6	AmiKeva Private Limited	0.00%	(0.53)	(0.60%)	(0.87)	0.00%	-	(0.60%)	(0.87)
	Foreign								
1	Keva UK Limited	2.60%	28.07	(0.20%)	(0.32)	1.70%	(0.11)	(0.30%)	(0.43)
2	Keva Europe B.V.	6.00%	65.69	(2.60%)	(3.94)	21.70%	(1.38)	(3.70%)	(5.32)
3	Keva Italy S.r.l	0.80%	9.14	0.90%	1.41	(60.20%)	3.82	3.70%	5.23
4	Keva Fragrance Industries Pte.Ltd.	1.40%	15.27	(1.80%)	(2.65)	57.70%	(3.65)	(4.40%)	(6.30)
5	PFW Aroma Ingredients B.V. (Subsidiary of Keva UK Limited)	4.00%	44.01	7.10%	10.57	18.10%	(1.15)	6.60%	9.42
6	PT SHK Keva Indonesia (Subsidiary of Keva Fragrance Industries Pte.Ltd., Singapore)	(0.50%)	(5.95)	(3.00%)	(4.46)	2.70%	(0.16)	(3.20%)	(4.62)
7	Anhui Ruibang Aroma Co. Limited.	2.00%	21.69	(2.80%)	(4.23)	27.20%	(1.73)	(4.20%)	(5.96)
8	Creative Flavours & Fragrances SpA	6.60%	71.82	9.00%	13.42	11.10%	(0.71)	8.90%	12.71
9	Nova Frgranze S.r.l.	0.50%	5.82	2.00%	2.95	3.90%	(0.25)	1.90%	2.70
10	Provier Beheer B.V. (Holding Company of Holland Aromatics B.V.)	3.60%	39.81	2.20%	3.34	1.60%	(0.10)	2.20%	3.24
	Joint Venture (Investment as per the equity method)								
	Indian								
1	Purandar Fine Chemicals Private Limited	0.00%	-	0.00%	0.03	0.00%	-	0.00%	0.03
	Non-controlling interest								
	Foreign								
1	Anhui Ruibang Aroma Co. Limited	0.20%	2.17	0.00%	-	0.00%	-	0.00%	-
2	Holland Aromatics B.V.	1.40%	15.13	0.00%	-	0.00%	-	0.00%	-
	Total Eliminations	**(36.00%)**	**(393.20)**	**(15.70%)**	**(23.47)**	**0.00%**	**-**	**(16.50%)**	**(23.47)**
	Exchange differences on translation of foreign operations	0.00%	-	0.00%	-	0.40%	(0.03)	0.00%	(0.03)
	Total	**100.00%**	**1,093.65**	**100.00%**	**149.42**	**100.00%**	**(6.35)**	**100.00%**	**143.07**

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

(₹ in crores)

42 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 :

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Group’s contribution to Provident Fund/social security	1.60	1.38
Group’s contribution towards foreign defined contribution plan in accordance with local laws	15.35	9.94
Group's contribution to Superannuation Fund	1.78	1.58
Group’s Contribution to ESIC	0.05	0.05
Group's Contribution to Maharashtra Labour Welfare Fund	*0.00	*0.00

*Amount less than ₹ 0.01 crore

(ii) Defined Benefit Plan:

I. Gratuity:

The employees gratuity fund scheme for the parent 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 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
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(₹ 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 31 March 2022. 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	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Opening balance	17.25	16.68	17.03	15.93	0.22	0.75
Included in profit or loss						
Current service cost	1.40	1.39	0.11	-	1.29	1.39
Interest cost (income)	1.17	1.18	1.18	1.21	(0.01)	(0.03)
Included in OCI						
Remeasurement loss (gain):						
Liability Transferred In/ Acquisitions- VRL employees transferred to VNCC	0.87		0.87		-	-
Demographic assumptions	(0.01)	-	0.27	-	(0.28)	-
Financial assumptions	(0.42)	(0.12)	-	-	(0.42)	(0.12)
Experience adjustment	1.52	(0.65)	-	-	1.52	(0.65)
Return on plan assets excluding interest income	-	-	(0.24)	(0.11)	0.24	0.11
Contributions paid by the employer	-	-	1.58	1.25	(1.58)	(1.25)
Benefits paid	(1.71)	(1.24)	(1.71)	(1.24)	-	-
Closing balance (refer note 23)	**20.07**	**17.25**	**19.09**	**17.03**	**0.98**	**0.22**

B. Plan assets

Plan assets comprise the following

	31 March 2022	31 March 2021
Investment		
Investment in Government Securities	3%	4%
Bank Special Deposit	1%	2%
Investment in other securities	16%	11%
Corporate Bonds	34%	35%
State Government Bonds	46%	48%
	100%	**100%**

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

(₹ in crores)

C. The components of defined benefit plan expense are as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Recognised in Standalone Statement of Profit and Loss		
Current service cost	1.29	1.39
Interest cost	1.17	1.18
Interest income	(1.18)	(1.21)
Total	**1.28**	**1.36**
Recognised in other comprehensive income		
Remeasurement of net defined benefit liability/(asset)	1.04	(0.77)
Return on Plan Assets, Excluding Interest Income	0.19	0.11
Total	**1.23**	**(0.66)**

D. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31 March 2022	31 March 2021
Discount rate	7.25% - 7.94%	7.65% - 7.94%
Salary escalation rate	5% - 10%	6% - 10%
Rate of Return on Plan Assets	7.25% - 7.94%	7.83% - 7.94%
Attrition Rate	2.00%	2.00%

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."

As at 31 March 2022, the weighted average duration of the define benefit obligation was 10 years (previous year 10 years)

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:

	As at 31 March 2022		As at 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.75)	2.35	(0.75)	2.35
Future salary growth (1% movement)	1.38	(0.68)	1.38	(0.68)
Rate of Employee Turnover (1% movement)	0.27	(0.30)	0.27	(0.30)

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.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

(₹ in crores)

iii. **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
31 March 2022						
Defined benefit obligations (Gratuity)	1.59	1.03	3.74	9.38	4.33	20.07
Total	**1.59**	**1.03**	**3.74**	**9.38**	**4.33**	**20.07**
31 March 2021						
Defined benefit obligations (Gratuity)	2.12	0.61	2.77	7.43	4.32	17.25
Total	**2.12**	**0.61**	**2.77**	**7.43**	**4.32**	**17.25**

II. Provident fund (Managed by the Trust set up by the parent)

The parent has contributed ₹ 6.05 crores (2021-22: ₹ 5.11 crores) to the Provident Fund Trust. The parent 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 parent 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.

Defined benefit plans

The details of fund and plan assets position are given below:

Particulars	31 March 2022	31 March 2021
Plan assets at the period end, at fair value	67.80	61.81
Present value of benefit obligation at period end	67.67	62.00
Capital short-fall liability	-	0.19

Amount of ₹ Nil (previous rear ₹ 0.19 crores) 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 31,2022

Plan assets comprise the following

	31 March 2022	31 March 2021
Investment		
Investment in Government Securities	47%	56%
Bank Special Deposit	1%	1%
Investment in other securities	7%	4%
Corporate Bonds	5%	8%
Debt Securities	40%	31%
	100%	**100%**

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach

Particulars	31 March 2022	31 March 2021
Discount rate (%)	7.25%	6.85%
Guaranteed interest rate (%)	8.10%	8.50%
Expected average remaining working lives of employees (Years)	15	15

Notes to the Consolidated Financial Statements
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(₹ in crores)

(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 ₹ 1.40 crores (previous year ₹ 1.46 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.

43 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 Group'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 31 March 2022, 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 as dividend 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.

	As at 31 March 2022	As at 31 March 2021
Non-current borrowings	363.02	294.37
Current borrowings	268.91	167.33
Gross debt	**631.93**	**461.70**
Less - Cash and cash equivalents (including other bank balances)	122.52	139.17
Adjusted net debt	**509.41**	**322.53**
Total equity attributable to owner's of the Company	1,013.30	951.61
Adjusted net debt to equity ratio	0.50	0.34

44 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.

31 March 2022	Carrying amount			Fair value			
	Mandatorily at FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Non current financial assets							
Non current investments	0.02	-	0.02	0.02	-	-	0.02
Non current financial assets	-	16.78	16.78	-	-	-	-
Current financial assets							
Cash and cash equivalents	-	119.24	119.24	-	-	-	-
Other bank balances	-	3.28	3.28	-	-	-	-
Loans	-	5.47	5.47	-	-	-	-
Other financial assets	0.33	3.71	4.04	-	-	-	-
Trade receivables	-	461.30	461.30	-	-	-	-
	0.35	**609.78**	**610.13**	**0.02**	**-**	**-**	**0.02**

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(₹ in crores)

31 March 2022	Carrying amount			Fair value			
	Mandatorily at FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities							
Non current financial liabilities							
Borrowings	-	363.02	363.02	-	-	-	-
Other financial liabilities	-	18.47	18.47	-	-	-	-
Lease Liabilities	-	47.80	47.80	-	-	-	-
Current financial liabilities							
Borrowings	-	268.91	268.91	-	-	-	-
Trade payables	-	351.98	351.98	-	-	-	-
Other financial liabilities - current	-	22.60	22.60	-	-	-	-
Lease Liabilities	-	18.29	18.29	-	-	-	-
	-	**1,091.07**	**1,091.07**	**-**	**-**	**-**	**-**

31 March 2021	Carrying amount			Fair value			
	Mandatorily at FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Non current financial assets							
Non current investments	*0.00	0.02	0.02	-	-	-	-
Loans	-	7.55	7.55	-	-	-	-
Current financial assets							
Cash and cash equivalents	-	136.53	136.53	-	-	-	-
Other bank balances	-	2.64	2.64	-	-	-	-
Loans	-	5.99	5.99	-	-	-	-
Other financial assets	1.67	3.67	5.34	-	-	-	-
Trade receivables	-	374.50	374.50	-	-	-	-
	1.67	**530.90**	**532.57**	**-**	**-**	**-**	**-**
Financial liabilities							
Non current financial liabilities							
Borrowings	-	294.37	294.37	-	-	-	-
Other financial liabilities	-	1.63	1.63	-	-	-	-
Lease Liabilities	-	37.21	37.21	-	-	-	-
Current financial liabilities							
Borrowings	-	167.33	167.33	-	-	-	-
Trade payables	-	247.31	247.31	-	-	-	-
Other financial liabilities - current		28.11	28.11	-	-	-	-
Lease Liabilities	-	18.78	18.78	-	-	-	-
	-	**794.74**	**794.74**	**-**	**-**	**-**	**-**

*Amount less than ₹ 0.01 crore

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(₹ 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
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

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 Parent'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.

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(₹ in crores)

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 uses an allowance matrix to measure the expected credit loss of trade receivables. Loss rates are based on actual credit loss experience over the past 3 years. Trade receivables are in default (credit impaired), if the payment are more than 730 days past due.

The maximum exposure to credit risk for trade and other receivables was as follows :

	Carrying amount	
	31 March 2022	31 March 2021
India	213.91	229.04
Other regions	247.39	145.46
	461.30	**374.50**
Total other receivables	**26.29**	**18.88**

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2022

Particulas	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivable Considered good	253.81	170.05	43.76	10.21	0.13	0.41	478.37
Undisputed trade receivable Credit Impaired	-	0.25	0.10	0.59	1.54	5.01	7.49
Total (A)	**253.81**	**170.30**	**43.86**	**10.80**	**1.67**	**5.42**	**485.86**
Allowance for expected credit loss							17.07
Allowance for credit impairment							7.49
TOTAL (B)							**24.56**
TOTAL [(A)- (B)]							**461.30**

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2021

Particulas	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivable Considered good	217.25	79.66	42.23	39.73	14.05	1.65	394.57
Undisputed trade receivable Credit Impaired	-	-	0.06	0.09	2.20	4.01	6.36
Total (A)	**217.25**	**79.66**	**42.29**	**39.82**	**16.25**	**5.66**	**400.93**
Allowance for expected credit loss							20.07
Allowance for credit impairment							6.36
TOTAL (B)							**26.43**
TOTAL [(A)- (B)]							**374.50**

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The movement in the allowance for impairment in respect of trade receivables measured at an amount equal to lifetime expected credit losses during the year was as follows.

For trade receivable	Amount
Balance as at 31 March 2021	**26.43**
Addition pursuant to business acquisition	(0.74)
Impairment loss/(gain) recognised	(1.11)
Amount utilised	0.02
Balance as at 31 March 2022	**24.56**

For other receivable	Amount
Balance as at 31 March 2021	**0.18**
Impairment loss/(gain) recognised	0.61
Balance as at 31 March 2022	**0.79**

Cash and cash equivalents

The Group held cash and cash equivalents of ₹ 119.24 crores at 31 March 2022 (31 March 2021: ₹ 136.53 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 ₹ 3.28 crores at 31 March 2022 (31 March 2021: ₹ 2.64 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.

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(₹ in crores)

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.

31 March 2022	Contractual cash flows				
	Carrying amount	Total	Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Non current financial liabilities					
Borrowings	363.02	385.56	67.05	251.29	67.22
Lease liabilities	47.80	49.19	0.84	40.42	7.93
Others	18.47	18.47	-	18.47	-
Current financial liabilities					
Current maturity of Lease liabilities	18.29	26.29	26.29	-	-
Other current financial liabilities	22.60	22.60	22.60	-	-
Trade payables	351.98	351.98	351.98	-	-
Short term borrowings	268.91	283.97	283.97	-	-

31 March 2021	Contractual cash flows				
	Carrying amount	Total	Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Non current financial liabilities					
Borrowings	294.37	294.37	-	294.37	-
Lease liabilities	37.21	37.21	-	37.21	-
Others	1.63	1.63	-	-	1.63
Current financial liabilities					
Current maturity of non current borrowings	6.01	6.01	6.01	-	-
Lease liabilities	18.78	18.78	18.78	-	-
Other current financial liabilities	28.11	28.11	28.11	-	-
Trade payables	247.31	247.31	247.31	-	-
Short term borrowings	167.33	167.33	167.33	-	-

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to non 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.

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.

v 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.

Notes to the Consolidated Financial Statements

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(₹ in crores)

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2022, 31 March 2021 are as below:

	As at 31 March 2022				
	USD	EUR	SGD	CHF	Others*
Financial assets	167.69	18.89	0.28	-	0.08
Financial liabilities	(183.47)	(37.63)	(1.77)	(7.97)	(0.55)
Derivatives (net settled)	(66.85)	-	-	-	-
Net statement of financial position exposure	**(82.63)**	**56.52**	**2.05**	**7.97**	**0.63**

	31 March 2021				
	USD	EUR	SGD	CHF	Others*
Financial assets	142.76	1.28	1.42	-	-
Financial liabilities	(45.24)	(2.91)	(0.32)	(0.38)	(0.23)
Derivatives (net settled)	101.89	-	-	-	-
Net statement of financial position exposure	**(4.37)**	**(1.63)**	**1.10**	**(0.38)**	**(0.23)**

*Others include GBP, THB, AED, HKD and LKR.

a. The forward contracts booked also includes the future purchase transaction exposure.

Hedged foreign currency exposure

	31 March 2022		
	No of contracts outstanding	Foreign currency in million	Indian rupees in crores
Foreign exchange forward contracts (To hedge trade receivables)	36	USD 8.8	66.85

		31 March 2021	
		Foreign currency in million	Indian rupees in crores
Foreign exchange forward contracts (To hedge trade receivables)	39	USD 14.02	101.89

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars and Euros at 31 March 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 INR	Profit or loss and Equity	
	Strengthening	Weakening
31 March 2022		
USD (3% movement)	2.48	(2.48)
EUR (3% movement)	(1.70)	1.70
SGD (3% movement)	(0.06)	0.06
CHF (3% movement)	0.24	(0.24)
	0.96	**(0.96)**

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Effect in INR	Profit or loss and Equity	
	Strengthening	Weakening
31 March 2021		
USD (3% movement)	0.13	(0.13)
EUR (3% movement)	0.05	(0.05)
SGD (3% movement)	(0.03)	0.03
CHF (3% movement)	(0.01)	0.01
	0.14	**(0.14)**

vi. 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. Borrowings issued at fixed & variable rates. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

	Nominal amount	
	31 March 2022	31 March 2021
Fixed-rate instruments		
Financial assets	5.47	15.85
Financial liabilities	76.34	75.77
	81.81	**91.62**
Variable-rate instruments		
Financial liabilities	562.59	385.94
	562.59	**385.94**

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.

Particulars	Profit or loss and Equity	
	100 bp increase	100 bp decrease
31 March 2022		
Variable-rate instruments	(5.63)	5.63
Cash flow sensitivity (net)	**(5.63)**	**5.63**
31 March 2021		
Variable-rate instruments	(3.86)	3.86
Cash flow sensitivity (net)	**(3.86)**	**3.86**

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45 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 venture 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

Reportable segment

Fragrances

Flavours

B. Information about reportable segments

Year ended 31 March 2022	Reportable segments		
Particulars	Fragrance	Flavours	Total Segments
I. Segment revenue			
Total Sales	1,418.96	140.64	1,559.60
Other operating income	4.48	0.11	4.59
Sales/ Income from Operations	**1,423.44**	**140.75**	**1,564.19**
II. Segment Results	**165.27**	**16.72**	**181.99**
III. Specified amounts included in segment results			
Depreciation and amortisation	66.58	5.19	71.77
Share of profit in Joint venture	0.03	-	0.03
IV. Reconciliation of segment result with proft after tax			
Segment Results	165.27	16.72	181.99
Add/ (Less):			
Finance costs			(16.18)
Interest income			0.51
Tax expense			17.16
Other unallocable expenses net of unallocable income			(34.06)
Profit after Tax			**149.42**
V. Segment Assets	2,046.42	155.04	2,201.46
Unallocated			95.59
VI. Segment Liabilities	464.77	47.16	511.93
Unallocated			**691.47**
VII Specified amounts included in segment assets above			
Investment in Joint venture	1.33	-	1.33
Capital Expenditure	2.50	0.00	2.50

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Year ended 31 March 2021	Reportable segments		
Particulars	Fragrance	Flavours	Total Segments
I. Segment revenue			
Total Sales	1,203.31	111.81	1,315.12
Other operating income	5.86	0.97	6.83
Sales/ Income from Operations	**1,209.17**	**112.78**	**1,321.95**
II. Segment Results	196.36	22.48	218.84
III. Specified amounts included in segment results			
Depreciation and amortisation	52.68	8.83	61.51
Share of profit in Joint venture	0.24	-	0.24
IV. Reconciliation of segment result with proft after tax			
Segment Results	196.36	22.48	218.84
Add/ (Less):			
Finance costs			(17.07)
Interest income			1.29
Tax expense			(49.53)
Other unallocable expenses net of unallocable income			(9.56)
Profit after tax			143.97
V. Segment Assets	1,696.51	123.43	1,819.94
Unallocated			79.06
VI. Segment Liabilities	302.41	26.07	328.48
Unallocated			614.93
VII Specified amounts included in segment assets above			
Investment in Joint venture	1.29	-	1.29
Capital Expenditure	18.56	0.00	18.56

C. Geographic information

The Group and its joint ventures has identified its geographical segments as Domestic and Overseas based on location of customers.

Geography	Year ended 31 March 2022	Year ended 31 March 2021
I Revenue		
India	839.57	773.21
Europe	409.03	267.91
Others	315.59	280.83
Total Revenue	**1,564.19**	**1,321.95**
II Non-current Assets *		
India	785.33	570.04
Europe	99.69	118.38
Others	83.34	194.07
Total Non-current Assets	**968.36**	**882.49**

*Non-current assets includes property plant and equipments, Capital work in progress, Right of use asset, Investment property, goodwill, Other intangible asset and Intangible asset under development.

D. Information about major customers

None of the customers as on 31 March 2022 and 31 March 2021 constituted 10% or more of the total revenue of the Group.

