



February 06, 2019

To  
The Manager  
The Department of Corporate Services  
BSE Limited  
Floor 25, P. J. Towers,  
Dalal Street, Mumbai – 400 001

To  
The Manager  
The Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400 051

**Scrip Code: 539450**

**Scrip Symbol: SHK**

Dear Sir/ Madam,

**Sub: Submission of unaudited financial results for the quarter and nine months ended December 31, 2018**

At the meeting of Board of Directors of the Company (“the Board”) held today, the Board has approved the unaudited financial results (standalone and consolidated) for the quarter and nine months ended December 31, 2018 and took on record the Limited Review Report issued by Statutory Auditors in this regard.

Accordingly, please find enclosed the following:

- Unaudited financial results (standalone and consolidated) for the quarter and nine months ended December 31, 2018 (“Results”)
- Limited Review Report issued by Statutory Auditors
- Press release on Results

You are requested to take the above on record.

Thanking you,

Yours faithfully,

For S H Kelkar and Company Limited

*Chandratre*

Deepthi Chandratre  
Company Secretary & Compliance Officer



*Encl: As above*



**S H Kelkar And Company Limited**  
Regd. Office : Devkaran Mansion, 36, Mangaldas Road, Mumbai - 400 002. (INDIA)  
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www.keva.co.in  
CIN No. L74999MH1955PLC009593



## STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2018

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

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Sales excluding Excise &amp; GST</b>	<b>254.51</b>	<b>282.09</b>	<b>281.78</b>	<b>772.58</b>	<b>736.53</b>	<b>1,019.27</b>
<b>1. Revenue from Operations</b>						
(a.) Sales including Excise (Refer note 8 )	254.51	282.09	281.78	772.58	754.46	1,037.20
(b.) Other Operating Income	0.32	1.41	0.39	2.14	1.15	1.75
<b>2. Other Income</b>						
(a.) Export Incentives	1.65	1.00	0.95	3.66	2.36	4.09
(b.) Other Income (Refer note 7 )	4.95	5.04	0.65	12.27	6.18	21.61
<b>3. Total Income</b>	<b>261.43</b>	<b>289.54</b>	<b>283.77</b>	<b>790.65</b>	<b>764.15</b>	<b>1,064.65</b>
<b>4. Expenses</b>						
(a.) Cost of materials consumed	156.51	135.91	143.49	439.85	412.74	552.81
(b.) Purchase of stock in trade	-	13.01	-	13.01	-	-
(c.) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(17.25)	13.98	9.02	(18.54)	(23.49)	10.12
(d.) Excise duty on sale of goods	-	-	-	-	17.93	17.93
(e.) Employee benefits expense (Refer note 7 )	31.24	37.60	33.12	97.94	94.00	125.19
(f.) Finance costs	4.49	1.89	0.71	7.89	2.38	3.97
(g.) Depreciation and amortisation expense	8.86	7.58	5.83	23.21	17.35	23.84
(h.) Other expenses	45.97	46.28	39.90	134.44	121.63	174.78
<b>Total Expenses</b>	<b>229.82</b>	<b>256.25</b>	<b>232.07</b>	<b>697.80</b>	<b>642.54</b>	<b>908.64</b>
<b>5. Profit before exceptional items and tax (3-4)</b>	<b>31.61</b>	<b>33.29</b>	<b>51.70</b>	<b>92.85</b>	<b>121.61</b>	<b>156.01</b>
<b>6. Exceptional Items (Refer note 5)</b>	-	-	10.07	-	10.07	12.85
<b>7. Profit before tax (5 - 6)</b>	<b>31.61</b>	<b>33.29</b>	<b>41.63</b>	<b>92.85</b>	<b>111.54</b>	<b>143.16</b>
<b>8. Tax expense</b>						
Current tax	11.45	16.94	15.40	38.40	39.03	46.42
Deferred tax	(1.17)	(12.06)	(0.96)	(13.24)	(0.34)	4.16
<b>9. Profit for the period (7 - 8)</b>	<b>21.33</b>	<b>28.41</b>	<b>27.19</b>	<b>67.69</b>	<b>72.85</b>	<b>92.58</b>
<b>10. Share of Profit from Equity investment in Joint Venture (Net of tax)</b>	<b>0.16</b>	<b>0.37</b>	-	<b>1.27</b>	-	<b>1.61</b>
<b>11. Profit / (Loss) attributable to Non-controlling interests</b>	<b>0.10</b>	<b>(0.04)</b>	-	<b>0.06</b>	-	-
<b>12. Profit after Non-controlling interests (9 + 10 -11)</b>	<b>21.39</b>	<b>28.82</b>	<b>27.19</b>	<b>68.90</b>	<b>72.85</b>	<b>94.19</b>
<b>13. Other Comprehensive Income</b>						
Items that will not be reclassified to profit or loss	0.02	0.03	(0.37)	0.08	(1.29)	0.11
Income Tax on relating to items that will not be reclassified to profit or loss	(0.01)	(0.02)	0.12	(0.04)	0.43	(0.10)
Items that will be reclassified to profit or loss	(7.36)	1.69	(0.32)	(6.76)	6.90	11.54
Income Tax on relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
<b>Other Comprehensive Income (net of tax)</b>	<b>(7.35)</b>	<b>1.70</b>	<b>(0.57)</b>	<b>(6.72)</b>	<b>6.04</b>	<b>11.55</b>
<b>14. Other Comprehensive Income (net of tax) attributable to Non-controlling interests</b>	-	-	-	-	-	-
<b>15. Other Comprehensive Income (net of tax) after Non-controlling interests (13 - 14)</b>	<b>(7.35)</b>	<b>1.70</b>	<b>(0.57)</b>	<b>(6.72)</b>	<b>6.04</b>	<b>11.55</b>
<b>16. Total Comprehensive Income for the period (9 + 10 + 13)</b>	<b>14.14</b>	<b>30.48</b>	<b>26.62</b>	<b>62.24</b>	<b>78.89</b>	<b>105.74</b>
<b>17. Total Comprehensive Income for the period attributable to Non controlling interests</b>	<b>0.10</b>	<b>(0.04)</b>	-	<b>0.06</b>	-	-
<b>18. Total Comprehensive Income for the period after Non controlling interests (16 + 17)</b>	<b>14.04</b>	<b>30.52</b>	<b>26.62</b>	<b>62.17</b>	<b>78.89</b>	<b>105.74</b>
<b>19. Paid-up equity share capital (Face Value of Rs 10 each)</b>	<b>144.62</b>	<b>144.62</b>	<b>144.62</b>	<b>144.62</b>	<b>144.62</b>	<b>144.62</b>
<b>20. Other Equity</b>						<b>712.59</b>
<b>21. Earnings Per Share (Face Value of Rs 10 each) (not annualised):(Refer note 9)</b>						
(a) Basic	1.50	2.01	1.88	4.82	5.04	6.52
(b) Diluted	1.50	2.01	1.88	4.82	5.04	6.52