Notes to the Consolidated Financial Statements
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46 Related party disclosures

The note provides the information about the Group's structure including the details of the subsidiaries and the parent.

i) List of Related parties

Subsidiaries and Joint ventures

Name of the related party	Relationship	Country of incorporation	Ownership interest 31 March 2022	Ownership interest 31 March 2021
Keva Flavours Private Limited	Subsidiary	India	100%	100%
Keva Fragrances Private Limited	Subsidiary	India	100%	100%
Keva UK Limited	Subsidiary	United Kingdom	100%	100%
Keva Fragrance Industries Pte.Ltd.	Subsidiary	Singapore	100%	100%
Keva Europe B.V	Subsidiary	Netherlands	100%	100%
Keva Ventures Private Limited (wef 29 July 2021)	Subsidiary	India	100%	-
Creative Flavours & Fragrances SpA (Subsidiary of Keva Italy Srl wef 30 November 2021 purusant to rights issue)	Subsidiary of Step Down Subsidiary	Italy	100%	100%
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.)	Step down subsidiary	Indonesia	100%	100%
V N Creative Chemicals Private Limited (Subsidiary of Keva Fragrances Private Limited)	Step down subsidiary	India	100%	100%
Anhui Ruibang Aroma Co Ltd (Subsidiary of Keva Fragrance Industries Pte.Ltd.) (wef 17 November 2020)	Step down subsidiary	China	90%	90%
Keva Italy S.r.l (Subsidiary of Keva Europe B. V.)	Step down subsidiary	Italy	100%	100%
Amikeva Private Limited (Subsidiary of Keva Ventures Private Limited) (wef 23 February 2022)	Step down subsidiary	India	100%	-
Provier Beheer B.V. [(Holding Company of Holland Aromatics B.V.) ; Subsidiary of Keva Europe B.V. wef 25 January 2022)]	Step down subsidiary	Netherlands	62%	-
Nova Fragranze Srl (Subsidiary of Creative Flavours & Fragrance SpA) (wef 07 April 2021)	Step down subsidiary	Italy	70%	-
Nutaste Food And Drink Labs Private Limited (Subsidiary of Keva Flavours Private Limited) (wef 03 January 2022)	Step down subsidiary	India	100%	-
Purandar Fine Chemicals Private Limited (Joint venture of Keva Frangrances Private Limited)	Joint venture	India	50%	50%

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Other related parties

Relationship	Name of the related party
a) Key Managerial Personnel (KMP) and Executive Directors	Kedar R. Vaze, Director & Group Chief Executive Officer
	Shrikant Mate -Group Chief Financial Officer (upto 30 September 2021)
	Rohit Saraogi -Group Chief Financial Officer (from 15 November 2021) Company Secretary and Compliance Officer (from 25 May 2022)
	Deepti Chandratre (Company Secretary) upto 30 April 2022
b) Enterprises owned or controlled by key Managerial personnel or their relatives	Keva Aromatics Private Limited
	Keva Constructions Private Limited
	Keva Properties Private Limited
	Keva Biotech Private Limited
	Keva Investment Partners
	KNP Industries Private. Limited
	KNP Industries Pte. Limited
	Evolutis India Private Limited
	BSG ITSoft Private Limited
	ASN Investment Advisors Private Limited
	Keva Industries Private Limited
	Artisanal Innovations Private Limited
	RVV Nutritious Private Limited
	SKK Industries Private Limited
	Sandu Homes LLP
	Ramesh Vinayak Vaze Family Trust
	Kedar RameshVaze Family Trust
	Vinayak Ganesh Vaze Charities
	KNP Med Solutions Private Limited (wef 20 April 2021)
	KNP Retail Private Limited (wef 19 May 2021)
c) Other entities where significant influence exist :	S.H. Kelkar and Co. Ltd. Employee's Gratuity Fund
i) Post employment-benefit plan entity:	S. H. Kelkar & Co Ltd Employees Provident Fund
ii) Others :	S. H. Kelkar & Co Ltd Employees Superannuation Fund
d) Relatives of Key Managerial Personnel (In reference to point b)	Anagha Sandeep Nene
	Sumedha Kedar Karmarkar
	Nandan Kedar Vaze
	Parth Kedar Vaze
	Milena Rubene
	Angelina Kedar Vaze
e) Non-executive directors	Dalip Sehgal
	Jairaj Purandare (upto 19 February 2022)
	Sangeeta Singh
	Amit Dalmia (upto 17 May 2022)
	Shrikant Oka
	Mark Elliott
	Prabha R Vaze
	Ramesh V Vaze (Chairman)
	Vasant Gujarathi (from 20 February 2022)
	Deepak Raj Bindra (from 15 December 2021)

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A Transactions during the year

Particulars	Transaction values for the year ended	
	31 March 2022	31 March 2021
Key Managerial Personnel		
Remuneration (short-term employment benefits)	5.34	3.75
Post-employment benefits#	0.24	0.31
Commission to executive director		
Kedar R.Vaze	1.16	1.01
Ramesh V Vaze	0.42	1.49
Sitting fees to non-executive directors		
Ramesh V Vaze	0.08	0.08
Prabha R Vaze	0.08	0.08
Shrikant Oka	0.17	0.15
Dalip Sehgal	0.14	0.15
Alpana Parida	-	0.09
Deepak Raj Bindra	0.03	-
Jairaj Purandare	0.16	0.14
Sangeeta Singh	0.16	0.15
Mark Elliott	0.07	0.07
Vasant Gujarathi	0.03	-
Purchase of good and services		
Purander Fine Chemicals Private Limited	2.78	6.15
Keva Aromatics Private Limited	46.98	8.73
Sale of goods		
Purander Fine Chemicals Private Limited	0.28	0.03
Keva Aromatics Private Limited	0.01	9.17
Rent paid		
Keva Constructions Private Limited	5.32	4.81
Contribution during the year		
S.H. Kelkar and Co. Ltd. Employee's Gratuity Fund	1.60	1.25
S. H. Kelkar & Co Ltd Employees Provident Fund	3.85	3.69
S. H. Kelkar & Co Ltd Employees Superannuation Fund	1.77	1.57
Dividend paid		
Ramesh V. Vaze	1.94	2.59
Kedar R. Vaze	1.29	1.73
Prabha R. Vaze	0.37	0.49
Parth K. Vaze	0.10	0.13
Nandan K. Vaze	0.10	0.13
Ramesh Vaze Family Trust	*0.00	*0.00
Sumedha Karmarkar	*0.00	*0.00
Anagha S Nene	0.11	0.15
KNP Industries Pte Ltd	1.14	1.52
Vinayak Ganesh Vaze Charities	0.15	0.20
SKK Industries Private Limited	0.11	0.15
ASN Investment Advisors Private Limited	0.11	0.15
Keva Constructions Private Limited	0.65	1.07
Kedar Ramesh Vaze Family Trust	*0.00	*0.00

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

(₹ in crores)

Particulars	Transaction values for the year ended	
	31 March 2022	31 March 2021
Keva Investment Partners	*0.00	0.00
Commission to non-executive director	2.67	2.99
Reimbursement (for expenses incurred by Company on behalf of related party)		
Keva Constructions Private Limited	0.11	0.09
Fixed assets and intangible assets purchased		
Evolutis India Private Limited	-	0.05
Fixed assets sold		
Purandar Fine Chemicals Private Limited	-	*0.00
Rent Income		
BSG IT Soft Private Limited	0.75	0.53
Interest on loan - income		
BSG IT Soft Private Limited	-	0.04

B Outstanding balances as at the reporting dates

Particulars	Balances outstanding	
	As at 31 March 2022	As at 31 March 2021
Outstanding Balances		
Advance for supplies and services		
Keva Aromatics Private Limited	1.78	6.03
Keva Constructions Private Limited		-
Loans outstanding		
Purandar Fine Chemicals Pvt.Ltd.	-	0.50
Trade receivables		
Purandar Fine Chemicals Pvt.Ltd.	0.48	0.19
Keva Aromatics Private Limited	-	10.92
Trade Payables		
Keva Constructions Private Limited	0.59	-
Keva Aromatics Private Limited	0.94	-
Purandar Fine Chemicals Pvt.Ltd.	0.27	0.63
Other Current Financial Liabilities		
BSG IT Soft Private Limited	-	0.33
S. H. Kelkar & Co Ltd Employees Provident Fund	0.70	0.66
Deposit taken		
BSG IT Soft Private Limited	0.19	0.19

* Amount less than ₹0.01 crore

Excludes provision for encashable leave and gratuity for certain key management personnels as a separate actuarial valuation is not available.

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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

47 Business Combinations

A. Acquisition done during the year -

I. Acquisition of subsdiairy Nova Fragranze S.r.l. ("Nova")

On April 07,2021, Group acquired 70% stake in Nova Fragranze S.r.l. ("Nova"), through its foreign subsidiaries Creative Flavours & Fragrances SpA(CFF) & Keva Italy S.r.l. for a consideration of ₹ 13.46 crore and entered into a Share and Purchase Agreement(SPA) to gain beneficial ownership over balance 30% stake in Nova. Nova is an Italy based Company specialised in the fragrance development and marketing with focus on premium customers in hair care / beauty care segments. The acquisition would enable broadening the group's fragrance business in Italy. The fair value of the net assets and resulting goodwill is determined as per Ind AS 103 Business Combinations.

Pursuant to the acquisition, the revenue of ₹ 23.49 crore and profit after tax of ₹ 2.95 crore have been included in the Consolidated Statement of Profit and Loss, for the period April 01, 2021 to March 31, 2022. Acquisition related cost of ₹ 0.18 crores incurred on legal fees and due diligence grouped in legal and professional fees under other expenses.

II. Acquisition of subsdiairy Holland Aromatics B.V. ("Holland")

On December 14, 2021, S.H.Kelkar and Company Limited through its wholly owned subsidiary Keva Europe B.V., entered into a Share Purchase Agreement(SPA) to acquire a 100% stake in Holland Aromatics B.V. (Holland Aromatics). The acquisition was done by acquiring 62% stake of Provier Beheer B.V., parent of Holland Aromatics domiciled in the Netherlands. As per SPA and subject to customary closing conditions, 62% of the stake to be acquired upon closure of the transaction, and the balance 38% shall be acquired in two tranches of 19% stake each over the next two years. The consideration for the acquisition of 62% stake of Euro 13.02 million was settled on January 25, 2022. The transaction brings on-board a high-potential company with a strong local presence in Europe, especially in the Northern European and German markets. The fair value of the net assets, non-controlling interest and resulting goodwill is determined as per Ind AS 103 Business Combinations.

Purusuant to the acquisition, the revenue of ₹ 17.31 crores and the profit after tax of ₹ 3.34 crores, for the period January 1, 2022 to March 31, 2022 have been included in the Consolidated Statement of Profit and Loss of the group, since the acquisition date. Acquisition related cost of ₹ 0.99 crores incurred on legal fees and due diligence grouped in legal and professional fees under other expenses.

III. Acquisition of subsdiairy NuTaste Food and Drink Labs Private Limited ("Nutaste")

On January 03, 2022, S.H.Kelkar and Company Limited, through its wholly owned subsidiary Keva Flavours Private Limited (KFL) has entered into a Share Purchase Agreement(SPA) to acquire 100% stake in NuTaste Food and Drink Labs Private Limited (NuTaste). As per the SPA, KFL has acquired 100% stake in NuTaste. KFL has settled the consideration of ₹ 13.25 crore on January, 11,2022. The acquisition accelerates the momentum of Group's flavour business.

Pursuant to the acquisition, the revenue of ₹ 12.68 crore and Loss of ₹ 1.94 crore. For the period January 01,2022 to March 31,2022 have been included in the Consolidated Statement of Profit and Loss since the acquisition date. Acquisition related cost of ₹ 0.06 crores incurred on legal fees and due diligence grouped in legal and professional fees under other expenses.

B. Identifiable assets acquired and liabilities assumed

The acquisition of the said subsidiary is accounted for using the acquisition method of accounting. Group performed a purchase price allocation exercise basis fair valuation of assets and liabilities.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

(₹ in crores)

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

Particulars	Nova	Holland	Nutaste
Freehold land	-	19.78	-
Buildings	-	0.65	-
Plant & Machinery	-	-	3.10
Leasehold Improvements	-		0.17
Intangible Assets	0.28	-	-
Financial Assets	0.09	-	-
Non-current receivables	-	-	-
Furniture and fixtures	0.01	-	0.06
Electrical equipment and installations	-	-	0.09
Office equipments	-	-	0.26
Computers	0.01	-	0.07
Motor cars and vehicles	0.26	0.18	0.04
Right of use assets	-	-	12.08
Other Asset	1.82	0.02	-
Inventories	0.05	5.63	6.07
Trade Receivables*	10.05	6.06	7.49
Cash & Bank balances	2.20	21.09	0.49
Loans and advances (current and non-current)	-	-	0.79
Deferred tax assets	-	-	0.47
Non- compete fees (Identified intangible assets)	5.60	8.06	1.96
Formulations (Identified intangible assets)	6.58	42.63	1.62
Customer relationships (identified intangible assets)	12.26	45.21	2.02
Fair value of assets acquired (a)	**39.21**	**149.31**	**36.78**
Long term provision	0.45	-	12.78
Trade & Other payables	4.90	5.01	7.45
Other liabilities	1.76	2.43	1.98
Other accruals	-	1.15	-
Short term provision	0.39	-	-
Fair value of liabilities acquired (b)	**7.50**	**8.59**	**22.21**
Deferred tax on acquisition (c)	**6.12**	**24.14**	**1.41**
Net Identifiable Assets/(Liabilities) acquired (d=a-b-c)	**25.59**	**116.58**	**13.16**

*Fair value of receivables is equal to the gross contractual amounts receivable

C. Goodwill

Particulars	Nova	Holland	Nutaste
Total Purchase Consideration	30.31	125.60	13.25
Fair value of Non controlling interest	-	76.98	-
Total Consideration	30.31	202.58	13.25
Less: Net identifiable assets acquired	25.59	116.58	13.16
Goodwill**	4.72	86.00	0.09

**The above goodwill amount is not tax deductible

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

(₹ in crores)

D. Purchase consideration - Cash Outflow

Particulars	Nova	Holland	Nutaste
Outflow of cash to acquire subsidiary, net of cash acquired			
Total Consideration	30.31	125.60	13.25
Less: Cash and Cash equivalent acquired	2.20	21.09	0.49
Balance payable	28.11	104.51	12.76
Less: Contingent consideration (net of other deposits paid of ₹ 8.87 crores)	7.98	-	-
Net outflow of cash - investing activites	20.13	104.51	12.76

48 Consolidation of Trust

The Parent had 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 Parent which was adopted by the Board on 10 August, 2017 and approved by shareholders of the Company on 01 November, 2017

For the purpose of the Scheme, the Trust will purchase Shares out of funds borrowed from the Parent 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 Parent 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 Parent 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 31 March, 2022 were as follows:

Particulars	31 March 2022	31 March 2021
Sources of Funds		
Corpus	*0.00	*0.00
Reserves and Surplus	(21.27)	(15.44)
Secured Loan		
Loan	75.00	75.00
Total	**53.73**	**59.56**
Application of Funds		
Investments	71.09	72.95
Current Assets, Loans and Advances (A)		
Cash and Cash Equivalents	1.77	0.79
Loans and Advances	0.21	0.10
Less: Current Liabilities and Provisions (B)		
Current Liabilities	19.13	14.27
Provisions	0.21	0.01
Net Current Assets (A- B)	**(17.36)**	**(13.39)**
Total	**53.73**	**59.56**

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

(₹ in crores)

ii Impact on the Group's profit & loss post Trust consolidation for the year 31 March 2022

Particulars	31 March 2022	31 March 2021
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 Parent's equity shares made by Trust is debited to the Parent's Equity as treasury shares amounting to ₹ 71.09 crores as at 31 March, 2022 (previous year 72.95 crores). Further, the Trust during year participated in the Parent's buy-back of equity shares and consequently, sold 60,661 equity shares, aggregating to ₹ 1.87 crores. Accordingly, the adjustment pertaining to participation in buy-back, including the corresponding Profit orloss on the sale of equity shares has been recorded in the Parent's equity.

(b) Other Non Current Financial Assets and other Income

Loans advanced to the Trust have been eliminated on consolidation amounting to ₹ 75.00 crores as at 31 March, 2022 (previous year ₹ 75.00 crores) and interest income of ₹ 5.25 crores (previous year 5.25 crores) on the above loan is also eliminated.

(c) Other Current Financial Assets

Interest on loans receivable from Trust eliminated on consolidation amounting to ₹ 18.59 Crores as at 31 March, 2022 (previous year 13.87 crores).

(d) Details of STARs scheme

Particulars	31 March 2022	31 March 2021
Number of grant outstanding at the beginning of the year	1,012,000	2,130,026
Add : granted during the year	-	1,176,403
Less: lapsed during the year	1,012,000	2,294,429
Less: vested during the year	-	-
Less: exercised during the year	-	-
Number of grants at the end of the year	-	1,012,000
Expense recognised from above share base payment transactions	-	-
Carrying amount of liability	-	-

(e) The fair value of the STAR'S was determine using the black-scholes model using the following inputs at the grant date and as at each reporting date

Particulars	31 March 2022	31 March 2021
Share price as at measurement date (₹ per share)	143.55	111.45
Expected volatility (%)	37.87%	36.89%
Dividend yield (%)	1.22%	0.90%
Risk-free interest rate (%)	4.62%	3.93%

(f) No employee benefit expense recognised in current and previous year from the above stock appreciation rights.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

(₹ in crores)

49 Exceptional items

a) Factory operations at Mahad Industrial Area, Maharashtra, of the Group pertaining to one of the subsidiary, V N Creative Chemicals Private Limited (VNCC), were suspended temporarily due to unprecedented rains in Mahad, Raigad district of Maharashtra and was shut down for the period from July 22, 2021, to August 25, 2021. After carrying out necessary repairs, the operations of VNCC resumed on August 26,2021 and the loss resulting from flood, a peril insured against, pertaining to loss /damage of certain inventory and machinery aggregating to ₹ 6.12 crore has been charged as an exceptional item to the Consolidated Statement of Profit and Loss for the year March 31, 2022. VNCC has filed a claim against the said losses, which is under evaluation by the insurance company. Further to this, VNCC is in the process of filing business interruption claim with the insurance company.

b) The manufacturing activities at PFW Aroma Ingredients B.V. have been significantly scaled down in the previous year. The Group has shut down the plant and retrenched the work force and is in advanced discussions for monetising the plant infrastructure, which is reclassified as "assets held for sale". Pursuant to plant shutdown, the Company had obtained fair value of the plant from an Independent valuer. Accordingly, a provision for impairment of land, building and plant and machinery (movement detailed below), write down of other current assets, payment towards employee severance cost and plant shutdown cost aggregating ₹ 36.46 crores had been recorded as an exceptional expenses in previous year. During the year, group has disposed off assets belonging to PFW's (PFW Aroma Ingredients B.V.) which were classifed as assets held for sale amounting to ₹ 25.20 crores, resulting in loss of ₹ 5.84 crores. The same is accounted under Exceptional Item.

c) The remeasurement of fair value of the Group's existing 51% interest in CFF resulted in gain of ₹ 12.50 crores, which has been recognised in exceptional income

50 There are no proceedings initiated or pending against any Indian subsidiary for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

51 There are no transactions during the year, by the any of the Indian subsidiary with struck off Companies.

52 The Parent and its subsidiaries have complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

53 The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

54 Utilisation of borrowed funds and share premium :

1. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

   a. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

   b. Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

2. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

   a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

   b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

(₹ in crores)

55 There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

56 The Company has not traded or invested in crypto currency or virtual currency during the year.

57 The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

58 Previous year figures have been regrouped wherever consider necessary.

As per our report of even date attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-10018

Mehul Parekh
Partner
Membership No: 121513

Mumbai
25 May 2022

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

Ramesh Vaze
Director & Chairman
DIN: 00509751

Kedar Vaze
Director & Group Chief Executive Officer
DIN: 00511325

Prabha Vaze
Director
DIN: 00509817

Rohit Saraogi
Group Chief Financial Officer and Company Secretary
Membership no: A24225

Mumbai
25 May 2022

INDEPENDENT AUDITOR'S 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 accompanying standalone financial statements of S H Kelkar and Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (ICAI) 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone 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 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment assessment of investments in three subsidiaries (refer note 2.4 (e) and note 8 to the standalone financial statements)

The Company accounts for equity investments in subsidiaries at cost less impairment loss. The Company's assessment of impairment of investments in subsidiaries namely, Keva Europe BV, Keva UK Limited and Creative Flavours & Fragrances SpA (CFF) amounting to Rs. 232.08 crores involves significant management estimates and judgements relating to forecast of future revenues, operating margins and discount rates while determining the corresponding recoverable values using discounted cash flow method.

Considering the judgement required for estimating the cash flows and the complexity of the assumptions used, this has been considered as a key audit matter.

Principal audit procedures:

- Tested the design, implementation and operating effectiveness of key controls over impairment assessment of investments in subsidiaries.
- Evaluated the reasonableness of key assumptions and inputs in the cash flow forecasts (including revenue, operating margin, discount rate) considering the current economic scenario, understanding of the business, retrospective review of prior year's forecast against actual results and inputs from internal valuation specialists.
- Assessed the sensitivity of the outcome of impairment assessment in response to changes in the said key assumptions.
- Evaluated adequacy of the related disclosures in the standalone financial statements

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, Report on Corporate Governance, Business Responsibility Report but does not include the consolidated financial statements, standalone financial statements and our auditor's reports 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 during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 Board of Directors is 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 financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statement 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 is 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility 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 financial 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 system 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 the 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 auditor's 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

The comparative standalone financial statement of the Company for the year ended March 31, 2021 were audited, by the predecessor auditor. The reports of the predecessor auditor on this comparative financial statement for the year ended March 31, 2021, dated May 27, 2021 expressed unmodified opinion.

Our opinion on the standalone financial statement is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone 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 as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 on its financial position in its 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

iv. (a) The Management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 18 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Mehul Parekh
(Partner)
(Membership No. 121513)
UDIN: 22121513AJOUPD2241:

Place: Mumbai
Date: May 25, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of S H Kelkar and Company Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting 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 controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgement, 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting 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.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Mehul Parekh
(Partner)
(Membership No. 121513)
UDIN: 22121513AJOUPD2241:

Place: Mumbai
Date: May 25, 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that -

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress, investment properties and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets, intangible assets under development.

(i) (b) The Company has a program of verification of property, plant and equipment, capital work-in-progress, investment properties and right-of-use assets so to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(i) (c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in (property, plant and equipment and investment property), according to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

Description of Property	Gross Carrying Value Rs. In crore (As at the Balance sheet date)	Carrying Value in the Financial Statement Rs. In crore (As at the Balance sheet date)	Held in the name of	Whether promoter, director or their relative or employee	Period Held	Reason for not being held in the name of Company
Building located at Mulund, Mumbai admeasuring 7,647 sft	15.67	13.04	Saiba Industries Private Limited (erstwhile company that was merged with the company under the Companies Act in terms of the approval of the NCLT)	No	From 01/04/2019, appointed date as per the approved scheme	The Title deeds pending to be transferred in the name of the Company with registrar.
Building located at Mulund, Mumbai admeasuring 703.56 sft	1.75	1.48	Rasiklal Hemani Agencies Private Limited (erstwhile company that was merged with the company under the Companies Act in terms of the approval of the NCLT)	No	From 01/04/2019, appointed date as per the approved scheme	The Title deeds pending to be transferred in the name of the Company with registrar.
	17.42	14.52				

(i) (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(i) (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories except for goods-in-transit, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. In respect of goods in transit, the goods have been received subsequent to the year-end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with the books of account.

(ii) (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of inventories, book debts and other receivables. In our opinion and according to the information and explanations given to us, the statements comprising (stock statements, book debt statements, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information) filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters.

(iii) The Company has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, or any other parties during the year and hence subclause (c), (d), (e), (f) under clause (iii) of the Order are not applicable. The Company has made investments in and provided guarantees in respect of which we report as below:

(iii) (a) The Company has stood guarantee during the year and details of which are given below:

	Guarantees (Rs. In crore)
A. Aggregate amount granted / provided during the year:	
- Subsidiaries	99.22
B. Balance outstanding as at balance sheet date in respect of above cases	
- Subsidiaries	550.99

(iii) (b) The investments made and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees, and securities provided, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In respect of statutory dues:

Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022, for a period of more than six months from the date they became payable.

(vii) (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022, on account of disputes are given below:

Name of the Statute	Nature of the Dues	Demand Amount (Rs. In crore)	Amount deposited on account of demand (Rs. In crore)	Period to which the Amount Relates	Forum where Dispute is Pending
Income tax Act, 1961	Income- Tax	0.75	0.75	F.Y 2007-08 F.Y 2008-09	Income-tax Appellate Tribunal
Income tax Act, 1961	Income- Tax	70.09	13.63	F.Y 2008-09 F.Y 2009-10 F.Y 2012-13 F.Y 2014-15 F.Y 2016-17 F.Y 2017-18	The Commissioner of Income-tax (Appeals)
Income tax Act, 1961	Income- Tax	3.51	0.79	F.Y 2008-09 F.Y 2011-12	High Court, Mumbai
Central Excise Act, 1944	Service tax	11.33	2.88	F.Y 2008-09 to 2012-13	CESTAT
Central Excise Act, 1944	Custom Duty	0.07	-	F.Y 2008-09 to F.Y 2011-12	Additional Commissioner of Customs, Appraising Gr.2 (A-F), JNCH
Central Excise Act, 1944	Custom Duty	0.05	-	F.Y 2011-12	Deputy Commissioner of Customs, GR-II (A-B), NS-V, JNCH
Maharashtra Value Added Tax Act, 2002	Sales Tax	0.37	-	F.Y 1989-1994	High Court
Maharashtra Value Added Tax Act, 2002	Sales Tax	0.05	0.02	F.Y 2010-2011	Sales Tax tribunal (Appeals)

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) Loans amounting to Rs. 21.10 crore outstanding as at 31 March 2022 are repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. According to the information and explanations given to us, such loans and interest thereon have not been demanded for repayment during the financial year. Considering the above, in our opinion, the Company has not defaulted in the repayment of loans or other borrowings, or in the payment of interest thereon to any lender during the year.

In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(ix) (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix) (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(ix) (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(ix) (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(ix) (f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(x) (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(xi) (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(xi) (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year (and upto the date of this report).

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(xiv) (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 2022.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of it's holding company, subsidiary company, associate company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable. The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company by way of casual vacancy during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

(xx) (b) The Company does not have any ongoing projects as at the end of the current or previous financial year. Hence, reporting under this clause is not applicable for the year.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Mehul Parekh
(Partner)
(Membership No. 121513)
UDIN: 22121513AJOUPD2241

Place: Mumbai
Date: May 25, 2022

Standalone Balance Sheet

as at 31 March 2022

(₹ in crores)

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4A	123.43	120.57
Capital work in progress	4B	-	1.32
Right of use asset	5A	23.85	14.68
Investment property	6	12.43	12.90
Goodwill	7	9.59	9.59
Other intangible assets	8A	54.80	64.45
Intangible assets under development	8B	2.60	15.40
Financial assets			
Investment in subsidiaries	9A	321.59	320.59
Other investments	9B	-	-
Other financial assets	10	1.88	2.11
Current tax assets (net)	35	19.63	18.62
Other non-current assets	11	1.34	2.60
Total non-current assets		**571.14**	**582.83**
Current assets			
Inventories	12	257.96	175.10
Financial assets			
- Trade receivables	13	162.27	199.53
- Cash and cash equivalents	14	9.91	30.59
- Other bank balances	15	1.79	0.80
- Loans	16	2.87	16.93
- Other financial assets	10	5.00	10.68
Other current assets	11	7.42	14.55
Total current assets		**447.22**	**448.18**
TOTAL ASSETS		**1,018.36**	**1,031.01**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	138.42	141.32
Other equity	18	462.86	493.65
Total equity		**601.28**	**634.97**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease Liabilities	19	19.41	11.38
Other financial liabilities	21	1.30	1.52
Deferred tax liability (net)	36	11.08	13.05
Total non-current liabilities		**31.79**	**25.95**
Current liabilities			
Financial liabilities			
- Short-term Borrowings	20	21.10	50.00
- Lease Liabilities	19	6.39	5.18
Trade payables	23		
- total outstanding dues of micro enterprises and small enterprises		5.46	6.50
- total outstanding dues of creditors other than micro enterprises and small enterprises		320.46	265.09
- Other financial liabilities	24	12.32	21.30
Other current liabilities	25	7.27	12.62
Provisions	22	7.48	7.55
Current tax liabilities (net)	35	4.81	1.85
Total current liabilities		**385.29**	**370.09**
Total liabilities		**417.08**	**396.04**
TOTAL EQUITY AND LIABILITIES		**1,018.36**	**1,031.01**
Significant accounting policies	1-3		
The notes referred to above and other notes form an integral part of the standalone financial statements.	4-56		

As per our report of even date attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-10018

Mehul Parekh
Partner
Membership No: 121513

Mumbai
25 May 2022

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

Ramesh Vaze
Director & Chairman
DIN: 00509751

Kedar Vaze
Director & Group Chief Executive Officer
DIN: 00511325

Prabha Vaze
Director
DIN: 00509817

Rohit Saraogi
Group Chief Financial Officer and Company Secretary
Membership no: A24225

Mumbai
25 May 2022

Standalone Statement of Profit and Loss

for the year ended 31 March 2022

(₹ in crores)

	Note	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Revenue from operations	26	806.89	761.01
Other income	27	12.69	34.43
Total income		**819.58**	**795.44**
Expenses			
Cost of materials consumed	28	543.06	466.39
Changes in inventories of finished goods and work-in-progress	29	(18.97)	15.47
Employee benefits expense	30	84.24	73.02
Finance costs	31	3.91	6.28
Depreciation and amortisation expense	32	27.68	27.63
Other expenses	33	113.56	106.88
Total expenses		**753.48**	**695.67**
Profit before tax		66.10	99.77
Tax expense:	35		
Current tax		19.09	19.49
Prior year tax		6.35	0.06
Deferred tax charge		(1.83)	0.51
Profit for the year		**42.49**	**79.71**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements gain/ (losses) on defined benefit obligations (net)		(0.52)	0.44
Income tax (expenses) / credit related to items that will not be reclassified to profit or loss		0.13	(0.11)
Other comprehensive income for the year		**(0.39)**	**0.33**
Total Comprehensive Income for the year		**42.10**	**80.04**
Earnings per equity share (Face value of ₹ 10 each, fully paid-up)	34		
Basic earnings per share (₹)		3.09	5.78
Diluted earnings per share (₹)		3.09	5.78
Significant accounting policies	1-3		
The notes referred to above and other notes form an integral part of the standalone financial statements.	4-56		

As per our report of even date attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-10018

Mehul Parekh
Partner
Membership No: 121513

Mumbai
25 May 2022

Ramesh Vaze
Director & Chairman
DIN: 00509751

Prabha Vaze
Director
DIN: 00509817

Mumbai
25 May 2022

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

Kedar Vaze
Director & Group Chief Executive Officer
DIN: 00511325

Rohit Saraogi
Group Chief Financial Officer and Company Secretary
Membership no: A24225

Standalone Statement of Changes in Equity

for the year ended 31 March 2022

(₹ in crores)

(a) Equity share capital

	As at 31 March 2022	As at 31 March 2021
Opening balance	141.32	141.32
Changes in equity share capital during the year (refer note 17)	(2.90)	-
Closing balance	**138.42**	**141.32**

(b) Other equity

(₹ in crores)

	Attributable to equity holders of the Company							
	Reserves and Surplus							
	Securities Premium	Capital Redemption Reserve	General Reserve	Retained earnings	STARs reserve	Other reserves	Treasury shares	Total Equity
Balance as at 01 April, 2021	**138.42**	**3.30**	**52.46**	**363.58**	**0.08**	**8.76**	**(72.95)**	**493.65**
Total Comprehensive Income for the year ended 31 March 2022								
Profit for the year	-	-	-	42.49	-	-	-	42.49
Remeasurements gain/ (losses) on defined benefit obligations (net)	-	-	-	(0.39)	-	-	-	(0.39)
Total Comprehensive Income for the year	-	-	-	42.10	-	-	-	42.10
Contributions and distributions								
Dividends	-	-	-	(10.60)	0.25	-	-	(10.35)
Others								
Shares extinguished on buy-back (refer note 17)	(58.00)	-	-	-	-	-	-	(58.00)
Adjustment pursuant to buy back of equity shares (refer note 17)	-	2.90	(2.90)	-	-	-	1.86	1.86
Expense pursuant to buyback of equity shares and tax thereon	-	-	-	(5.80)	-	-	-	(5.80)
Loss on participation in buy-back by the Trust	-	-	-	-	(0.60)	-	-	(0.60)
Balance at 31 March, 2022	**80.42**	**6.20**	**49.56**	**389.28**	**(0.27)**	**8.76**	**(71.09)**	**462.86**
Balance as at 01 April, 2020	138.42	3.30	52.46	297.67	(0.25)	8.76	(72.95)	427.41
Total Comprehensive Income for the year ended 31 March 2021								
Profit for the year	-	-	-	79.71	-	-	-	79.71
Remeasurements gain/ (losses) on defined benefit obligations (net)	-	-	-	0.33	-	-	-	0.33
Total Comprehensive Income for the year	-	-	-	80.04	-	-	-	80.04
Contributions and distributions								
Dividends	-	-	-	(14.13)	0.33	-	-	(13.80)
Balance at 31 March 2021	**138.42**	**3.30**	**52.46**	**363.58**	**0.08**	**8.76**	**(72.95)**	**493.65**

Significant accounting policies 1-3

The notes referred to above and other notes form an integral part of the standalone financial statements. 4-56

As per our report of even date attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-10018

Mehul Parekh
Partner
Membership No: 121513

Mumbai
25 May 2022

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

Ramesh Vaze
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Director & Group Chief Executive Officer
DIN: 00511325

Prabha Vaze
Director
DIN: 00509817

Rohit Saraogi
Group Chief Financial Officer and Company Secretary
Membership no: A24225

Mumbai
25 May 2022

Standalone Statement of Cash Flow

for the year ended 31 March 2022

(₹ in crores)

		Year ended 31 March 2022	Year ended 31 March 2021
A.	**Cash flow from operating activities**		
	Profit before tax	66.10	99.77
	Adjustments for		
	Depreciation and amortisation	27.68	27.63
	Net (gain)/loss on sale of property, plant and equipment	(0.05)	0.28
	Intangible asset under development written off	12.15	11.21
	Gain on sale of investment	(0.05)	-
	Unrealised exchange fluctuation loss / (gain) (net)	0.72	(5.28)
	Dividend income	(0.95)	(20.08)
	Rent income	(0.84)	(0.61)
	Inventory write down	0.51	0.96
	Interest income	(0.45)	(1.43)
	Reversal of loss allowances on trade receivables	(1.90)	(1.51)
	Bad debts written off	0.01	*0.00
	Other liabilities written back	(1.23)	(3.98)
	Finance costs	3.88	6.28
	Interest on delayed payment of Income tax	0.03	-
	Operating profit before working capital changes	**105.61**	**113.24**
	Working capital adjustments		
	Decrease / (Increase) in trade receivables	39.16	(51.95)
	Decrease / (Increase) in loans and advances and other assets	9.35	(4.43)
	(Increase) / decrease in inventories	(83.37)	0.71
	Increase in trade and other payables, provisions	40.08	38.04
	Net change in working capital	**5.22**	**(17.63)**
	Cash flows generated from operating activities before taxes	**110.83**	**95.61**
	Net direct taxes (paid)	**(23.52)**	**(11.16)**
	Net cash flows generated from operating activities (A)	**87.31**	**84.45**
B.	**Cash flows from investing activities**		
	Purchase of property, plant and equipment, investment property and intangibles (including cwip and intangible under development)	(12.13)	(21.94)
	Investment in equity shares of subsidiaries	(1.00)	(67.58)
	Loan recovered from subsidiary	14.00	-
	Proceeds from sale of property, plant and equipment (net of related expenditure)	0.14	6.16
	Proceeds from sale of mutual funds	41.65	-
	Investment in mutual funds	(41.60)	-
	Rent income received	0.84	0.61
	(Increase) / decrease in deposits and other bank balance	(0.85)	0.38
	Dividend received	5.20	15.02
	Interest received	1.05	2.10
	Net cash flows generated / (used in) investing activities (B)	**7.30**	**(65.25)**
C.	**Cash flows from financing activities**		
	Proceeds from short term borrowing (including from a related party)	17.00	106.63
	Repayment of short term borrowing (including to a related party)	(45.90)	(106.63)
	Repayment of lease obligations	(6.50)	(5.69)
	(Purchase)/Sale of Investment by Employee Benefit Trust	1.27	-
	Dividend paid, including tax thereon	(10.60)	(14.13)
	Dividend received on treasury shares	0.25	0.33
	Buy back of equity share	(2.90)	-
	Premium paid on buy back of equity share	(58.00)	-
	Expenses pursuant to buy back of equity shares	(5.80)	-
	Finance cost paid	(4.11)	(4.35)
	Net cash flows (used in) from financing activities (C)	**(115.29)**	**(23.84)**
	Net Decrease in cash and cash equivalents (A + B + C)	**(20.68)**	**(4.64)**

Standalone Statement of Cash Flow

for the year ended March 31, 2022

(₹ in crores)

	Year ended 31 March 2022	Year ended 31 March 2021
Reconciliation of cash and cash equivalents with the balance sheet		
Cash and cash equivalents at the beginning of the year	30.59	35.23
Cash and cash equivalents at the end of the year (refer note 14)	9.91	30.59
	20.68	**4.64**
Notes:		
1. Debt reconciliation statement in accordance with Ind AS 7		
Opening balances		
Lease Liabilities	16.56	26.28
Short-term borrowing	50.00	50.00
Interest payment	2.57	0.64
Cashflows		
Lease Liabilities	(6.50)	(5.69)
Short-term borrowing	(28.90)	-
Interest payment	(4.11)	(4.35)
Closing balances		
Lease Liabilities	25.80	16.56
Short-term borrowing	21.10	50.00
Interest payment	2.37	2.57

*Amount less than ₹ 0.01 crores

2. The above standalone statement of cash flows has been prepared under the 'indirect method' as set out in the Indian Accounting Standard (IND AS) 7 - "Statement of cash flows".
3. 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. 4-56

As per our report of even date attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-10018

Mehul Parekh
Partner
Membership No: 121513

Mumbai
25 May 2022

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

Ramesh Vaze
Director & Chairman
DIN: 00509751

Kedar Vaze
Director & Group Chief Executive Officer
DIN: 00511325

Prabha Vaze
Director
DIN: 00509817

Rohit Saraogi
Group Chief Financial Officer and Company Secretary
Membership no: A24225

Mumbai
25 May 2022

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

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 and aroma ingredients.

2 Basis of preparation of financial statements

2.1 Statement of compliance

These financial statements are the separate financial statements of the Company (also called as standalone financial statements), have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 ("the Act").

The standalone financial statements for the year ended 31 March 2022 have been proposed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on 25 May 2022.

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

These standalone financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting, 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.

The accounting policies have been applied consistently over all the periods presented in these standalone financial statements.

2.4 Use of estimates and judgements

The preparation of the standalone financial statements requires the management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses, and the accompanying disclosures, and the disclosure of contingent liabilites. Uncertainty about these assumptions and estimates could result in the outcome that requires a material adjustment to the carrying amount of assets or liabilities effected in future period.

The key assumptions concerning the future and key sources of estimation uncertainty at the reporting date, that have a significant risk of resulting in a material adjustment to the carrying amounts of the assets and liabilities within the next financial year, are as follows:

a. 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/investments correspond to the probable maturity of the post-employment benefit obligations.The same is disclosed in note no 37.

b. Loss allowances on trade and other receivables

The Company makes loss allowances based on an assessment of the recoverability of trade and other receivables. The identification of loss allowance 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 loss allowance expenses in the period in which such original estimate has been changed.

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

c. Fair value measurement of financial instruments

All financial instruments are required to be measured at fair value on initial recognition. In case of financial instruments which are required to subsequently measured at amortised cost, interest is accrued using the effective interest method. Refer accounting policy on financial instrument.

d. 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.

e. 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 it carrying amount, the impairment loss is accounted for.

f. Determining whether an arrangement contains a lease

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

g. Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions (refer note no 35)

h. 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 liabilities 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.

i. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

j. 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 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.

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.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

- 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

Any asset or liability is classified as current if it satisfies any of the following conditions:

i. the asset/liability is expected to be realized/ settled in the Company's normal operating cycle;

ii. the asset is intended for sale or consumption;

iii. the asset/liability is held primarily for the purpose of trading;

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

iv. the asset/liability is expected to be realized/ settled within twelve months after the reporting period;

v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

vi. in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

3 Significant accounting policies

3.1 Revenue

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

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.

a Sale of products

Revenue from sale of products is recognised when the control of promised goods have been transferred to the customers at an amount that reflects the consideration which the Company expects to receive in exchange for those goods. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Advance from customers is recognized under other liabilities and released to revenue on satisfaction of performance obligation.