KEVA



**Notes :**

- 1 The above consolidated financials results of S H Kelkar and Company Limited and its subsidiaries (collectively referred to as 'the Group') and its Joint venture were reviewed by the Audit Committee at its meeting held on 06 February, 2019 and subsequently approved by the Board of Directors of S H Kelkar and Company Limited ('the Company') at its meeting held on 06 February, 2019. The statutory auditors of the Company have conducted limited review of the above results for the quarter and nine months ended 31 December, 2018 pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations, 2015"). The limited review does not contain any qualifications. The above results are filed with the Stock Exchanges and available on Group website -www.keva.co.in.
- 2 The Group has two reportable operating segments viz. Fragrances and Flavours, as per IND AS 108-Operating Segment. Fragrances segment manufactures/trades in fragrances and aroma ingredients. Flavours segment manufactures/trades in flavours. The financial information for these segments has been provided in Consolidated Financial Results as per IND AS 108.
- 3 Earning before interest, tax, depreciation and amortisation (EBITDA) before exceptional items for the quarter ended 31 December, 2018 at Rs 44.96 crores (for the quarter ended 31 December, 2017: Rs 58.24 crores) and for the nine months ended 31 December, 2018 at Rs.123.95 crores. (for the nine months ended 31 December, 2017: Rs 141.34 crores)
- 4 As disclosed to stock exchanges on 11 January, 2019, Keva Fragrances Pvt. Ltd. ("new KFG") - a wholly owned subsidiary of the Company has received an assessment order under Section 143(3) of the Income Tax Act, 1961 for the Assessment Year 2016-17 with a demand of Rs. 137.95 crores including interest. The Company has been advised that the Assessing officer has erroneously interpreted the provisions of law and has applied the tax provisions which are not applicable to the facts of our case. Accordingly, the Company has been advised that the said order is not tenable under law and there is reasonable certainty of the order being quashed by appellate authorities. Accordingly no provision has been considered necessary for these Consolidated financial results.
- 5 The Group had decided to restructure its operation at PFW Aroma Ingredients B.V ('PFW'), Netherlands in the previous year and, inter alia, to relocate part of its production base to India to optimise the cost structure of its fragrance business. This had resulted in partial reduction of PFW's workforce. Such restructuring cost of Rs 12.85 crores has been considered in full in accordance with Ind AS 19-Employee Benefits and shown as Exceptional item.
- 6 Keva Fragrances Pvt. Ltd ("KFG") a wholly owned subsidiary company in the Group has acquired 50% of Purandar Fine Chemicals Pvt. Ltd. ("Purandar") in accordance with Share Purchase Agreement executed between KFG & Purandar on 01 November, 2018. As per IND AS 28, Profit share from Purandar Rs. 0.06 crores, for the period from 01 November, 2018 to 31 December, 2018 has been shown as share of profit from equity investment in a Joint Venture.
- 7 The Group has undertaken Business / Organisation restructuring and its associated one time cost of Rs 5.39 crores for nine months ended December 2018 and for quarter ended December, 2018 Rs 1.24 crores is included in the Employment cost. Similarly, excess provision relating to the Employment cost of Rs 3.59 crores is disclosed under Other income for the quarter ended 31 December, 2018.