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 initial recognition:

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

Measurement of foreign currency items at reporting date:

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing 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.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

3.3 Employee benefits

Short-term employee benefits

Short-term employee benefits obligations payable wholly within twelve months of rendering the service are measured on an undiscounted basis and are recognized in the period in which the employee renders the related service. These benefits include bonus and other employee benefits.

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.

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.

If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

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

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

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 Statement of 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 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 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.

The Company presents the above liability/(asset) as current and non-current in the balance sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

Other long-term employee benefits

Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date. Expenses related to other long term employee benefits are recognized in the Statement of Profit and loss (including actuarial gain and loss)

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 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 that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities. Current tax also includes any tax arising from dividends.

Current tax assets and current 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 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.

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.

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.

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.

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

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. Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Other Non-Current Assets.

iv. 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.

The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.

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. 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	15-20 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.

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

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(iv) 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

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,which include technical 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.

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	non-compete period
- Patent and trademarks	5 Years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

3.11 Financial Instruments

a. Financial assets

i. **Recognition and initial measurement**

Trade receivables 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.

A financial asset is initially measured at fair value plus, for an item not at fair value through profit and loss(FVPTL), transaction cost that are directly attributable to its acquisition or issue.

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 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.

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 standalone Statement of Profit or Loss.

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in the standalone Statement of Profit or Loss. Any gain or loss on derecognition is recognised in the standalone 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 Statement of Profit or Loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in Statement of 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 in which 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."

On Derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

v. **Impairment of financial assets:**

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

i. Trade receivables and lease receivables

ii. Financial assets measured at amortized cost (other than trade receivables and lease receivables)

iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables and lease receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e.,

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased, and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

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 minus, for an item not at fair value through profit and loss(FVTPL), transaction cost that are directly attributable to its acquisition or issue.

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 standalone 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.

iii. Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

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 statement of profit and loss account.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

d. Investment in subsidiaries

The Company accounts for the investments in equity shares of subsidiaries at cost in accordance with Ind AS 27- Separate Financial Statements.

3.12 Provisions and contingencies

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 embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

3.13 Leases

i Company as Lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Company has the right to direct the use of the asset.

The Company recognises right-of-use asset ('ROU') representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and Statement of Profit and Loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in Statement of Profit and Loss.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Company is reasonable certain to exercise. Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line ""other expenses"" in the Statement of Profit or Loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

ii Company as Lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not then it is an operating lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

3.14 Impairment of non-financial assets and Goodwill

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. Intangible assets under development is tested annually for impairment. 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 the amount was previously charged to the standalone statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

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 recognised. 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.

Notes to the Standalone Financial Statements
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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 Company's cash generating units (CGUs) that are expected to benefit from the combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of Company's 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 Company.

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 Company recognizes 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 recognised in the standalone 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.

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 10 August, 2017 and approved by shareholders of the Company on 01 November, 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.

3.20 Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022,

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

i. Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.

ii. Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

iii. Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

iv. Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

v. Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

The Company is assessing the impact of these changes and will accordingly incorporate the same in the financial statements for the year ending March 2023.

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

4A Property, plant and equipment

(₹ in crores)

Block of asset	Gross Block				Accumulated Depreciation				Net Block	
	As at 1 April 2021	Additions during the year	Disposals / Reclassification during the year	As at 31 March 2022	As at 1 April 2021	Charge for the year	Disposals / Reclassification during the year	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Freehold land	13.92	-	-	13.92	-	-	-	-	13.92	13.92
Buildings	90.48	0.30	-	90.78	18.95	3.04	-	21.99	68.79	71.53
Leasehold improvements	6.38	1.26	0.14	7.78	4.38	0.85	0.14	5.37	2.41	2.00
Research and development - equipments	11.08	6.08	(0.01)	17.15	5.41	1.15	-	6.56	10.59	5.67
Furniture and fixtures	8.13	0.73	(0.04)	8.82	3.65	0.64	(0.03)	4.26	4.56	4.48
Computers	2.26	1.13	-	3.39	1.72	0.26	-	1.98	1.41	0.54
Office equipment	3.44	0.54	(0.08)	3.90	2.09	0.51	(0.08)	2.52	1.38	1.35
Plant and machinery	28.09	0.79	0.47	29.35	9.69	1.82	0.53	12.04	17.31	18.40
Electrical equipment and installations	4.40	0.21	(0.01)	4.60	2.37	0.26	(0.01)	2.62	1.98	2.03
Motor cars and vehicles	1.44	0.64	0.08	2.16	0.79	0.20	0.09	1.08	1.08	0.65
	169.62	**11.68**	**0.55**	**181.85**	**49.05**	**8.73**	**0.64**	**58.42**	**123.43**	**120.57**

Property, plant and equipment (previous year)

(₹ in crores)

Block of asset	Gross Block				Accumulated Depreciation				Net Block	
	As at 1 April 2020	Additions during the year	Disposals during the year	As at 31 March 2021	As at 1 April 2020	Charge for the year	Disposals during the year	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Freehold land	13.92	-	-	13.92	-	-	-	-	13.92	13.92
Buildings	91.79	0.42	(1.73)	90.48	16.10	3.10	(0.25)	18.95	71.53	75.69
Leasehold improvements	11.60	-	(5.22)	6.38	4.87	1.22	(1.71)	4.38	2.00	6.73
Research and development - equipments	11.61	0.11	(0.64)	11.08	4.61	0.96	(0.16)	5.41	5.67	7.00
Furniture and fixtures	8.61	0.49	(0.97)	8.13	3.24	0.66	(0.25)	3.65	4.48	5.37
Computers	2.18	0.31	(0.23)	2.26	1.72	0.20	(0.20)	1.72	0.54	0.46
Office equipment	3.36	0.44	(0.36)	3.44	1.77	0.51	(0.19)	2.09	1.35	1.59
Plant and machinery	28.04	0.14	(0.09)	28.09	7.97	1.79	(0.07)	9.69	18.40	20.07
Electrical equipment and installations	4.26	0.14	-	4.40	2.06	0.31	-	2.37	2.03	2.20
Motor cars and vehicles	1.19	0.25	-	1.44	0.64	0.15	-	0.79	0.65	0.55
	176.56	**2.30**	**(9.24)**	**169.62**	**42.98**	**8.90**	**(2.83)**	**49.05**	**120.57**	**133.58**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

(₹ in crores)

1 The Company has adopted Ind AS 116 effective 01 April 2019. Consequently, the motor cars acquired under finance lease agreements has been reclassified from 'Property, Plant & Equipment' to 'Right of Use assets'.

2. As at 31 March 2022, property, plant and equipment have been hypothecated against corporate guarantee issued by the Company towards loan availed by its subsidiary Keva Europe B. V.

3. Title deeds of all immovable property are in the name of the Company except for few title deeds of certain building are in the process of perfection of title. Details of such buildings for current year as well as previous year are as follows:

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, Director or relative/ employee of promoter/ director	Property held	Reason for not being held in the name of the Company
Building	15.67	Saiba Industries Private Limited (erstwhile company that was merged with the company under the Companies Act in terms of the approval of the NCLT)	No	From 01/04/2019, appointed date as per the approved scheme	The Title deeds pending to be transferred in the name of the Company with registrar.
Building	1.75	Rasiklal Hemani Agencies Private Limited (erstwhile company that was merged with the company under the Companies Act in terms of the approval of the NCLT)	No	From 01/04/2019, appointed date as per the approved scheme	The Title deeds pending to be transferred in the name of the Company with registrar.
	17.42				

4B Capital Work-in-progress

(₹ in crores)

	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	1.32	0.65
Addition during the year	-	0.77
Capitalised during the year	(1.32)	(0.10)
Closing balance	**-**	**1.32**

4C Capital work-in-progress ageing schedule as on 31 March 2021

Particulas	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	0.23	0.98	-	0.10	1.32
	0.23	**0.98**	**-**	**0.10**	**1.32**

Note :

There are no projects as of 31 March 2022 and 31 March 2021, capital work-in-progress whose completion is overdue or has exceeded its cost compared to original plan.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

(₹ in crores)

5A Leases

The Company's leasing arrangements are in respect of buildings. These leasing arrangements are renewable on a periodic basis by mutual consent on mutually acceptable terms.

Right-of-use assets

(₹ in crores)

	Total
Cost	
As at 1 April 2021	26.70
Additions	15.74
Disposals	-
Balance at 31 March 2022	**42.44**
Accumulated depreciation and impairment	
As at 1 April 2021	12.02
Amortisation	6.57
Eliminated on disposals of assets	-
Balance at 31 March 2022	**18.59**
Carrying amounts	
As at 1 April 2021	14.68
Balance at 31 March 2022	23.85

(₹ in crores)

	Total
Cost	
As at 1 April 2020 (on transition to IND AS 116 (Restated)	29.27
Additions	4.71
Disposals	7.28
Balance at 31 March 2021	**26.70**
Accumulated depreciation and impairment	
As at 1 April 2020 (on transition to IND AS 116) (Restated)	6.80
Amortisation	6.20
Eliminated on disposals of assets	0.98
Balance at 31 March 2021	**12.02**
Carrying amounts	
As at 1 April 2020 (Restated)	22.47
Balance at 31 March 2021	14.68

Breakdown of lease expenses

(₹ in crores)

	Year ended 31 March 2022	Year ended 31 March 2021
Short-term lease expense	1.12	0.77
Interest on lease liability	1.43	1.46
Total lease expense	**2.55**	**2.23**

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

(₹ in crores)

Cash outflow on leases

	Year ended 31 March 2022	Year ended 31 March 2021
Repayment of lease liabilities	6.50	5.69
Interest on lease liabilities	1.43	1.46
Short-term lease expense	1.12	0.77
Total cash outflow on leases	**9.05**	**7.92**

Note :-

Average lease term of right of use asset is 5 years.

5B Operating leases

Leases as lessor

The Company leases out its investment property on operating lease basis, as they do not transfer substantially all of the risk and rewards incidental to the ownership of the assets. Rental income recognised by the Company during FY 21-22 was ₹ 5.00 crores (previous year ₹ 4.47 crores) of which ₹ 3.59 crores relating to sub lease (previous year ₹ 3.29 crores). The following table sets out maturity analysis of lease payments to be received after the reporting date.

Future minimum lease payments

The future minimum lease payments to be received under non-cancellable operating leases are as follows:

(₹ in crores)

	31 March 2022	31 March 2021
Receivable within one year	5.19	5.02
Receivable between one year and five years	7.98	4.79
	13.17	**9.81**

6 Investment property

(₹ in crores)

Block of asset	Gross Block				Accumulated Depreciation			Net Block	
	As at 1 April 2021	Additions during the year	Disposals during the year	As at 31 March 2022	As at 1 April 2021	Charge for the year	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Buildings	14.72	-	-	14.72	1.82	0.47	2.29	12.43	12.90
	14.72	**-**	**-**	**14.72**	**1.82**	**0.47**	**2.29**	**12.43**	**12.90**

(₹ in crores)

Block of asset	Gross Block				Accumulated Depreciation			Net Block	
	As at 1 April 2020	Additions during the year	Disposals during the year	As at 31 March 2021	As at 1 April 2020	Charge for the year	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Buildings	14.72	-	-	14.72	1.35	0.47	1.82	12.90	13.37
	14.72	**-**	**-**	**14.72**	**1.35**	**0.47**	**1.82**	**12.90**	**13.37**

Notes:

1. Buildings is classified as Investment property by the Company in accordance with IND AS-40 "Investment Property".
2. The property rental income earned by the Company from its investment property all of which is leased out under operating leased amount to ₹ 0.75 Crore (previous year ₹ 0.53 Crore). Direct operating expenses arising on the investment property all of which generated rental income in the year amounted to ₹ 0.11 Crore (previous year ₹ 0.11 Crore).
3. Fair value of Investment Property is ₹ 22.88 crores (31 March 2021 ₹ 21.22 crores).

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

(₹ in crores)

Fair Value

The fair value of investment property has been determined using external property rates available in the market. 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. The fair valuation is carried out by independent registered valuer.

Description of Valuation Technique used:

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.

7 Goodwill

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning	9.59	9.59
Business acquisition during the year	-	-
Balance at the end	**9.59**	**9.59**

Impairment testing of Goodwill

For the purposes of impairment testing, goodwill is allocated to the cash generating unit (CGU) which represent the lowest level within the Company at which goodwill is monitored for internal management purposes, which is not higher than the Company's operating segments. The aggregate carrying amounts of goodwill recognised on account of merger:

Particulars	As at 31 March 2022	As at 31 March 2021
Saiba Industries Private Limited	7.56	7.56
Rasiklal Hemani Agencies Private Limited	2.03	2.03
	9.59	**9.59**

The recoverable amount of a CGU is based on value in use. Value in use has been determined based on future cash flows, after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions. Value in use for CGU Saiba Industries Private Limited also factors the fair value of underlying Investment Property (refer note 6).

Operating margins and growth rates for the 5 year cash flow projections have been estimated based on past experience and after considering the financial budgets/forecasts provided by the management. Cash flows beyond 5 years is estimated by capitalising the future maintainable cash flows by an appropriate capitalisation rate and then discounted using appropriate discount rate. Other 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	Discount rate		Terminal value growth rate		Sales growth rate	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Saiba Industries Private Limited	12.83%	10.53%	1.00%	1.00%	3.00%	5.00%
Rasiklal Hemani Agencies Private Limited	12.83%	10.53%	1.00%	1.00%	3.00%	5.00%

Notes to the Standalone Financial Statements
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(₹ in crores)

With regard to assessment of recoverable value, 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.

The Company has also performed sensitivity analysis calculations on the projections used and discount rate applied. Company has concluded that, given the significant headroom that exists, and the results of the sensitivity analysis performed, there is no significant risk that reasonable changes in any key assumptions would cause the carrying value of goodwill to exceed its value in use.

8A Other intangible assets

Block of asset	Gross Block				Accumulated Amortisation			Net Block	
	As at 1 April 2021	Additions (including internally generated) during the year	Disposals during the year	As at 31 March 2022	As at 1 April 2021	Charge for the year	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Computer software	9.35	0.99	-	10.34	8.10	0.88	8.98	1.36	1.25
Technical know-how	78.52	-	-	78.52	20.85	7.77	28.62	49.90	57.67
Formulation	11.17	0.99	-	12.16	5.85	3.18	9.03	3.13	5.32
Non compete fees	0.17	-	-	0.17	0.11	0.03	0.14	0.03	0.06
Patents & Trademarks	0.19	0.28	-	0.47	0.04	0.05	0.09	0.38	0.15
	99.40	**2.26**	**-**	**101.66**	**34.95**	**11.91**	**46.86**	**54.80**	**64.45**

Other intangible assets (previous year)

Block of asset	Gross Block				Accumulated Amortisation			Net Block	
	As at 1 April 2020	Additions (including internally generated) during the year	Disposals during the year	As at 31 March 2021	As at 1 April 2020	Charge for the year	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Computer software	9.33	0.02	-	9.35	6.89	1.21	8.10	1.25	2.44
Technical know-how	78.52	*0.00	-	78.52	12.94	7.91	20.85	57.67	65.58
Formulation	9.66	1.51	-	11.17	2.97	2.88	5.85	5.32	6.69
Non compete fees	0.17	-	-	0.17	0.08	0.03	0.11	0.06	0.09
Patents & Trademarks	0.08	0.11	-	0.19	0.01	0.03	0.04	0.15	0.07
	97.76	**1.64**	**-**	**99.40**	**22.89**	**12.06**	**34.95**	**64.45**	**74.87**

8B Intangible assets under-development

	For the year ended	
	31 March 2022	31 March 2021
Opening balance	15.40	12.56
Addition during the year	0.51	15.56
Capitalised during the year	(1.16)	(1.51)
Written off during the year	(12.15)	(11.21)
Closing balance	**2.60**	**15.40**

8C Ageing of Intangible assets under development schedule

Particulars	As at 31 March 2022				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	0.15	0.69	1.05	0.71	2.60
Total	**0.15**	**0.69**	**1.05**	**0.71**	**2.60**

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

(₹ in crores)

Particulas	As at 31 March 2021				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	13.64	1.00	0.76	-	15.40
Total	**13.64**	**1.00**	**0.76**	**-**	**15.40**

Note :

There are no projects as of 31 March 2022 and 31 March 2021, under Intangible Assets under Development whose completion is overdue or has exceeded its cost compared to original plan.

9 Non-current investments

		Number of shares		Amount	
		As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
A)	**Investment in subsidiaries**				
	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 ₹ 100 per share)	21,500	21,500	25.20	25.20
	Keva UK Ltd. (face value GBP 1 per share)	985,600	985,600	71.19	71.19
	Keva Fragrance Industries Pte Ltd., Singapore (face value Singapore Dollar 1 per share)	1,632,926	1,632,926	7.86	7.86
	Keva Europe BV (face value Euro 1 per share)	8,001,000	8,001,000	67.59	67.59
	Creative Flavours & Fragrances SpA (face value Euro 1 per share) (refer note a and b)	1,020,000	1,020,000	93.30	93.30
	Keva Ventures Private Limited (face value ₹ 10 per share)	1,000,000	-	1.00	-
Total (A)				**321.59**	**320.59**
B)	**Other investments**				
	Unquoted equity shares at cost				
	Equity shares, designated at FVTPL				
	Hico Products Limited. (face value ₹ 10 per share) (refer note c)	19,250	19,250	-	-
Total (B)				**-**	**-**
Total (A) + (B)				**321.59**	**320.59**

The aggregate book value of unquoted non-current investments are as follows:

	As at 31 March 2022	As at 31 March 2021
Aggregate value of unquoted investments	321.59	320.59
Aggregate amount of impairment in value of investments	-	-

a. The Company through its wholly owned subsidiary had acquired balance 49% stake in Creative Flavors & Fragrances SpA (CFF) following which, it had been classified as subsidiary. The entity was Joint venture until 31 July 2020. As on 31 March 2022, CFF is the step down subsidiary of the Company considering the rights issue done by CFF.

b. Investment in Creative Flavours and Fragrances SpA have been hypothecated against corporate guarantee issued by the Company towards loan availed by its subsidiary Keva Europe B. V

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

(₹ in crores)

c. The shares have been suspended from trading and the Hico Products Limited is under liquidation. The Investment has been provided in the books of the Company and the market value is considered Nil.

10 Other financial assets *(unsecured, considered good)*

	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
To other than related parties				
Term deposits with banks with remaining maturity of more than 12 months	0.30	0.44	-	-
Interest receivable on Income tax refund	-	-	1.47	1.47
Security deposits				
- considered good	1.58	1.67	-	-
- considered doubtful	0.24	0.18	-	-
	1.82	**1.85**	**-**	**-**
Less: Loss Allowance for bad and doubtful deposits	(0.24)	(0.18)	-	-
	1.58	**1.67**	**-**	**-**
To related parties (refer note 43)				
Other receivables (expense cross charge)	-	-	2.72	3.55
Interest accrued on loan to subsidiaries	-	-	-	0.60
Dividend receivable	-	-	0.81	5.06
	1.88	**2.11**	**5.00**	**10.68**

11 Other assets *(unsecured, considered good)*

	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Capital advances				
- considered good	0.80	0.82	-	-
- considered doubtful	0.55	-	-	-
	1.35	**0.82**	**-**	**-**
Less: Loss allowance for bad and doubtful advances	(0.55)	-	-	-
	0.80	**0.82**	**-**	**-**
Advances other than capital advances				
To other than related parties				
Advance to suppliers	-	-	0.36	3.94
Prepaid expenses	-	-	4.35	3.48
Balances with government authorities	0.47	1.15	0.93	0.30
VAT/Sales tax refund receivable	0.07	0.63	-	0.77
Gratuity (refer note 37)	-	-	-	0.03
To related parties				
Advance to suppliers (refer note 43)	-	-	1.78	6.03
	1.34	**2.60**	**7.42**	**14.55**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

(₹ in crores)

12 Inventories

	As at 31 March 2022	As at 31 March 2021
Raw materials	186.63	128.39
Raw materials in transit	2.77	3.71
Packing materials	8.54	1.95
Work-in-progress	49.97	32.10
Finished goods	10.05	8.95
	257.96	**175.10**

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 write-down of inventories to net realisable value during the year amounted to ₹ 0.51 crores (31 March 2021: ₹ 0.96 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.

Sanctioned Borrowings Limits are secured by way of hypothecation of Inventories both in hand and transit (refer note 20).

13 Trade receivables *(Unsecured unless otherwise stated)*

	As at 31 March 2022	As at 31 March 2021
Trade receivables considered good- Unsecured[1]	163.28	202.67
Less: Allowance for expected credit loss	(1.01)	(3.14)
Trade receivables which have significant increase in credit risk		
Trade receivables - credit impaired	1.08	0.85
Less: Allowance for credit impairment	(1.08)	(0.85)
	162.27	**199.53**

[1] Trade receivables considered good- Unsecured as at 31 March 2022 include ₹ 52.99 crores (31 March 2021: ₹ 111.36 crores) due from firms, body corporates or private companies in which a director is a partner or a director or member.

[2] 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 refer note 38C(i).

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 38C(i).

Sanctioned Borrowings Limits are secured by way of hypothecation of book debts and other receivables (refer note 20).

14 Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Balances with banks in:		
- current accounts	9.17	26.73
- exchange earners foreign currency account	0.60	3.72
Cash on hand	0.14	0.14
	9.91	**30.59**

15 Other bank balances

	As at 31 March 2022	As at 31 March 2021
Current account of Company's employee benefit trust (refer note 48)	1.77	0.79
Unclaimed dividend accounts	0.02	0.01
	1.79	**0.80**

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

(₹ in crores)

16 Current loans *(unsecured, considered good)*

	As at 31 March 2022	As at 31 March 2021
To other than related parties		
Advances to employees	2.87	2.93
To related parties		
Loans to subsidiaries	-	14.00
	2.87	**16.93**

17 Equity share capital

	Number of shares		Amount	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Authorised				
Equity shares of ₹ 10 each	159,314,500	159,314,500	159.31	159.31
Preference shares of ₹ 10 each	11,935,500	11,935,500	11.94	11.94
			171.25	**171.25**
Issued, subscribed and paid up				
Equity shares of ₹ 10 each, fully paid-up	138,420,801	141,320,801	138.42	141.32
			138.42	**141.32**

a Reconciliation of number of shares outstanding at the beginning and end of the reporting year :

	Number of shares		Amount	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
i) Equity share of ₹ 10 (Previous year ₹ 10) each fully paid-up				
Outstanding at the beginning of the year	141,320,801	141,320,801	141.32	141.32
Shares extinguished on buy-back (refer note e)	(2,900,000)	-	(2.90)	-
Outstanding at the end of the year	138,420,801	141,320,801	138.42	141.32

b Terms of / Rights attached to each classes of shares

Terms of / 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.

Notes to the Standalone Financial Statements
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(₹ in crores)

c Shareholders holding more than 5% shares in the Company is set out below:

	As at 31 March 2022		As at 31 March 2021	
	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	10.22%
Ramesh Vinayak Vaze Family Trust	27,000,100	19.51%	100	0.00%
Kedar Ramesh Vaze	16,938,055	12.24%	17,254,614	12.21%
KNP Industries Pte. Limited	14,876,223	10.75%	15,229,000	10.78%
Firmenich Aromatics Production (India) Private Limited	14,117,948	10.20%	-	-
Keva Constructions Private Limited	8,503,689	6.14%	8,691,139	6.15%
Ramesh V. Vaze	1,448,980	1.05%	25,915,024	18.34%

d Shares held by promoters and promoter group in the Company at end of the year :

	As at 31 March 2022			As at 31 March 2021		
	Number of Shares	% of total shares	% change during the year	Number of Shares	% of total shares	% change during the year
With Promoter						
Kedar Ramesh Vaze	16,938,055	12.24%	0.03%	17,254,614	12.21%	12.21%
Prabha Ramesh Vaze	1,797,309	1.30%	(2.18%)	4,914,514	3.48%	(6.38%)
Ramesh Vinayak Vaze	1,448,980	1.05%	(17.29%)	25,915,024	18.34%	10.77%
With promoter group						
Anagha Sandeep Nene	1,470,464	1.06%	(0.01%)	1,514,267	1.07%	(9.70%)
Nandan Kedar Vaze	1,258,098	0.91%	(0.02%)	1,318,000	0.93%	(0.50%)
Parth Kedar Vaze	1,258,098	0.91%	(0.02%)	1,318,000	0.93%	(2.54%)
Neha Kedar Karmarkar	730,875	0.53%	(0.01%)	761,250	0.54%	(0.54%)
Nishant Kedar Karmarkar	730,875	0.53%	(0.01%)	761,250	0.54%	(0.53%)
Sumedha Kedar Karmarkar	150	0.00%	0.00%	150	0.00%	(18.22%)
Ramesh Vinayak Vaze Family Trust	27,000,100	19.51%	19.51%	100	0.00%	(0.93%)
KNP Industries Pte. Limited.	14,876,223	10.75%	(0.03%)	15,229,000	10.78%	9.84%
Keva Constructions Private Limited	8,503,689	6.14%	(0.01%)	8,691,139	6.15%	5.61%
Vinayak Ganesh Vaze Charities	1,926,995	1.39%	(0.04%)	2,019,000	1.43%	0.89%
SKK Industries Private Limited	1,478,550	1.07%	(0.01%)	1,522,500	1.08%	1.08%
ASN Investment Advisors Private Limited	1,470,366	1.06%	(0.01%)	1,514,167	1.07%	1.07%
Kedar Ramesh Vaze Family Trust	100	0.00%	0.00%	100	0.00%	(1.07%)
Keva Investment Partners	33,742	0.02%	0.00%	33,742	0.02%	0.02%

e The Company during the year bought back 29,00,000 equity shares for an aggregate amount of ₹ 60.90 crores, being 2.05% of the total paid-up equity share capital at ₹ 210 per equity share. The equity shares bought back were extinguished on 12 January 2022.

f There are no shares reserved for issue under options as at 31 March 2022 (Nil as at 31 March 2021)

Notes to the Standalone Financial Statements
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(₹ in crores)

18 Other equity

A. Reserves

Other reserves	Note	As at 31 March 2022	As at 31 March 2021
Capital redemption reserve	i.	6.20	3.30
Securities premium	ii.	80.42	138.42
General reserve	iii.	49.56	52.46
Treasury shares	iv.	(71.09)	(72.95)
Other reserves	v.	8.76	8.76
STARs reserves	vi.	(0.27)	0.08
Retained earnings	vii.	389.28	363.58
		462.86	**493.65**

please refer statement of change in equity for details

B. Notes to Reserves

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

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).

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any INDAS transition adjustments, transfers to general reserve, dividends or other distributions paid to shareholders.

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(₹ in crores)

C. Dividends

The following dividends were declared and paid by the Company during the years ended:

	As at 31 March 2022	As at 31 March 2021
Interim equity dividend of 2020-2021 paid at ₹ 1 per equity share	-	14.13
Final equity dividend of 2020-2021 paid at ₹ 0.75 per equity share	10.60	-
	10.60	**14.13**

Board of Directors in their meeting held on 25 May 2022 have recommended a final dividend of ₹ 0.75 per equity share [31 March 2021 : ₹ 0.75] subject to the approval at the annual general meeting.

19 Lease Liabilities

	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Lease Liabilities (refer note 'a' below)	19.41	11.38	6.39	5.18
	19.41	**11.38**	**6.39**	**5.18**

a) Lease liabilities has been recognised and accounted in accordance with INDAS 116. refer note 3.13 (accounting policy) and note 5A.

20 Borrowings

	Current	
	As at 31 March 2022	As at 31 March 2021
Loans repayable on demand		
Loan from subsidiary (refer note 'a')	21.10	50.00
	21.10	**50.00**

Notes :

a) Loan from Keva Fragrances Private Limited, a subsidiary is repayable on demand and carry interest at 7% p.a. (wef from 7th December 2020) until 07 December 2020 interest was 9% p.a.

b) The Company has sanctioned working capital loans from banks which are repayable on demand with interest computed on a monthly basis on the actual amount utilised. Working capital loans from banks (including the sanctioned limits) are secured by way of hypothecation of inventories both on hand and in transit and book debts, and other receivables both present and future. The Company has filed / submitted the statements comprising (stock statements, book debt statements, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information) with such banks and these statements are in agreement with the unaudited books of account of the Company of the respective quarters ended on 30th June 2021, 30th September, 2021, 31st December 2021, and 31st March, 2022.

21 Other non-current financial liabilities

	As at 31 March 2022	As at 31 March 2021
Security deposits	1.09	1.09
Employee benefits payable	0.21	0.43
	1.30	**1.52**

22 Current provisions

	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Compensated absences	7.48	7.55
	7.48	**7.55**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

(₹ in crores)

23 Trade payables

	As at 31 March 2022	As at 31 March 2021
Dues to micro and small enterprises (refer note 41)	5.46	6.50
Other trade payables	320.46	265.09
	325.92	**271.59**

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 38(c)(ii).

Aging schedule as on 31 March 2022

Particulas	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed – micro and small enterprises	5.17	0.26	0.03	-	-	5.46
Undisputed – Others	83.86	236.23	0.13	0.02	0.22	320.46
	89.03	**236.49**	**0.16**	**0.02**	**0.22**	**325.92**

Aging schedule as on 31 March 2021

Particulas	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed – micro and small enterprises	3.87	2.63	-	-	-	6.50
Undisputed – Others	78.88	152.46	32.64	0.88	0.23	265.09
Total	**82.75**	**155.09**	**32.64**	**0.88**	**0.23**	**271.59**

24 Other financial liabilities - current

	As at 31 March 2022	As at 31 March 2021
Interest accrued under MSMED Act, 2006 (refer note 41)	0.65	0.47
Employee benefits payable	9.40	17.98
Security deposits	0.15	0.15
Unclaimed dividend account**	0.02	0.01
Other payables		
For capital goods	0.40	0.26
Payable to related parties		
Interest on Inter-corporate deposits	1.70	2.10
For capital goods	-	0.33
	12.32	**21.30**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

(₹ in crores)

25 Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Advances received from customers	2.61	3.78
Statutory dues payable		
Tax deducted at source	1.85	3.03
GST	0.41	3.50
Provident fund	2.22	2.20
ESIC	*0.00	-
Profession tax	0.01	0.01
VAT/CST tax	0.17	0.10
	7.27	**12.62**

** There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.
* Amount less than ₹0.01 crores

26 Revenue from operations

	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products		
Gross sales (Refer Note 44)	812.86	764.52
Less: Discounts	10.60	8.39
Net Sales (revenue from contracts with customers)	**802.26**	**756.13**
Other operating revenue		
Sale of scrap	1.30	1.16
Techincal Knowhow	3.33	3.42
Export Incentive	-	0.30
	4.63	**4.88**
Total revenue from operations	**806.89**	**761.01**

27 Other income

	Year ended 31 March 2022	Year ended 31 March 2021
Interest income under the effective interest method on:		
Deposits with banks, at amortised cost	0.02	0.21
Loans to subsidiary, at amortised cost	0.43	1.22
Interest received on tax refund	0.19	0.42
Net gain on sale of property, plant and equipment	0.05	-
Rental income (including from property subleases)	5.00	4.47
Dividend income from subsidiaries	0.95	20.08
Guarantee commission income	2.75	2.34
Net gain on modification / termination of leases	-	2.41
Gain on sale of investment, designated at FVTPL	0.05	-
Reversal of loss allowances on trade receivables	1.90	1.51
Other liabilities written back	1.23	1.57
Miscellaneous income	0.12	0.20
Total Other income	**12.69**	**34.43**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

(₹ in crores)

28 Cost of materials consumed

	Year ended 31 March 2022	Year ended 31 March 2021
Opening stock		
- Raw materials	132.10	117.59
- Packing materials	1.95	2.66
	134.05	**120.25**
Add: Purchases		
- Raw materials	585.05	468.65
- Packing materials	21.90	11.54
	606.95	**480.19**
Less: Closing Stock		
- Raw materials	189.40	132.10
- Packing materials	8.54	1.95
	197.94	**134.05**
Materials consumed		
- Raw materials	527.75	454.14
- Packing materials	15.31	12.25
Total cost of materials consumed	**543.06**	**466.39**

29 Changes in inventories of finished goods and work in progress

	Year ended 31 March 2022	Year ended 31 March 2021
Opening Stock :		
Finished goods	8.95	15.16
Work-in-progress	32.10	41.36
Closing Stock:		
Finished goods	10.05	8.95
Work-in-progress	49.97	32.10
Changes in inventories:		
Finished goods	(1.10)	6.21
Work-in-progress	(17.87)	9.26
Changes in inventories of finished goods and work in progress	**(18.97)**	**15.47**

30 Employee benefits expense

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	69.81	64.38
Contribution to provident and other funds (refer note 37)	7.20	7.24
Compensated absences (refer note 37)	1.40	1.46
Staff welfare expenses	5.83	4.53
	84.24	**77.61**
Less: Transferred to intangible assets under development	-	(4.59)
	84.24	**73.02**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

(₹ in crores)

31 Finance costs

	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense under effective interest method on:		
Working capital loans	0.18	1.90
Buyers credit	-	0.26
Intercorporate loans	2.09	2.27
Lease liabilities (refer note 5A)	1.43	1.46
Interest on dues to micro and small enterprises	0.18	0.16
Interest on delayed payment of Income tax	0.03	0.23
	3.91	**6.28**

32 Depreciation and amortisation

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of property, plant and equipment (refer note 4A)	8.73	8.90
Depreciation of investment properties (refer note 6)	0.47	0.47
Amortisation of intangible assets (refer note 8A)	11.91	12.06
Amortisation of Right of use assets (refer note 5A)	6.57	6.20
	27.68	**27.63**

33 Other expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Cleaning and housekeeping expenses	2.53	2.21
Stores and spares consumed	2.04	1.27
Repairs and maintenance:		
- Buildings	1.30	0.48
- Plant and machinery	0.54	0.81
- Others	3.28	1.92
Rent (refer note 5A)	1.12	0.77
Rates and taxes	1.60	1.37
Insurance	1.54	1.39
Power and fuel	4.93	3.61
Selling and promotion expenses	1.43	1.40
Brokerage and commission	7.18	7.55
Freight, forwarding and delivery	9.34	8.53
Postage and telephone expenses	0.52	0.49
Travelling and conveyance	3.56	2.52
Security charges	2.01	1.95
Legal and professional charges	25.55	40.20
Payment to auditors (refer details below (a+b))	0.61	0.59
Bank charges	0.14	0.20
Corporate social responsibility expense (refer note 45)	1.24	1.49
Bad debts written off	0.01	*0.00
Royalty expense	17.41	15.72
Directors sitting fees	0.92	0.91
Directors commission	1.58	2.50

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

(₹ in crores)

	Year ended 31 March 2022	Year ended 31 March 2021
Exchange rate difference on translation (net)	0.13	0.04
Intangible asset under development written off	12.15	11.21
Loss on sale of property, plant and equipment	-	0.28
Information technology expenses	3.96	3.17
Miscellaneous expenses	6.94	3.78
	113.56	**116.36**
Less: Transferred to intangible assets under development	-	(9.48)
	113.56	**106.88**
Payment to auditors		
Statutory audit	0.39	-
Tax audit	0.03	-
Other matters	0.06	-
Total (a)	**0.48**	**-**
Payment to erstwhile auditors		
Statutory audit	0.13	0.48
Tax audit	*0.00	0.04
Other matters	*0.00	0.07
Total (b)	**0.13**	**0.59**

*Amount less than ₹ 0.01 crores

34 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.

		31 March 2022	31 March 2021
Profit attributable to equity shareholders (basic and diluted)			
Profit for the year attributable to equity shareholders	(A)	42.49	79.71
Weighted average number of equity shares for basic and diluted earnings per share			
Number of equity shares at beginning of the year		141,320,801	141,320,801
Equity shares held in controlled trust		(3,245,768)	(3,306,429)
Buy back of equity shares		(2,900,000)	-
Number of equity shares outstanding at the end of the year		135,175,033	138,014,372
Weighted average number of equity shares for the year	(B)	137,394,646	138,014,372
Basic earnings per share of face value of ₹ 10 each	(A) / (B)	3.09	5.78
Diluted earnings per share of face value of ₹ 10 each	(A) / (B)	3.09	5.78

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

(₹ in crores)

35 Tax expense

(a) Amounts recognised in Standalone balance sheet

	As at 31 March 2022	As at 31 March 2021
Non current tax assets (net of provision ₹ 80.37 crores (31 March 2021 : ₹ 52.44 crores))	19.63	18.62
Current tax liabilities (net of advance tax ₹ 41.84 crores (31 March 2021 : ₹ 47.30 crores))	4.81	1.85

Note: The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off tax assets and tax liabilities and they relate to income taxes levied by the same tax authority.

(b) Amounts recognised in Standalone Statement of Profit and Loss

	Year ended 31 March 2022	Year ended 31 March 2021
Current tax		
Current year	19.09	19.49
Previous years	6.35	0.06
	25.44	**19.55**
Deferred income tax liability / (asset) net		
Current year	(1.83)	0.51
Deferred tax expense	**(1.83)**	**0.51**
Tax expense for the year	**23.61**	**20.06**

(c) Amounts recognised in other comprehensive income

	For the year ended 31 March 2022			For the year ended 31 March 2021		
	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	(0.52)	0.13	(0.39)	0.44	(0.11)	0.33
	(0.52)	**0.13**	**(0.39)**	**0.44**	**(0.11)**	**0.33**

(d) Reconciliation of effective tax rate

	Year ended 31 March 2022	Year ended 31 March 2021
Profit before tax	66.10	99.77
Tax using the Company's domestic tax rate (Current year 25.17% and Previous Year 25.17%)	16.64	25.09
Tax effect of:		
Income exempt from tax	(0.24)	(5.05)
Non-deductible tax expenses	0.86	(0.04)
Tax pertaining to prior years (net)	6.35	0.06
	23.61	**20.06**

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

(₹ in crores)

36 Deferred Tax

Significant component of deferred tax assets and liabilities for the year ended 31 March 2022 as follows :

	Opening balance 1 April 2021	Recognised in profit or loss	Recognised in / reclassified from other comprehensive income	Closing Balance 31 March 2022
Deffered tax asset				
Trade receivables	1.07	(0.16)	-	0.91
Provisions	2.90	(0.56)	0.13	2.47
Total	**3.97**	**(0.72)**	**0.13**	**3.38**
Deffered tax Liability				
Property, plant and equipment, intangible assets, intangible assets under development and leases	(17.02)	2.56	-	(14.46)
Total	**(17.02)**	**2.56**	**-**	**(14.46)**
Net deferred tax assets (liabilities)	**(13.05)**	**1.83**	**0.13**	**(11.08)**

Significant component of deferred tax assets and liabilities for the year ended 31 March 2021 as follows :

	Opening balance 1 April 2020	Recognised in profit or loss	Recognised in / reclassified from other comprehensive income	Closing Balance 31 March 2021
Deffered tax asset				
Trade receivables	1.45	(0.38)	-	1.07
Provisions	2.43	0.58	(0.11)	2.90
Total	**3.88**	**0.20**	**(0.11)**	**3.97**
Deffered tax Liability				
Property, plant and equipment, intangible assets, intangible assets under development and leases	(16.31)	(0.71)	-	(17.02)
Total	**(16.31)**	**(0.71)**	**-**	**(17.02)**
Net deferred tax assets / (liabilities)	**(12.43)**	**(0.51)**	**(0.11)**	**(13.05)**

37 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 :

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Employer's contribution to Superannuation Fund	1.51	1.39
Employer's Contribution to ESIC	0.01	0.01
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

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

(₹ in crores)

(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.

The Company expects to pay ₹ 1.17 crore (previous year ₹ 0.97 crore) in contributions to its defined benefit plans in 2022-23.