- 8 According to the requirements of the Listing Regulations, 2015, revenue for the quarter ended 30 June, 2017 was reported inclusive of excise duty. Goods and Service Tax ("GST") has been implemented with effect from 01 July, 2017 which replaces Excise Duty and other input taxes. As per Ind AS 18, the revenue for the period from 1 July, 2017 to 31 March, 2018, quarter ended 30 September, 2018, quarter and nine months ended 31 December, 2018 is reported net of GST.
- 9 Basic and Diluted earnings per share for quarter ended 30 September, 2018, quarter and nine months ended 31 December, 2018 and year ended 31 March, 2018 is adjusted for the effect of treasury shares held by the Company.
- 10 Previous period figures have been regrouped and reclassified wherever necessary.

For and on behalf of Board of Directors



*Kedar Vaze*

Kedar Vaze

Director and Chief Executive Officer

Place: Mumbai  
Date: 06 February, 2019



**S H KELKAR AND COMPANY LIMITED**

CIN : L74999MH1955PLC009593

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**Consolidated Segment-wise Revenue, Assets, Liabilities and Capital Employed for the Quarter and Nine months ended 31 December 2018**

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

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Segment Revenue (Excluding Excise &amp; GST)</b>						
Fragrance	226.90	253.92	254.60	692.13	651.55	906.59
Flavours	27.61	28.17	27.18	80.45	84.98	112.68
<b>Total</b>	<b>254.51</b>	<b>282.09</b>	<b>281.78</b>	<b>772.58</b>	<b>736.53</b>	<b>1,019.27</b>
<b>1. Segment Revenue (Including Excise)</b>						
Fragrance	226.90	253.92	254.60	692.13	667.52	922.60
Flavours	27.61	28.17	27.18	80.45	86.94	114.60
<b>Total</b>	<b>254.51</b>	<b>282.09</b>	<b>281.78</b>	<b>772.58</b>	<b>754.46</b>	<b>1,037.20</b>
Other Operating Income	0.32	1.41	0.39	2.14	1.15	1.75
<b>Sales/ Income From Operations</b>	<b>254.83</b>	<b>283.50</b>	<b>282.17</b>	<b>774.72</b>	<b>755.61</b>	<b>1,038.95</b>
<b>2. Segment Results (Profit (+) / Loss(-) before tax and interest from ordinary activities)</b>						
- Fragrance (Refer note - 3)	36.64	36.58	39.55	102.70	107.19	139.86
- Flavours	4.27	2.29	6.92	10.42	17.43	21.13
<b>Total</b>	<b>40.91</b>	<b>38.87</b>	<b>46.47</b>	<b>113.12</b>	<b>124.62</b>	<b>160.99</b>
Less: i) Finance costs	(4.49)	(1.89)	(0.71)	(7.89)	(2.38)	(3.97)
<b>Add/(Less): Other unallocable income net of unallocable expenditure</b>	<b>(4.65)</b>	<b>(3.32)</b>	<b>(4.13)</b>	<b>(11.11)</b>	<b>(10.70)</b>	<b>(12.25)</b>
<b>Total Profit Before Tax from ordinary activities and share of profit from Equity Investment in Joint Venture</b>	<b>31.77</b>	<b>33.66</b>	<b>41.63</b>	<b>94.12</b>	<b>111.54</b>	<b>144.77</b>
<b>3. Segment Assets</b>						
- Fragrance (Refer note - 4)	1,320.30	1,217.47	1,062.13	1,320.30	1,062.13	1,076.33
- Flavours	121.93	136.66	143.29	121.93	143.29	151.76
- Unallocated	66.08	58.99	38.25	66.08	38.25	51.83
<b>Total</b>	<b>1,508.31</b>	<b>1,413.12</b>	<b>1,243.67</b>	<b>1,508.31</b>	<b>1,243.67</b>	<b>1,279.92</b>
<b>4. Segment Liabilities</b>						
- Fragrance	207.83	208.91	216.92	207.83	216.92	191.54
- Flavours	13.96	16.31	32.50	13.96	32.50	23.85
- Unallocated	416.44	320.26	133.69	416.44	133.69	207.32
<b>Total</b>	<b>638.23</b>	<b>545.48</b>	<b>383.11</b>	<b>638.23</b>	<b>383.11</b>	<b>422.71</b>
<b>5. Capital Employed (Segment assets - Segment liabilities)</b>						
- Fragrance	1,112.47	1,008.56	845.21	1,112.47	845.20	884.79
- Flavours	107.97	120.35	110.79	107.97	110.80	127.91
- Unallocated	(350.36)	(261.27)	(95.44)	(350.36)	(95.44)	(155.49)
<b>Total</b>	<b>870.08</b>	<b>867.64</b>	<b>860.56</b>	<b>870.08</b>	<b>860.56</b>	<b>857.21</b>