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

	As at 31 March 2022	As at 31 March 2021
Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	13.20	12.92
Current service cost	1.01	1.12
Interest cost	0.92	0.90
Benefits paid	(1.29)	(1.21)

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

(₹ in crores)

	As at 31 March 2022	As at 31 March 2021
Demographic assumptions	(0.01)	-
- financial assumptions	(0.30)	(0.09)
- experience adjustments	0.72	(0.44)
Balance at the end of the year	**14.25**	**13.20**
Reconciliation of present value of plan assets		
Balance at the beginning of the year	13.23	12.53
Interest income	0.93	0.87
Remeasurements :		
Return on plan assets, excluding amount included in interest (expense)/income	(0.12)	(0.09)
Employer contributions	1.50	1.13
Benefits paid	(1.29)	(1.21)
Balance at the end of the year	**14.25**	**13.23**
Net defined benefit (asset)/ liability (refer note 11)	**-**	**(0.03)**

B. Plan assets

Plan assets comprise the following

	As at 31 March 2022	As at 31 March 2021
Investment		
Investment in Government Securities	3%	4%
Bank Special Deposit	1%	2%
Investment in other securities	16%	11%
Corporate Bonds	34%	35%
State Government Bonds	46%	48%
	100%	**100%**

C. The components of defined benefit plan expense are as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Recognised in Standalone Statement of Profit and Loss		
Current service cost	1.01	1.12
Interest cost	0.92	0.90
Interest income	(0.93)	(0.87)
Total	**1.00**	**1.15**
Recognised in other comprehensive income		
Remeasurement of net defined benefit liability/(asset)	0.40	(0.53)
Return on Plan Assets, Excluding Interest Income	0.12	0.09
Total	**0.52**	**(0.44)**

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

(₹ in crores)

D. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	As at 31 March 2022	As at 31 March 2021
Expected return on plan assets	7.25%	7.01%
Discount rate	7.25%	7.01%
Salary escalation rate	5.00%	5.00%
Attrition rate	2.00%	2.00%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	**N.A.**	**N.A.**

As at 31 March 2022, the weighted average duration of the define benefit obligation was 10 years (previous year 10 years)

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.

	As at 31 March 2022		As at 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.16)	1.34	(1.07)	1.25
Rate of salary increase (1% movement)	1.19	(1.09)	1.11	(1.01)
Rate of employee turnover (1% movement)	0.26	(0.29)	0.22	(0.24)

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 to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

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
31 March 2022					
Defined benefit obligations (Gratuity)	1.36	0.50	2.68	6.16	20.41
Total	**1.36**	**0.50**	**2.68**	**6.16**	**20.41**
31 March 2021					
Defined benefit obligations (Gratuity)	1.92	0.48	1.86	5.10	18.86
Total	**1.92**	**0.48**	**1.86**	**5.10**	**18.86**

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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

(₹ in crores)

The Company has contributed ₹ 4.68 crores (2020-21: ₹ 4.33 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 annually predominantly considering the social rather than economic factors and in most cases the actual returned earned by the 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 the shortfall has been recorded in the financial statement:

The details of fund and plan assets position are given below:

Particulars	As at 31 March 2022	As at 31 March 2021
Plan assets at the year end, at fair value	67.80	61.81
Present value of benefit obligation at year end	67.67	62.00
Capital short fall liability	-	0.19

Amount of ₹ Nil (previous year ₹ 0.19 crores) 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 31 March 2022.

Plan assets comprise the following

	As at 31 March 2022	As at 31 March 2021
Investment		
Investment in Government Securities	47%	56%
Bank Special Deposit	1%	1%
Investment in other securities	7%	4%
Corporate Bonds	5%	8%
Debt Securities	40%	31%
	100%	**100%**

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach

Particulars	As at 31 March 2022	As at 31 March 2021
Discount rate (%)	7.25%	6.85%
Guaranteed Interest Rate (%)	8.10%	8.15%
Expected average remaining working lives of employees (Years)	15	15

Other long term employee benefit plans

Compensated absences:

Amount of ₹ 1.40 crores (previous year ₹ 1.46 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

(₹ in crores)

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.

31 March 2022	Carrying amount			Fair value			
	Mandatorily at FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Non current financial assets							
Others	-	1.88	1.88	-	-	-	-
Current financial assets							
Cash and cash equivalents	-	9.91	9.91	-	-	-	-
Other bank balances	-	1.79	1.79	-	-	-	-
Loans	-	2.87	2.87	-	-	-	-
Trade receivables	-	162.27	162.27	-	-	-	-
Other financial assets	-	5.00	5.00	-	-	-	
	-	**183.72**	**183.72**	**-**	**-**	**-**	**-**
Financial liabilities							
Non current financial liabilities							
Lease Liabilities		19.41	19.41	-	-	-	-
Others	-	1.30	1.30	-	-	-	-
Current financial liabilities							
Borrowings	-	21.10	21.10	-	-	-	-
Lease Liabilities	-	6.39	6.39	-	-	-	-
Trade payables	-	325.92	325.92	-	-	-	-
Other financial liabilities	-	12.32	12.32	-	-	-	-
	-	**386.44**	**386.44**	**-**	**-**	**-**	**-**

31 March 2021	Carrying amount			Fair value			
	Mandatorily at FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Non current financial assets							
Others	-	2.11	2.11	-	-	-	-
Current financial assets							
Cash and cash equivalents	-	30.59	30.59	-	-	-	-
Other bank balances	-	0.80	0.80	-	-	-	-
Loans	-	16.93	16.93	-	-	-	-
Trade receivables	-	199.53	199.53	-	-	-	-
Other financial assets	-	10.68	10.68	-	-	-	-
	-	**260.64**	**260.64**	**-**	**-**	**-**	**-**
Financial liabilities							
Non current financial liabilities							
Lease Liabilities	-	11.38	11.38	-	-	-	-
Others	-	1.52	1.52	-	-	-	-
Current financial liabilities							
Borrowings	-	50.00	50.00	-	-	-	-
Lease Liabilities	-	5.18	5.18	-	-	-	-
Trade payables	-	271.59	271.59	-	-	-	-
Other financial liabilities	-	21.30	21.30	-	-	-	-
	-	**360.97**	**360.97**	**-**	**-**	**-**	**-**

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

(₹ in crores)

B. Offsetting

The following table discloses the amounts that have been offset, in arriving at the balance sheet presentation and the amounts that are available for offset only under certain conditions as at March 31, 2022:

	Gross amount recognised	Gross amount recognised as set off in the balance sheet	Net amount presented in the balance sheet
Financial assets			
(a) Trade receivables	173.97	(11.70)	162.27
(b) Other financial assets	6.32	(1.32)	5.00
Total	**180.30**	**(13.03)**	**167.27**
Financial liabilities			
(a) Trade payables	338.95	(13.03)	325.92
Total	**338.95**	**(13.03)**	**325.92**

C. Risk management framework

In the course of its business, the Company is exposed primarily to credit risk, liquidity risk and market risk like fluctuations in foreign currency exchange rates, interest rates and equity prices, which may adversely impact the fair value of its financial instruments.

The Company has a risk management policy which covers the credit risk and other risks associated with the financial assets and liabilities such as interest rate risks. The risk management policy is approved by the board of directors. 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.

i. 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 uses an allowance matrix to measure the expected credit loss of trade receivables. Loss rates are based on actual credit loss experience over the past 3 years. Trade receivables are in default (credit impaired), if the payment are more than 730 days past due.

The maximum exposure to credit risk for trade and other receivables was as follows :

	Carrying amount	
	As at 31 March 2022	As at 31 March 2021
India	154.82	199.30
Other regions	9.54	4.22
Total Trade receivables	**164.36**	**203.52**
Total other receivables	**9.45**	**29.28**

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

(₹ in crores)

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2022

Particulas	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables considered good	88.88	73.08	0.96	0.36	-	-	163.28
Undisputed trade receivables -credit impaired	-	-	-	-	0.42	0.66	1.08
TOTAL (A)	**88.88**	**73.08**	**0.96**	**0.36**	**0.42**	**0.66**	**164.36**
Allowance for expected credit loss							1.01
Allowance for credit impairment							1.08
TOTAL (B)							**2.09**
TOTAL [(A)- (B)]							**162.27**

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2021

Particulas	Outstanding for following periods from due date of payment						
	Not Due	Less than 1 Year	1-2 Years	2-3 Years		More than 3 Years	Total
Undisputed trade receivables considered good	96.43	101.34	3.62	1.28	-	-	202.67
Undisputed trade receivables -credit impaired		-	-	-	0.60	0.25	0.85
TOTAL (A)	**96.43**	**101.34**	**3.62**	**1.28**	**0.60**	**0.25**	**203.52**
Allowance for expected credit loss							3.14
Allowance for credit impairment							0.85
TOTAL (B)							**3.99**
TOTAL [(A)- (B)]							**199.53**

The movement in the allowance for impairment in respect of trade receivables measured at an amount equal to lifetime expected credit losses during the year was as follows.

	For Trade receivable	For Other receivable
Balance as at 31 March 2020	5.50	0.18
Impairment (gain) / loss recognised	(1.51)	-
Balance as at 31 March 2021	**3.99**	**0.18**
Impairment (gain) recognised	(1.90)	0.61
Balance as at 31 March 2022	**2.09**	**0.79**

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 9.91 crores at 31 March 2022 (31 March 2021: ₹ 30.59 crores). The cash and cash equivalents are held with banks with good credit rating.

Other bank balances

The Company held other balance of ₹ 1.79 crores at 31 March 2022 (31 March 2021: ₹ 0.80 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.

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

(₹ in crores)

ii. *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.

31 March 2022	Contractual cash flows				
	Carrying amount	Total	Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Non current financial liabilities					
Lease Liabilities	19.41	22.55	-	18.79	3.76
Others	1.30	1.30	-	1.30	-
Current financial liabilities					
Borrowings	21.10	21.10	21.10	-	-
Other financial liabilities	12.32	12.32	12.32	-	-
Lease Liabilities	6.39	8.12	8.12		
Trade payables	325.92	325.92	325.92	-	-
	386.44	**391.31**	**367.46**	**20.09**	**3.76**

31 March 2021	Contractual cash flows				
	Carrying amount	Total	Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Non current financial liabilities					
Lease Liabilities	11.38	16.83	-	9.27	7.56
Others	1.52	1.52	-	0.62	0.90
Current financial liabilities					
Borrowings	50.00	50.00	50.00		
Lease Liabilities	5.18	6.32	6.32		
Other financial liabilities	21.30	21.30	21.30	-	-
Trade payables	271.59	271.59	271.59	-	-
	360.97	**367.56**	**349.21**	**9.89**	**8.46**

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to non 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.

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

(₹ in crores)

(a) 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 foreign currency risk.

Exposure to currency risk

The foreign currency financial assets and financial liabilities valued in ₹ as at 31 March 2022 and 31 March 2021 are as below:

	As at 31 March 2022				
	USD	EUR	SGD	CHF	Others*
Financial assets	9.76	2.51	-	-	-
Financial liabilities	(28.94)	(14.44)	(0.00)	(0.39)	-
Net Exposure	**(19.18)**	**(11.93)**	**(0.00)**	**(0.39)**	**-**

	31 March 2021				
	USD	EUR	SGD	CHF	Others*
Financial assets	6.89	1.82	0.03	-	-
Financial liabilities	(50.92)	(20.87)	-	(0.15)	(0.11)
Net Exposure	**(44.03)**	**(19.05)**	**0.03**	**(0.15)**	**(0.11)**

*Others include AED, THB, HKD and LKR.

Sensitivity analysis

The company is mainly exposed to changes in USD and Euro. A reasonably possible strengthening (weakening) of the Indian Rupee against USD and Euro at 31 March 2022 and 2021 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 and Equity			
	31 March 2022		31 March 2021	
	Strengthening	Weakening	Strengthening	Weakening
USD (3% movement)	0.58	(0.58)	1.32	(1.32)
EUR (3% movement)	0.36	(0.36)	0.57	(0.57)
	0.93	**(0.93)**	**1.89**	**(1.89)**

(b) 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.

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

(₹ in crores)

	31 March 2022	31 March 2021
Fixed-rate instruments		
Financial assets	0.30	14.44
Financial liabilities	(21.10)	(50.00)
	(20.80)	**(35.56)**

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 31 March 2022, 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 as dividend 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.

	As at 31 March 2022	As at 31 March 2021
Current borrowings	21.10	50.00
Gross debt	21.10	50.00
Less - Cash and cash equivalents (including other bank balance)	11.70	31.39
Adjusted net debt	9.40	18.61
Total equity	601.28	634.97
Adjusted net debt to equity ratio	0.02	0.03

40 Contingent liabilities and commitments

A. Contingent liabilities

		As at 31 March 2022	As at 31 March 2021
a.	**Direct and Indirect taxes**		
	Income Taxes	67.34	15.64
	Custom duty	0.11	0.11
	Service Taxes	11.33	11.42
	Sales Tax	0.06	-
b.	**Corporate Guarantee**		
	Corporate guarantees given for loans taken by subsidiary companies	550.99	515.04

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

(₹ in crores)

B. Commitments

	As at 31 March 2022	As at 31 March 2021
a. Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances, tangible assets	1.87	2.60

41 Dues to micro and small suppliers

	Particulars	As at 31 March 2022	As at 31 March 2021
1.	The amounts remaining unpaid to micro and small suppliers as at the end of the year		
	- Principal	5.46	6.50
	- Interest on the above	0.65	0.47
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	11.96	7.70
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	0.16
5.	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.65	0.47
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	0.65	0.47

42 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 i.e. 3.19% (previous year 2.69%), hence separate geographical segment information has not been given in the standalone financial statements.

43 Related party disclosures

The note provides the information about the Group's structure including the details of the subsidiaries and the parent.

i) List of Related parties

Subsidiaries and Joint ventures

Name of the related party	Relationship	Country of incorporation	Ownership interest 31 March 2022	Ownership interest 31 March 2021
Keva Flavours Private Limited	Subsidiary	India	100%	100%
Keva Fragrances Private Limited	Subsidiary	India	100%	100%
Keva UK Limited	Subsidiary	United Kingdom	100%	100%
Keva Fragrance Industries Pte.Ltd.	Subsidiary	Singapore	100%	100%
Keva Europe B.V	Subsidiary	Netherlands	100%	100%
Keva Ventures Private Limited (w.e.f. 29 July 2021)	Subsidiary	India	100%	-

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

(₹ in crores)

Name of the related party	Relationship	Country of incorporation	Ownership interest 31 March 2022	Ownership interest 31 March 2021
Creative Flavours & Fragrances SpA (Subsidiary of Keva Italy Srl w.e.f. 30 November 2021 pursuant to rights issue)	Subsidiary of Step Down Subsidiary	Italy	100%	100%
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.)	Step down subsidiary	Indonesia	100%	100%
V N Creative Chemicals Private Limited (Subsidiary of Keva Fragrances Private Limited)	Step down subsidiary	India	100%	100%
Anhui Ruibang Aroma Co Ltd (Subsidiary of Keva Fragrance Industries Pte.Ltd) (w.e.f. 17 November 2020)	Step down subsidiary	China	90%	90%
Keva Italy S.r.l (Subsidiary of Keva Europe B. V.)	Step down subsidiary	Italy	100%	100%
Amikeva Private Limited (Subsidiary of Keva Ventures Private Limited) (w.e.f. 23 February 2022)	Step down subsidiary	India	100%	-
Provier Beheer B.V. [(Holding Company of Holland Aromatics B.V.); Subsidiary of Keva Europe B.V. wef 25 January 2022)]	Step down subsidiary	Netherlands	62%	
Nova Fragranze Srl (Subsidiary of Creative Flavours & Fragrance SpA) (w.e.f. 07 April 2021)	Step down subsidiary	Italy	70%	-
Nutaste Food And Drink Labs Private Limited (Subsidiary of Keva Flavours Private Limited) (w.e.f. 03 January 2022)	Step down subsidiary	India	100%	-
Purandar Fine Chemicals Private Limited (Joint venture of Keva Frangrances Private Limited)	Joint venture	India	50%	50%

Other related parties

Relationship	Name of the related party
a) Key Managerial Personnel (KMP) and Executive Directors	Kedar R. Vaze, Director & Group Chief Executive Officer
	Shrikant Mate (Group Chief Financial Officer) upto 30 September 2021
	Rohit Saraogi (Group Chief Financial Officer) from 15 November 2021 (Company Secretary and Compliance Officer) from 25 May 2022
	Deepti Chandratre (Company Secretary) upto 30 April 2022
b) Enterprises owned or controlled by Key Managerial Personnel or their relatives	Keva Aromatics Private Limited
	Keva Constructions Private Limited
	Keva Properties Private Limited
	Keva Biotech Private Limited
	Keva Investment Partners
	KNP Industries Private. Limited
	KNP Industries Pte. Limited
	Evolutis India Private Limited
	BSG ITSoft Private Limited
	ASN Investment Advisors Private Limited
	Keva Industries Private Limited
	Artisanal Innovations Private Limited
	RVV Nutritious Private Limited
	SKK Industries Private Limited
	Sandu Homes LLP

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

(₹ in crores)

Relationship	Name of the related party
	Ramesh Vinayak Vaze Family Trust
	Kedar RameshVaze Family Trust
	Vinayak Ganesh Vaze Charities
	KNP Med Solutions Private Limited (w.e.f. 20 April .2021)
	KNP Retail Private Limited (w.e.f. 19 May 2021)
c) Other entities where significant influence exist :	
i) Post employment-benefit plan entity:	S.H. Kelkar and Co. Ltd. Employee's Gratuity Fund
ii) Others :	S. H. Kelkar & Co Ltd Employees Provident Fund
	S. H. Kelkar & Co Ltd Employees Superannuation Fund
d) Relatives of Key Managerial Personnel (In reference to point b)	Anagha Sandeep Nene
	Sumedha Kedar Karmarkar
	Nandan Kedar Vaze
	Parth Kedar Vaze
	Milena Rubene
	Angelina Kedar Vaze
e) Non-executive directors	Dalip Sehgal
	Jairaj Purandare (upto 19 February 2022)
	Sangeeta Singh
	Amit Dalmia (upto 17 May 2022)
	Shrikant Oka
	Mark Elliott
	Prabha R Vaze
	Ramesh V Vaze (Chairman)
	Vasant Gujarathi (from 20 February 2022)
	Deepak Raj Bindra (from 15 December 2021)

ii) Details of transactions with related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Particulars	Transaction value Year ended 31 March 2022	Transaction value Year ended 31 March 2021
Sale of products		
Keva Fragrances Private Limited	97.93	97.38
Keva Flavours Private Limited	123.90	125.61
Keva Aromatics Private Limited	*0.00	9.17
Creative Flavours & Fragrances SPA	0.12	*0.00
Purandar Fine Chemicals Private Limited	0.11	-
Purchase of goods		
Keva Fragrances Private Limited	212.97	100.06
Keva Flavours Private Limited	1.61	2.51
Purandar Fine Chemicals Private Limited	0.60	0.54
Keva Frangrance Industries Pte. Limited	32.52	31.36
V N Creative Chemicals Private Limited	1.07	3.46
Keva Aromatics Private Limited	40.87	8.73
Creative Flavours & Fragrances Spa	3.60	1.52
Evolutis India Private Limited	-	*0.00

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

(₹ in crores)

Particulars	Transaction value	
	Year ended 31 March 2022	Year ended 31 March 2021
Rent income		
Keva Fragrances Private Limited	3.43	3.15
Keva Flavours Private Limited	0.73	0.71
BSG ITSoft Private Limited	0.75	0.53
Interest income		
Keva Flavours Private Limited	-	0.04
V N Creative Chemicals Private Limited	0.43	1.18
Techincal know how income		
Keva Fragrances Private Limited	0.81	0.74
V N Creative Chemicals Private Limited	2.52	2.68
Interest expense		
Keva Fragrances Private Limited	2.09	2.27
Commission on guarantee given		
PFW Aroma Ingredients B.V.	0.22	0.22
Keva Flavours Private Limited	0.23	0.23
Keva Frangrance Industries Pte. Limited	0.74	0.71
Keva Fragrances Private Limited	0.50	0.43
Keva Europe B V	0.86	0.57
V N Creative Chemicals Private Limited	0.20	0.20
Legal and professional charges (Research & Recharge cost paid)		
Keva Europe B.V	14.45	29.43
PFW Aroma Ingredients B.V	-	1.23
Rent Paid		
Keva Constructions Private Limited	5.32	4.81
Keva Frangrance Industries Pte. Ltd	-	0.15
Job Work Charges paid		
Keva Fragrances Private Limited	0.46	0.49
Royalty expense		
Keva Fragrances Private Limited	17.41	15.72
Reimbursement (for expenses incurred by Related party on behalf of us)		
Keva Constructions Private Limited	0.11	0.09
Reimbursement (for expenses incurred by Company on behalf of related party)		
Keva Fragrances Private Limited	3.04	2.71
Keva Flavours Private Limited	0.69	0.64
Keva Frangrance Industries Pte. Ltd	0.05	0.06
PFW Aroma Ingredients B.V	0.04	0.04
V N Creative Chemicals Private Limited	0.46	0.45
Nutaste Food And Drink Labs Private Limited	0.46	-
Contributions during the year		
S.H. Kelkar and Co. Ltd. Employee's Gratuity Fund	1.50	1.13
S. H. Kelkar & Co Ltd Employees Provident Fund	3.85	3.69
S. H. Kelkar & Co Ltd Employees Superannuation Fund	1.51	1.39
Fixed assets and Intangible assets purchased		
Evolutis India Private Limited	-	0.05

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

(₹ in crores)

Particulars	Transaction value	
	Year ended 31 March 2022	Year ended 31 March 2021
BSG ITSoft Private Limited	-	0.83
Keva Fragrances Private Limited	0.98	-
Fixed assets sold		
Keva Fragrances Private Limited	0.03	*0.00
Keva Europe B V	-	5.94
Loan given		
Keva Flavours Private Limited	-	2.25
Loan repayment receipt		
Keva Flavours Private Limited	-	2.25
V N Creative Chemicals Private Limited	14.00	-
Loan taken		
Keva Fragrances Private Limited	-	50.00
Loan repayment		
Keva Fragrances Private Limited	28.90	-
Investment made		
Keva Europe B V	-	67.58
Keva Ventures Private Limited	1.00	-
Sitting fees to non-executive directors		
Ramesh V Vaze	0.08	0.08
Prabha R Vaze	0.08	0.08
Shrikant Oka	0.17	0.15
Dalip Sehgal	0.14	0.15
Alpana Parida	-	0.09
Deepak Raj Bindra	0.03	-
Jairaj Purandare	0.16	0.14
Sangeeta Singh	0.16	0.15
Mark Elliott	0.07	0.07
Vasant Gujarathi	0.03	-
Commission to Directors		
Kedar R.Vaze	1.16	1.01
Ramesh V Vaze	0.42	1.49
Key managerial personnel		
Remuneration	5.34	3.75
Post-empeloyment benefits**	0.24	0.31
Dividend received during the year		
Creative Flavours & Fragrances SpA	0.95	5.95
Keva Fragrances Private Limited	-	14.12
Dividend paid during the year		
Ramesh V.Vaze	1.94	2.59
Kedar R.Vaze	1.29	1.73
Prabha R. Vaze	0.37	0.49
Sumedha Kedar Karmarkar	*0.00	*0.00
Anagha Sandeep Nene	0.11	0.15

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

(₹ in crores)

Particulars	Transaction value	
	Year ended 31 March 2022	Year ended 31 March 2021
Nandan Kedar Vaze	0.10	0.13
Parth Kedar Vaze	0.10	0.13
Ramesh Vinayak Vaze Family trust	*0.00	*0.00
Kedar RameshVaze Family trust	*0.00	*0.00
KNP Industries Pte Ltd	1.14	1.52
Vinayak Ganesh Vaze Charities	0.15	0.20
SKK Industries Private Limited	0.11	0.15
ASN Investment Advisors Private Limited	0.11	0.15
Keva Constructions Private Limited	0.65	1.07
Keva Investment Partners	*0.00	*0.00
Guarantee given/ (revoked)		
Keva Fragrances Private Limited	15.10	-
Keva Frangrance Industries Pte. Limited	-	22.05
Keva Flavours Private Limited	(22.90)	-
V N Creative Chemicals Private Limited	(40.00)	-
Keva Europe B V	84.02	154.98

* Amount less than ₹ 0.01 crore

iii) Details of balances with related parties

Particulars	Balances outstanding	
	As at 31 March 2022	As at 31 March 2021
Trade receivables		
Keva Fragrances Private Limited	-	28.84
Keva Flavours Private Limited	50.41	68.88
Keva Aromatics Pvt.Ltd.	-	10.92
V N Creative Chemicals Private Limited	2.37	2.72
Creative Flavours & Fragrances SpA	0.12	*0.00
Purandar Fine Chemicals Private Limited	0.09	-
Trade and Other payables		
Keva Fragrances Private Limited	209.14	130.51
Keva Flavours Private Limited	-	2.72
Keva Frangrance Industries Pte. Ltd	26.08	49.13
V N Creative Chemicals Private Limited	-	4.34
Keva Europe B.V	12.75	18.09
Creative Flavours & Fragrances SpA	0.99	1.52
Keva Constructions Private Limited	0.59	-
Other current financial assets		
Keva Fragrances Private Limited	-	0.53
Keva Flavours Private Limited	0.45	1.76
PFW Aroma Ingredients B.V.	0.35	0.10
Keva Frangrance Industries Pte. Ltd	0.24	0.07
V N Creative Chemicals Private Limited	0.58	0.54
Keva Europe B.V	0.56	0.55

Notes to the Standalone Financial Statements
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(₹ in crores)

Particulars	Balances outstanding	
	As at 31 March 2022	As at 31 March 2021
Creative Flavours & Fragrances SpA	0.81	5.06
Nutaste Food And Drink Labs Private Limited	0.54	-
Interest receivable on Loan		
V N Creative Chemicals Private Limited	-	0.60
Other current financial liabilities		
BSG ITSoft Private Limited	-	0.33
S. H. Kelkar & Co Ltd Employees Provident Fund	0.70	0.66
Interest payable		
Keva Fragrances Private Limited	1.70	2.10
Advances given for supplies and services		
Keva Aromatics Private Limited	1.78	6.03
Loan taken		
Keva Fragrances Private Limited	21.10	50.00
Deposit taken		
BSG ITSoft Private Limited	0.19	0.19
Loan given		
V N Creative Chemicals Private Limited	-	14.00
Corporate guarantees		
Keva Fragrances Private Limited	100.10	85.00
PFW Aroma Ingredients B.V.	42.01	43.05
Keva Frangrance Industries Pte. Ltd	151.52	147.01
V N Creative Chemicals Private Limited	-	40.00
Keva Flavours Private Limited	22.10	45.00
Keva Europe B V	235.26	154.98

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 is 7% p.a. (wef 07 December 2020) until 07 December 2020 is 9% p.a.

All the outstanding balances are unsecured and repayable in cash and on demand.

**Excludes provision for encashable leave and gratuity for certain key management personnel as a seperate acturial valuation is not available.

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

(₹ in crores)

44 Dislosure under Ind AS 115 - Revenue from contracts with customers

The Company is engaged into manufacturing of Industiral Fragrances.

Revenue from contracts with customers: Sale of products (Transferred at point in time)
Disaggregation of revenue

	Fragrance	
	Year ended 31 March 2022	Year ended 31 March 2021
Manufacturing		
India	787.26	744.18
South east asia	0.08	1.41
Europe	15.33	6.47
Middle East and Africa	8.58	11.57
Others	1.60	0.88
Total Sales	**812.86**	**764.52**

45 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: ₹ 1.24 crores (previous year: ₹ 1.36 crores).

The areas of CSR activities and contributions made thereto are as follows:

Amount spent during the year on ;	For the year ended	
	31 March 2022	31 March 2021
Promotion of education	0.82	0.79
Distress/Disaster Relief (Covid 19)	0.20	0.51
Development of infrastructure in rural area	0.22	0.19
Total	**1.24**	**1.49**

The Company does not carry any provisions for corporate social responsibility expenses for the current year and the previous year.

46 Disclosures required by schedule V regulation 34(3) of SEBI (Listing Obligations And Disclosure Requirements) regulations, 2015 and section 186 (4) of the Companies Act, 2013

a) Amount of loans / advances in nature of loans outstanding from subsidiaries as at 31 March, 2022, on a standalone basis.

Name of party	Relationship	Opening balance (excluding accrued interest)	Loan given	Loan repaid/ adjusted	Closing balance (excluding accrued interest)	Maximum balance outstanding during the year 31 March 2022
V N Creative Chemicals Private Limited (Unsecured loans given @ 7% p.a. (wef 07 December 2020) until 7 December 2020 9% p.a. for the purpose of financial support to subsidiary for capex which is repayable on demand)"	Step down subsidiary of the Company	14.00	-	(14.00)	-	14.00

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

(₹ in crores)

Amount of loans / advances in nature of loans outstanding from subsidiaries as at 31 March, 2021, on a standalone basis.

Name of party	Relationship	Opening balance (excluding accrued interest)	Loan given	Loan repaid/ adjusted	Closing balance (excluding accrued interest)	Maximum balance outstanding during the year 31 March 2021
Keva Flavours Private Limited (Unsecured loans given @ 9% p.a. for the purpose of financial support to subsidiary for acquisition of business which is repayable on demand)"	Wholly Owned Subsidiary Company	-	2.25	(2.25)	-	2.25
V N Creative Chemicals Private Limited (Unsecured loans given @ 7% p.a. (wef 07 December 2020) until 7 December 2020 9% p.a. for the purpose of financial support to subsidiary for capex which is repayable on demand)"	Step down subsidiary of the Company	14.00	-	-	14.00	14.00

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	For the year ended 31 March 2022				
	Opening balance	Corporate gurantee given	Corporate gurantee revoked	Non cash changes	Closing Balance
Keva Fragrances Private Limited	85.00	15.10	-	-	100.10
PFW Aroma Ingredients B. V.	43.05	-	-	(1.04)	42.01
Keva Fragrance Industries Pte. Ltd.	147.01	-	-	4.51	151.52
Keva Flavours Private Limited	45.00	0.10	(23.00)	-	22.10
V N Creative Chemicals Private Limited	40.00	-	(40.00)	-	-
Keva Europe B V	154.98	84.02	-	(3.74)	235.26
	515.04	**99.22**	**(63.00)**	**(0.27)**	**550.99**

Name of the entity	For the year ended 31 March 2021				
	Opening balance	Corporate gurantee given	Corporate gurantee revoked	Non cash changes	Closing Balance
Keva Fragrances Private Limited	85.00	-	-	-	85.00
PFW Aroma Ingredients B. V.	41.73	-	-	1.32	43.05
Keva Fragrance Industries Pte. Ltd.	128.08	22.05	-	(3.12)	147.01
Keva Flavours Private Limited	45.00	-	-	-	45.00
V N Creative Chemicals Private Limited	40.00	-	-	-	40.00
Keva Europe B V	-	154.98	-	-	154.98
	339.81	**177.03**	**-**	**(1.80)**	**515.04**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

(₹ in crores)

c) Details of investments made:

Entity	For the year ended 31 March 2022							
	Opening		Investment made		Sale of Investment		Closing	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Keva Ventures Private Limited (Face vale ₹ 10 per share)	-	-	10,00,000	1.00	-	-	10,00,000	1.00

Entity	For the year ended 31 March 2021							
	Opening		Investment made		Sale of Investment		Closing	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Keva Europe BV (Face vale Euro 1 per share)	1,000	0.01	80,00,000	67.58	-	-	80,01,000	67.59

47 Ratios

Sr No.	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	% Variance	Reason for Change
1	Current Ratio (number of times) [Current Assets / Current Liabilities]	1.16	1.21	(4.15%)	No major variation
2	Debt Equity Ratio (number of times) [Total Debt / Shareholder's Equity]	0.04	0.08	(55.44%)	Buy back of equity shares and reduction in short term borrowings lead to reduction in Debt Equity ratio
3	Debt service coverage ratio (number of times) [Earnings available for debt service / Debt Service]	1.50	1.01	49.11%	lower average borrowings during the year as against previous year resulted in improvement in Debt coverage ratio
4	Return on Equity (%) [Net Profits after taxes – Preference Dividend (if any)/ Average Shareholder's Equity]	6.87%	13.24%	(48.10%)	Change in product mix and increase in operating costs lead to lower profitability in current year, previous year includes dividend of ₹ 20.08 crore against ₹ 0.95 crore in current year.
5	Inventory turnover ratio (number of times) [Cost of goods sold / Average Inventory]	2.42	2.74	(11.62%)	not applicable
6	Trade receivables turnover ratio (number of times) [Net sales / Average Accounts Receivable]	4.43	4.37	1.42%	not applicable
7	Trade payables turnover ratio (number of times) [Net Purchases / Average Trade Payables]	2.03	1.88	7.88%	not applicable
8	Net capital turnover ratio (number of times) [Net Sales / Working Capital]	12.95	9.68	33.79%	Increase in turnover and better collection from receivable in current year

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

(₹ in crores)

Sr No.	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	% Variance	Reason for Change
9	Net profit ratio (%) [Net Profit / Net Sales]	5.30%	10.54%	(49.76%)	Change in product mix and increase in operating costs lead to lower profitability in current year, previous year includes dividend of ₹ 20.08 crore against ₹ 0.95 crore in current year.
10	Return on capital employed (%) [Earning before interest and taxes / Capital Employed]	10.83%	14.98%	(27.75%)	Change in product mix and increase in operating costs lead to lower profitability in current year, previous year includes dividend of ₹ 20.08 crore against ₹ 0.95 crore in current year.

Notes :

1. Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.
2. Debt service = Interest & Lease Payments + Principal Repayments
3. Average inventory = (Opening inventory balance + Closing inventory balance) / 2
4. Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance) / 2
5. Average trade payables = (Opening trade payables balance + Closing trade payables balance) / 2
6. Working capital = Current assets - Current liabilities
7. Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

48 Consolidation of Trust

The Company had formed S H Kelkar Employee Benefit Trust (Trust) through its trustees Barclays Wealth Trustees(India) Private Limited.

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 10 August 2017 and approved by shareholders of the Company on 01 November 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.

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

(₹ in crores)

i **The sources and application of funds of the Trust Consolidated as at 31 March, 2022 were as follows:**

Particulars	As at 31 March 2022	As at 31 March 2021
Sources of Funds		
Corpus	*0.00	*0.00
Reserves and Surplus	(21.27)	(15.44)
Secured Loan		
Loan from the company	75.00	75.00
Total	**53.73**	**59.56**
Application of Funds		
Investments	71.09	72.95
Current Assets, Loans and Advances (A)		
Cash and Cash Equivalents	1.77	0.79
Loans and Advances	0.21	0.10
Less: Current Liabilities and Provisions (B)		
Current Liabilities	19.13	14.27
Provisions	0.21	0.01
Net Current Assets (A- B)	**(17.36)**	**(13.39)**
Total	**53.73**	**59.56**

* Amount less than ₹ 0.01 crore

ii **Impact on the Company's profit and loss post the Trust consolidation for the year ended 31 March 2022**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Expenditure		
Management fees	0.04	0.04
Audit Fees	*0.00	*0.00
Impact on profit before tax	**0.04**	**0.04**

* 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 ₹ 71.09 crores as at 31 March 2022 (previous year ₹ 72.95 crores). Further, the Trust during year participated in the Company's buy-back of equity shares and consequently, sold 60,661 equity shares, aggregating to ₹ 1.87 crores. Accordingly, the adjustment pertaining to participation in buy-back, including the corresponding profit/ loss on the sale of equity shares has been recorded in the Company's equity.

(b) Other Non Current Financial Assets and other Income

Loans advanced to the Trust have been eliminated on consolidation amounting to ₹ 75.00 crores as at 31 March, 2022 (previous year ₹ 75.00 crores) and interest income of ₹ 5.25 crores (previous year ₹ 5.25 crores) on the above loan is also eliminated.

(c) Other Current Financial Assets

Interest on loans receivable from Trust eliminated on consolidation amounting to ₹ 18.59 crores as at 31 March 2022 (previous year ₹ 13.87 crores).

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

(₹ in crores)

(d) Details of STARs scheme

Particulars	As at 31 March 2022	As at 31 March 2021
Number of grant outstanding at the beginning of the year	1,012,000	2,130,026
Add : granted during the year	-	1,176,403
Less: lapsed during the year	1,012,000	2,294,429
Less: vested during the year	-	-
Less: exercised during the year	-	-
Number of grants at the end of the year	-	1,012,000
Expense recognised from above share base payment transactions	-	-
Carrying amount of Liability	-	-

(e) The fairvalue of the STAR'S was determine using the black-scholes model using the following inputs at the grant date and as at each reporting date

Particulars	As at 31 March 2022	As at 31 March 2021
Share price as at measurement date (₹ per share)	143.55	111.45
Expected volatility (%)	37.87%	36.89%
Dividend yield (%)	1.22%	0.90%
Risk-free interest rate (%)	4.62%	3.93%

(f) No employee benefit expense is recognised in current and previous year from the above stock appreciation rights.

49 The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made there under.

50 The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

51 The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

52 Utilisation of borrowed funds and share premium :

1. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

   a. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

   b. Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

2. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

   a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

   b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

53 There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

54 The Company has not traded or invested in crypto currency or virtual currency during the year.

55 The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

56 There are no transactions during the year, by the Company with struck off Companies.

As per our report of even date attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-10018

Mehul Parekh
Partner
Membership No: 121513

Mumbai
25 May 2022

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

Ramesh Vaze
Director & Chairman
DIN: 00509751

Kedar Vaze
Director & Group Chief Executive Officer
DIN: 00511325

Prabha Vaze
Director
DIN: 00509817

Rohit Saraogi
Group Chief Financial Officer and Company Secretary
Membership no: A24225

Mumbai
25 May 2022

S H KELKAR AND COMPANY LIMITED

Registered Office: Devkaran Mansion, 36, Mangaldas Road, Mumbai – 400 002

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 66th Annual General Meeting (AGM) of the Members of S H KELKAR AND COMPANY LIMITED (the "Company") will be held on Wednesday, 10 August 2022 at 4.30 pm IST through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), 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 31 March 2022 alongwith the Report of Board of Directors and Auditors thereon.

2. To declare final dividend on equity shares for the financial year ended 31 March 2022.

3. To appoint a Director in place of Mr. Ramesh Vaze (DIN: 00509751), a Non-Executive/Non-Independent Director, who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

4. To appoint Ms. Neela Bhattacherjee (DIN: 01912483) as an Independent Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution**:

   '**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modifications or re-enactment(s) thereof, for the time being in force and the Articles of Association of the Company, Ms. Neela Bhattacherjee (DIN: 01912483) who was appointed as an Additional Director (Non-Executive & Independent) of the Company and who holds office up to the date of this Annual General Meeting of the Company, and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of an Independent Director not liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 years with effect from May 25, 2022.

   RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary for the purpose of giving effect to this resolution.'

5. To pay remuneration by way of commission to Mr. Ramesh Vaze (DIN: 00509751) as a Non-Executive Director and Chairman of the Board and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 188, 197 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules framed read with Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and upon recommendation of the Nomination and Remuneration Committee, Audit Committee and the approval of the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded for payment of remuneration by way of commission to Mr. Ramesh Vaze (DIN: 00509751), holding office of profit as Non-Executive Director and Chairman of the Board, for guiding the Company and mentoring the leadership team, for the period commencing from September 01, 2022 to August 31, 2023 at the rate of 1% of the standalone net profits of the Company and the said commission shall be paid in addition to the sitting fees for attending the meetings of the Board and its Committees subject to the total managerial remuneration not exceeding the limits prescribed under Section 197 (1) of the Act at any point in time **AND THAT** the said commission be paid to Mr. Ramesh Vaze in equal monthly installments.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary for the purpose of giving effect to this resolution."

6. To ratify the remuneration payable to M/s. Kishore Bhatia & Associates, Cost Accountants, appointed as Cost Auditors of the Company for the financial year 2022-23 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 2022-23, be paid a remuneration of ₹ 2,20,000/- 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 are 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

Rohit Saraogi
Company Secretary
Membership No. - A24225

Date: 25 May 2022
Place: Mumbai
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 ('the Act') with respect to Item Nos. 4 to 6 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 ("Secretarial Standards") in respect of Directors seeking appointment/re-appointment at the Annual General Meeting ("AGM / Meeting") is furnished as annexure to the Notice.

2. Considering the present COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide General Circular Nos. 14/2020 dated 08 April 2020; 17/2020 dated 13 April 2020; 20/2020 dated 05 May 2020, 22/2020 dated 15 June 2020; 33/2020 dated 28 September 2020, 39/2020 dated 31 December 2020 and 02/2021, 13 January 2021 and 2/2022 dated 05 May 2022 (collectively referred to as "MCA Circulars") and Securities Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/CFD/CMD2/CIRP/P/2022/62 dated 13th May, 2022 (collectively referred to as "SEBI Circulars") and other applicable circulars issued in this regard have permitted convening of the AGM through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the Members at a common venue. In accordance with the MCA Circulars, provisions of the Act and the Listing Regulations, the AGM of the Company is being held through VC / OAVM without physical presence of the Members. The deemed venue for the AGM shall be the Registered Office of the Company.

3. Generally, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed hereto.

4. Members can login and join 30 (thirty) minutes prior to the scheduled time of Meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time. Members are allowed to participate on first come first serve basis, as participation through video conferencing is limited upto 1000 Members only. However, the participation of Members holding 2% or more, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. is not restricted on first come first serve basis.