**Notes on Segment Information:**

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

Segment Assets and Segment Liabilities are as at 31 December, 2018, 31 December, 2017, 30 September, 2018 and 31 March, 2018.

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

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

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



# B S R & Co. LLP

Chartered Accountants

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## Limited Review Report on Unaudited Quarterly Consolidated Financial results and Unaudited Consolidated year-to-date results of S H Kelkar and Company Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of S H Kelkar and Company Limited ('hereinafter referred to as 'the Holding Company') and its subsidiaries (collectively referred to as 'the Group') and its joint ventures for the quarter ended 31 December 2018 and the year-to-date results for the period from 1 April 2018 to 31 December 2018 attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

This Statement is the responsibility of the Holding Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these unaudited consolidated financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* specified under Section 143 (10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the unaudited consolidated financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

The Statement include the results of the following entities:

Name of the Entity	Relationship
Saiba Industries Private Limited	Wholly Owned Subsidiary
Keva Flavours Private Limited	Wholly Owned Subsidiary
Rasiklal Hemani Agencies Private Limited	Wholly Owned Subsidiary
Keva Chemicals Private Limited (including its following wholly owned subsidiary) - Tanishka Fragrance Encapsulation Technologies LLP	Wholly Owned Subsidiary
Keva Fragrances Private Limited (including its following wholly owned subsidiary) - VN Creative Chemicals Private Limited	Wholly Owned Subsidiary
Keva U.K. Ltd (including its following wholly owned subsidiary) - PFW Aroma Ingredients B.V	Wholly Owned Subsidiary

**Limited Review Report on Unaudited Quarterly Consolidated Financial results and Unaudited Consolidated year-to-date results of S H Kelkar and Company Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)**

**S H Kelkar and Company Limited**

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

We did not review the financial information of eleven subsidiaries included in the statement of unaudited consolidated financial results and consolidated year to date financial results, whose unaudited financial information reflect total revenue of Rs 154.19 crores and Rs 319.66 crores for the quarter ended 31 December 2018 and period from 1 April 2018 to 31 December 2018 respectively and total assets of Rs 619.20 crores as at 31 December 2018. The consolidated financial results also include the Group's share of net profit ( and other comprehensive income) of Rs 0.16 crores and Rs 1.37 crores for the quarter ended 31 December 2018 and period from 1 April 2018 to 31 December 2018 respectively in respect of two joint ventures whose financial results have not been reviewed by us. These unaudited financial information have not been reviewed by the respective auditors and are based solely on management certified accounts. Our report on the unaudited consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and a joint venture is based solely on such unaudited financial information. In our opinion and according to the information and explanation given to us by the management, these financial results are not material to the Group. Our conclusion is not modified in respect of this matter.

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with applicable accounting standards i.e. Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

Mumbai  
06 February 2019

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

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

S H KELKAR AND COMPANY LIMITED

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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2018

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

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Sales excluding Excise &amp; GST</b>	<b>171.73</b>	<b>196.26</b>	<b>197.06</b>	<b>527.45</b>	<b>481.05</b>	<b>680.79</b>
<b>1. Revenue from Operations</b>						
(a.) Sales including Excise (Refer note 5 )	171.73	196.26	197.06	527.45	497.10	696.84
(b.) Other Operating Income	0.28	0.21	0.20	0.74	0.68	0.89
<b>2. Other Income</b>						
(a.) Export Incentives	0.10	0.05	-	0.25	-	0.51
(b.) Other income (Refer note 4 )	7.86	3.19	3.98	14.14	10.71	13.62
<b>3. Total Income</b>	<b>179.97</b>	<b>199.71</b>	<b>201.24</b>	<b>542.58</b>	<b>508.49</b>	<b>711.86</b>
<b>4. Expenses</b>						
(a.) Cost of materials consumed	136.12	107.75	107.70	349.08	293.27	389.43
(b.) Purchase of stock in trade	-	5.41	-	5.41	4.37	4.85
(c.) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(24.94)	4.56	9.45	(27.79)	(19.33)	5.46
(d.) Excise duty on sale of goods	-	-	-	-	16.05	16.05
(e.) Employee benefits expense (Refer note 4 )	17.95	25.28	18.71	61.29	51.03	70.85
(f.) Finance Costs	1.64	0.91	0.56	3.66	1.78	3.16
(g.) Depreciation and amortisation expense	4.36	3.23	2.49	10.65	7.53	10.53
(h.) Royalty expense	4.24	5.33	5.33	13.93	13.48	19.16
(i.) Other expenses	26.08	26.88	23.93	77.06	62.27	89.21
<b>Total Expenses</b>	<b>165.45</b>	<b>179.35</b>	<b>168.17</b>	<b>493.29</b>	<b>430.45</b>	<b>608.70</b>
<b>5. Profit before exceptional Items and tax (3-4)</b>	<b>14.52</b>	<b>20.36</b>	<b>33.07</b>	<b>49.29</b>	<b>78.04</b>	<b>103.16</b>
<b>6. Exceptional Items</b>	-	-	-	-	-	-
<b>7. Profit before tax (5 - 6)</b>	<b>14.52</b>	<b>20.36</b>	<b>33.07</b>	<b>49.29</b>	<b>78.04</b>	<b>103.16</b>
<b>8. Tax expense</b>						
Current tax	3.53	4.83	9.42	13.10	24.22	32.38
Deferred tax	1.60	1.64	1.13	3.14	1.36	1.82
<b>9. Net Profit for the period after tax (7 - 8)</b>	<b>9.39</b>	<b>13.89</b>	<b>22.52</b>	<b>33.05</b>	<b>52.46</b>	<b>68.96</b>
<b>10. Other Comprehensive Income</b>						
Items that will not be reclassified to profit or loss	0.03	0.03	(0.33)	0.09	(1.01)	0.13
Income Tax on relating to items that will not be reclassified to profit or loss	(0.01)	(0.01)	0.11	(0.03)	0.34	(0.04)
<b>Other Comprehensive Income (net of tax)</b>	<b>0.02</b>	<b>0.02</b>	<b>(0.22)</b>	<b>0.06</b>	<b>(0.67)</b>	<b>0.09</b>
<b>11. Total Comprehensive Income for the period (9 + 10)</b>	<b>9.41</b>	<b>13.91</b>	<b>22.30</b>	<b>33.11</b>	<b>51.79</b>	<b>69.05</b>
<b>12. Paid-up equity share capital (Face Value of Rs 10 each)</b>	<b>144.62</b>	<b>144.62</b>	<b>144.62</b>	<b>144.62</b>	<b>144.62</b>	<b>144.62</b>
<b>13. Other Equity</b>						<b>482.95</b>
<b>14. Earnings Per Share (Face Value of Rs 10 each) (not annualised): (Refer note 6)</b>						
(a) Basic	0.66	0.97	1.56	2.31	3.63	4.77
(b) Diluted	0.66	0.97	1.56	2.31	3.63	4.77

Notes :