5. Members attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.

6. Since the AGM will be held through VC/ OAVM and there is no physical venue of the AGM, the route map of the venue of the AGM is not annexed hereto.

7. In compliance with the MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.keva.co.in, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www. bseindia.com and www.nseindia.com respectively and notice of AGM shall be available on the website of CDSL www.evotingindia.com.

8. Pursuant to Section 113 of the Act, Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM, by e-mail before e-voting / attending AGM, to investors@keva.co.in.

9. For receiving all communication (including Annual Report) from the Company electronically, Members are requested to register / update their email addresses with the relevant Depository Participant.

10. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 04 August 2022 to Wednesday, 10 August 2022 (both days inclusive) for annual closing and determining the entitlement of the Members to the final dividend for the financial year ended 31 March 2022.

    Subject to the provisions of the Companies Act, 2013, final dividend as recommended by the Board of Directors, if declared at the AGM, will be paid on or after Wednesday, 11 August 2022 to those Members whose names appear on the Register of Members as on Wednesday, 03 August 2022. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as at the close of business hours on Wednesday, 03 August 2022 ("record date/cut-off date") as per the details furnished by the Depositories, viz. National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) for the purpose as on that date.

11. 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.

12. 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.

13. 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. Due dates for transfer to the Investor Education and Protection Fund IEPF of the unclaimed/unpaid dividends are mentioned in the Corporate Governance Report forming part of the Annual Report of the Company.

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.

15. Members seeking any statutory information or inspection of any other matter/ documents/ registers, etc. in connection with the 66th AGM of the Company, can write to the Company on investors@keva.co.in.

16. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 (1) and 44 (2) of the Listing Regulations, the Company is pleased to offer facilities for remote e-voting (refer instructions at point no. 17) and voting during the AGM by electronic means (refer instructions at point no. 20) to all Members in proportion to their shareholding as at the close of business hours on Wednesday, 03 August 2022. All the businesses contained in this Notice may be transacted through abovementioned e-voting facilities, being provided by Central Depository Services Limited (CDSL). Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the AGM by email and holds shares as on the cut-off date i.e. Wednesday, 03 August 2022, may obtain the User ID and password by sending a request to the Company's email address investors@keva.co.in. However, if such Member is already registered with CDSL for remote e-Voting then he/she can use his/her existing user ID and password for casting vote.

17. The instructions for Members for e-voting are as under:

i) The remote e-voting period begins on Saturday, 06 August 2022 (9.00 a.m.) and ends on Tuesday, 09 August 2022 (5.00 p.m.). During this period, Members of the Company, holding shares as on the cut-off date of Wednesday, 03 August 2022, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

ii) Members who have cast their votes using remote e-voting facility prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.

iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09 December 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

iv) Pursuant to aforementioned SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders/members holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login, the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/ EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.
Individual Shareholders holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at HYPERLINK "mailto:helpdesk.evoting@cdslindia.com"helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders:

a) Log on to the e-voting website: www.evotingindia.com.

b) Click on "Shareholders" module.

c) Enter your User ID

d) For CDSL: 16 digits beneficiary ID

e) For NSDL: 8 Character DP ID followed by 8 Digits Client ID

f) Enter the Image Verification as displayed and Click on Login.

g) If you had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

h) 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 updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
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 (ii).

i) After entering these details appropriately, click on "SUBMIT" tab.

j) Members 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 can also be used for voting on resolutions of any other company on which they are eligible to vote provided that such 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.

k) Click on Electronic Voting Sequence Number (EVSN) for S H Kelkar and Company Limited.

l) 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.

m) Click on the "RESOLUTIONS FILE LINK", if you wish to view the entire Resolution details.

n) After selecting the resolution you have decided to vote, now 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.

o) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

p) You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.

q) If you have forgotten the changed password then enter the User ID, Image Verification Code and click on Forgot Password & enter the details as prompted by the system.

r) Note for Non–Individual Members and Custodians:

- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- 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.
- 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.
- 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. The authorization in respect of Representative(s) of the Corporation shall be received by the scrutiniser /Company before close of e-voting.
- Alternatively, Non Individual Members are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Company at the email address viz; investors@keva.co.in, if they have voted from individual tab and not uploaded same in the CDSL E-voting system for the scrutinizer to verify the same.

18. Process for those Members whose email addresses are not registered with the depositories for obtaining login credentials for E-voting for the resolution proposed in this Notice:

Please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), Aadhaar (self attested scanned copy of Aadhaar Card) by email to Link Intime India Pvt. Ltd., the Company's Registrar & Transfer Agent at rnt.helpdesk@linkintime.co.in. The Company/ Registrar and Share Transfer Agent shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

19. The details of the process and manner for participating in AGM through VC/OAVM are explained herein below:

i) Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.

ii) Members are encouraged to join the Meeting through Laptops / I-Pads for better experience.

iii) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.

iv) Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore, recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

v) Members who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request on or before Saturday, 06 August 2022 mentioning their name, demat account number/folio number, email id, mobile number at investors@keva.co.in. The Members who do not wish to speak during the AGM but have queries may send their queries on or before Thursday, 04 August 2022 mentioning their name, demat account number/folio number, email id, mobile number at investors@keva.co.in. These queries will be replied to by the Company suitably by email.

vi) Only those Members who have registered themselves as a speaker will be allowed to express their views/ask questions during the Meeting. Depending on the availability of time, the Company reserves the right to restrict the number of speakers at the meeting.

20. The instructions for shareholders for e-voting during the AGM are as under:

i) The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

ii) Only those Members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting facility and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

iii) If any votes are cast by the Members through the e-voting available during the AGM and if the same Members have not participated in the AGM through VC/OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the Meeting is available only to the Members attending the Meeting.

iv) Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

21. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free number - 1800 22 55 33. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on contact at toll free number 1800 22 55 33.

22. Details of Scrutinizer and result of e-voting:

i) The Company has appointed Mr. Sachin Sharma (Membership No. A46900/CP. No. 20423), Designated Partner, M/s. S. Anantha & Ved LLP, Company Secretaries, Mumbai or failing him Mr. Dinesh Trivedi (Membership No. A23841/CP. No. 22407), 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.

ii) The Scrutinizer shall submit his report to the Chairman of the Meeting or any person authorised by him within 48 hours of the conclusion of the AGM. The Results declared along with the report of Scrutiniser shall be placed on the website of the Company www.keva.co.in and on website of CDSL immediately after declaration of results by the Chairman or person authorised by him in this behalf. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

iii) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of AGM.

23. Details of Tax on Dividend :

i) Members may note that the Income Tax Act, 1961 (Act), as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after 1st April, 2020 shall be taxable in the hands of the Members. The Company shall therefore be required to deduct Tax at Source (TDS) at the time of making payment of the final dividend. In order to enable us to determine the appropriate TDS rate, as applicable, Members are requested to submit the documents in accordance with the provisions of the Act.

ii) For Resident Members, tax shall be deducted at source under Section 194 of the Act at 10% on the amount of Dividend declared and paid by the Company during FY 2022-23, subject to submission of PAN by the Member. If PAN is not submitted, TDS would be deducted @ 20% as per Section 206AA of the Act.

iii) However, no TDS shall be deducted on the Dividend payable to a Resident Member, if the total dividend to be received during the FY 2022-23 does not exceed Rs.5,000/-. Please note that this includes the future dividends, if any, which may be declared by the Board of Directors during the FY2022-23.

iv) In cases where the Member submits Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met, no tax at source shall be deducted.

v) Apart from the above, since the TDS / Withholding rates are different for resident and non-resident Members, if there is a change in your residential status, as per the provisions of the Act, you are requested to get your residential status updated in your demat account or the physical folio, as applicable, before the Record Date. To avail the benefit of non-deduction/lower deduction of tax at source, the Shareholders are requested to submit the relevant documents on URL: https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html on or before 31 July 2022.

vi) Tax Exemption Forms are available at: https://www.linkintime.co.in/client-downloads.html.

By Order of the Board of Directors
of **S H KELKAR AND COMPANY LIMITED**
CIN: L74999MH1955PLC009593

Rohit Saraogi
Company Secretary
Membership No. - A24225

Date: 25 May 2022
Place: Mumbai
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. 4 to 7 mentioned in the accompanying the Notice.

Item No 4:

The Board of Directors has appointed Ms. Neela Bhattacherjee as an Additional Director (Non-Executive & Independent) of the Company with effect from 25 May 2022, on the recommendation of the Nomination and Remuneration Committee. As per the provisions of Section 161(1) of the Act, she holds office up to the date of this Annual General Meeting of the Company and is eligible for appointment as a Director of the Company not liable to retire by rotation for a period of 5 years with effect from May 25, 2022.

The details of Ms. Neela Bhattacherjee as required to be given pursuant to the Listing Regulations and the Secretarial Standards, are attached to the Notice. Her appointment will enable the Company to leverage her strong expertise and background to guide the Company on business and other related matters. In the opinion of the Board, Ms. Neela Bhattacherjee fulfils the conditions for appointment as specified under the Companies Act, 2013. The Company has received a Notice in writing under Section 160 of the Act, proposing her candidature for the office of Independent Director. A copy of the letter of appointment of Ms. Neela Bhattacherjee as an Independent Director setting out the terms and conditions is available for inspection without any fee payable by the Members at the Registered Office of the Company during the normal business hours on working days up to the date of the Annual General Meeting.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Ms. Neela Bhattacherjee, to whom the resolution relates, is concerned or interested in the Resolution mentioned at Item No. 4.

The Board of Directors recommends the Special Resolution as set out in Item No. 4 of the Notice for the approval of the Members.

Item No 5:

Pursuant to the Special Resolution passed by the Members of the Company in Postal Ballot conducted by the Company in June 2019, results of which were declared on 13 July, 2019, Mr. Ramesh Vaze was re-designated as Non-Executive Chairman of the Board with effect from 01 September 2019.

The Board, in its meeting held on 25 May 2022, as per recommendation of the Nomination and Remuneration Committee and Audit Committee, subject to the approval of Members, has approved payment of remuneration by way of commission to Mr. Ramesh Vaze at the rate of 1% of the standalone net profits of the Company during a year for the period commencing from September 01, 2022 to August 31, 2023 for continuing to guide the Company and mentoring the leadership team in his capacity as Non-Executive Chairman of the Board. Mr. Ramesh Vaze has been instrumental in driving SHK Group's ("Keva") efforts to become a leading F&F player in India as also popularizing Keva in international market as a reliable quality supplier of fragrances. Mr. Ramesh Vaze is also a Master Perfumer. With his vast knowledge and experience in the field of perfumery, Mr. Ramesh Vaze has been guiding and shall continue to guide the team of perfumers in expanding Keva's fragrance library. His experience, wisdom and network has been and would prove to be extremely valuable to the Company in future also.

Payment of remuneration to non-executive directors upto 1% of the net profits of the Company is permitted under provisions of Section 197 (1) of the Companies Act, 2013. However, in terms of Regulation 17 (6) (ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Members by way of Special Resolution is required every year if the remuneration payable to a single Non-Executive Director in that year exceeds 50% of the aggregate remuneration payable to all the Non-Executive Directors taken together. Remuneration payable to Mr. Ramesh Vaze during financial year 2022-23 would exceed 50% of the aggregate remuneration payable to all the Non-Executive Directors taken together. In terms of the provisions of Section 197 and 198 of the Companies Act, 2013 read with relevant rules, Mr. Ramesh Vaze was a paid a commission of Rs. 0.42 crore i.e. 1% of standalone net profit of the Company, during FY 2021-22.

Mr. Ramesh Vaze is interested in the resolution set out at Item No. 5 of the Notice as it pertains to remuneration payable to him. Ms. Prabha Vaze – Director and Mr. Kedar Vaze – Whole-time Director & Group CEO, who are related to Mr. Ramesh Vaze, may be deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of their directorship and their shareholding interest in the Company. Other relatives of Mr. Ramesh Vaze, may be deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of their shareholding interest in the Company, if any.

Save and except the above, 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 of Directors recommends the Special Resolution as set out in Item No. 5 of the Notice for the approval of the Members.

Item No. 6:

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 25 May 2022, the Board considered and approved the appointment of M/s. Kishore Bhatia & Associates, Cost Accountants, as the Cost Auditor for the financial year 2022-23 at a remuneration of ₹ 2,20,000/- 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 in the Resolution mentioned at Item No. 6.

The Board of Directors recommends the Ordinary Resolution as set out in Item No. 6 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

Rohit Saraogi
Company Secretary

Date: 25 May 2022
Place: Mumbai
Regd. Office: Devkaran Mansion, 36, Mangaldas Road, Mumbai – 400002
e-mail: investors@keva.co.in

ANNEXURE TO THE NOTICE

Details of the Directors seeking appointment/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	Ramesh Vaze	Neela Bhattacherjee
Category	Non-Executive Director	Independent Director
DIN	00509751	01912483
Date of Birth and Age	30 April 1941, 81 years	22 nd January 1960, 62 years
Qualification	Bachelor of Science	Bachelor of Science in Mathematics Bachelor of Science in Computer Science.
Nature of Expertise/Experience	Perfumery / F&F Business	IT/Business Management
Brief Resume	Appended at the end of this table	Appended at the end of this table
First Appointment on the Board	01 February 1981	25 May 2022
Terms & Conditions of Appointment/re-appointment	Appointment as a Non – Executive Director liable to retire by rotation	Appointment as an Independent Director for 5 years with effect from 25 May 2022
Last Drawn remuneration details along with remuneration sought to be paid	Commission paid during the year: ₹ 0.42 Crore Sitting Fees paid during the year: ₹ 0.08 Crore	As a Non-Executive Independent Director, she is entitled to sitting fees for attending meetings of the Board/Committee within the limits set out in the Companies Act, 2013
No. of shares held in S H Kelkar and Company Limited as at 31 March 2022	14,48,980	Nil
Relationship with Directors /Manager/KMP	Spouse of Mrs. Prabha Vaze & Father of Mr. Kedar Vaze	Not related
No. of Board meetings attended out of 7 meetings held during the year	7	NA
Directorship Details	**Listed Company:** S H Kelkar and Company Limited **Private Companies:** Keva Fragrances Pvt Ltd Keva Flavours Pvt Ltd VN Creative Chemicals Pvt Ltd Keva Fragrance Industries Pte Ltd PT SHKKeva Indonesia KNP Industries Pte Ltd Keva Constructions Pvt Ltd Keva Aromatics Pvt Ltd Keva Industries Pvt Ltd Keva Properties Pvt Ltd Keva Biotech Pvt Ltd KNP Industries Pvt Ltd RVV Nutritious Pvt Ltd KNP Retails Pvt Ltd Keva Ventures Pvt Ltd	**Listed Company:** S H Kelkar and Company Limited
Listed entities from which the person has resigned in the past 3 years	NA	Accelya Solutions India Limited
Committee Positions	Chairman of Corporate Social Responsibility Committee of S H Kelkar and Company Limited Member of Audit Committee and Nomination & Remuneration Committee of Keva Fragrances Pvt Ltd	Member of Nomination and Remuneration Committee of S H Kelkar and Company Limited
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements (Applicable in case of appointment of Independent Directors)	NA	Strategy, Business Development and IT skills

Brief Profile of Mr. Ramesh Vaze:

Known for his proficiency in perfumery and in-depth knowledge of customers and geographies, Mr. Ramesh Vaze has a rich industrial experience of 58 years. Mr. Ramesh Vaze joined S H Kelkar's (Keva) family business in 1961 and is one of the promoters of the Company. He was instrumental in popularising Keva in international market as a reliable quality supplier of fragrances. Realising that automation would lead to faster output with almost 100% accuracy, Mr. Ramesh Vaze, an avant garde visionary in the F&F industry, brought automation in compounding of fragrances to India. Under his able leadership, Keva commissioned India's first automated plant for compounding of fragrances in 1994. He also introduced the concept of plantation of aromatic plants such as vetivert, lavender, patchouli etc. to the famer community in India. Mr. Ramesh Vaze has been a Director on the Board of the Company since 1981. He is a trustee of Kelkar Education Trust.

Brief Profile of Ms. Neela Bhattacherjee:

Ms. Neela holds a degree of Bachelor of Science in Mathematics and a post graduate degree of Bachelor of Science in Computer Science. Ms. Neela Bhattacherjee has more than 32 years of post – qualification experience. she co-founded an IT company called Softcell which she ran successfully for 13 years (from 1986- 1999) which specialized in building IT application products, which at that time, was a unique concept in India. She as a consultant provided service to companies including the Taj Group of Hotels, Reliance Industries Ltd, and agencies for global shipping lines such as CMA CGM and Evergreen Marine Corp She successfully sold this business in 1999 when she joined Kale Consultants Ltd (a part of the Accelya group).

She has spent 21 years (from 2000- 2021) with the Accelya group (a leading provider of IT solutions to the travel and transportation industry), during which she held many leadership positions and was instrumental in growing the business, aligning, and shaping the organizational culture through Accelya's journey of mergers and acquisitions.

Neela was the Managing Director of Accelya Solutions India Ltd (ASIL- erstwhile Kale Consultants Ltd and a part of the global Accelya group) for two consecutive terms until June 2021. She is an active member of the Indian Angel Network (IAN) that works with startups. Along with TalentNomics, she mentors women in the corporate world.

Notes

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Corporate Information

BOARD OF DIRECTORS

Mr. Ramesh Vaze
Chairman & Non-Executive Director

Mr. Kedar Vaze
Whole-Time Director & Group CEO

Ms. Prabha Vaze
Non-Executive Director

Mr. Amit Dalmia
Non-Executive Director
(upto 17 May 2022)

Mr. Dalip Sehgal
Independent Director

Mr. Deepak Raj Bindra
Independent Director
(from 15 December 2021)

Mr. Jairaj Purandare
Independent Director
(upto 19 February 2022)

Mr. Mark Elliott
Independent Director

Ms. Sangeeta Singh
Independent Director

Mr. Shrikant Oka
Independent Director

Mr. Vasant Gujarathi
Independent Director
(from 20 February 2022)

Ms. Neela Bhattacherjee
Additional – Independent Director
(from 25 May 2022)

Group CFO, CS & Compliance Officer

Mr. Rohit Saraogi
(CS & Compliance Officer from 25 May 2022)

AUDIT COMMITTEE

Mr. Vasant Gujarathi (C)
Mr. Dalip Sehgal
Ms. Sangeeta Singh
Mr. Shrikant Oka
Mr. Kedar Vaze
Mr. Amit Dalmia (upto 17 May 2022)

NOMINATION AND REMUNERATION COMMITTEE

Ms. Sangeeta Singh (C)
Mr. Deepak Raj Bindra
Mr. Amit Dalmia (upto 17 May 2022)
Ms. Neela Bhattacherjee
(from 25 May 2022)

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Ramesh Vaze (C)
Ms. Prabha Vaze
Mr. Shrikant Oka

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. Dalip Sehgal (C)
Mr. Deepak Raj Bindra
Mr. Shrikant Oka

RISK MANAGEMENT COMMITTEE

Mr. Shrikant Oka (C)
Mr. Vasant Gujarathi
Mr. Kedar Vaze
Mr. Rohit Saraogi
Mr. Amit Gulati
[(C) – Chairperson]

AUDITORS

Deloitte Haskins & Sells LLP
Chartered Accountants

SUBSIDIARIES

Domestic

Keva Fragrances Pvt. Ltd.
Keva Flavours Pvt. Ltd.
VN Creative Chemicals Pvt. Ltd.
Keva Ventures Pvt. Ltd.
Nutaste Food & Drink Labs Pvt. Ltd.
Amikeva Private Limited

Overseas

Keva UK Ltd.
(England)

Keva Fragrance Industries Pte. Ltd.
(Singapore)

PT SHKKEVA Indonesia
(Indonesia)

Anhui Ruibang Aroma Company Ltd
(China)

PFW Aroma Ingredients B.V.
(The Netherlands)

Keva Europe B.V.
(The Netherlands)

Creative Flavours & Fragrances S.p.A.
and its subsidiaries
(Italy)

Keva Italy Srl
(Italy)

Nova Fragranze Srl
(Italy)

Provier Beheer BV (Holding Company of Holland Aromatics BV, The Netherlands)

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

S H Kelkar and Company Limited
Devkaran Mansion, 36, Mangaldas Road,
Mumbai - 400 002

Concept, Content & Design
WYATT Prism COMMUNICATIONS (info@wyatt.co.in)