- The above standalone financials results were reviewed by the Audit Committee on 06 February, 2019 and subsequently approved by the Board of Directors of S H Kelkar and Company Limited ('the Company') at its meeting held on 06 February, 2019. The statutory auditors of the Company have conducted limited review of the above results for the quarter and nine months ended 31 December, 2018 pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations, 2015"). The limited review does not contain any qualifications. The above results are filed with the Stock Exchanges and available on Group website -www.keva.co.in.
- The Company is in the business of manufacturing of fragrances. The Company has only one reportable business segment of fragrances.
- Earning before interest, tax, depreciation and amortisation (EBITDA) before exceptional items for the quarter ended 31 December, 2018 at Rs 20.52 crores (for the quarter ended 31 December, 2017: Rs 36.12 crores) and for the nine months ended 31 December, 2018 at Rs.63.60 crores.(for the nine months ended 31 December, 2017: Rs 87.35 crores)
- The Group has undertaken Business / Organisation restructuring and its associated one time cost of Rs 5.39 crores for nine months ended December 2018 and for quarter ended December, 2018 Rs 1.24 crores is included in the Employment cost. Similarly, excess provision relating to the Employment cost of Rs 3.59 crores is disclosed under Other income for the quarter ended 31 December, 2018.
- According to the requirements of the Listing Regulations, 2015, revenue for the quarter ended 30 June, 2017 was reported inclusive of excise duty. Goods and Service Tax ("GST") has been implemented with effect from 01 July, 2017 which replaces Excise Duty and other input taxes. As per Ind AS 18, the revenue for the period from 1 July, 2017 to 31 March, 2018, quarter ended 30 September, 2018, quarter and nine months ended 31 December, 2018 is reported net of GST.
- Basic and Diluted earnings per share for quarter ended 30 September, 2018, quarter and nine months ended 31 December, 2018 and year ended 31 March, 2018 is adjusted for the effect of treasury shares held by the Company.
- Previous period figures have been regrouped and reclassified wherever necessary.

Place: Mumbai  
Date: 06 February, 2019



For and on behalf of Board of Directors

*K. Vaze*

Kedar Vaze  
Director and Chief Executive Officer

# B S R & Co. LLP

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## Limited Review Report on Unaudited Quarterly Standalone Financial results and Unaudited Standalone year-to-date results of S H Kelkar and Company Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

We have reviewed the accompanying statement of unaudited standalone financial results ('the Statement') of S H Kelkar and Company Limited ('the Company') for the quarter ended 31 December 2018 and year-to-date results for the period from 1 April 2018 to 31 December 2018 attached herewith, in which are incorporated returns from a Branch in Amsterdam, The Netherlands and S H Kelkar Employee Benefit Trust which is based on management certified accounts, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

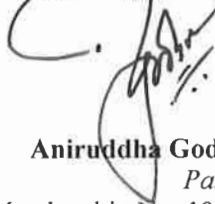
This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these unaudited standalone financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* specified under Section 143 (10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the standalone financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable accounting standards i.e. Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **B S R & Co. LLP**  
*Chartered Accountants*

Firm's Registration No: 101248W/W-100022



**Aniruddha Godbole**  
*Partner*

Membership No: 105149

Mumbai  
06 February 2019





## S H Kelkar and Company Limited

Corporate Office: L.B.S Marg, Near Balrajeshwar Temple, Mulund (W), Mumbai – 400080

Registered Office: Devkaran Mansion, 36, Mangaldas Road, Mumbai 400 002.

### S H Kelkar announces Q3 & 9M FY19 results

#### 9M FY19

**Revenues from operations higher by 5% at Rs. 773 Cr**

**Domestic Fragrance revenue grew 6%**

**Gross margins at 44% despite RM headwinds**

**Mumbai, February 6, 2019:** S H Kelkar and Company, the largest Indian origin Fragrance and Flavours Company in India, has announced its financial results for the quarter and nine months ended December 31, 2018.

#### **9M FY19 performance overview compared with 9M FY18**

- Revenues from operations stood at Rs. 772.6 crore as against Rs. 736.5 crore, higher by 5% YoY
- EBITDA at Rs. 123.9 crore as against Rs. 141.3 crore
  - Pricing pressures on key raw materials continued to impact profitability on a YoY basis
  - The Company undertook price increases during the period under review to partially cover the unprecedented raw material inflation. This, combined with the several cost-optimization measures undertaken by SHK over the last several quarters, has resulted in stable gross margins, which improved sequentially during Q3 FY19
  - Gross margins in 9M FY19 stood at 44% vs. 47% in 9M FY18
  - The Company expects gross margins to further improve once the Mahad facility operations fully ramp up
  - The employee costs during 9M FY19 increased by 4% YoY owing to a one-time expense of Rs. 5.4 crore incurred towards rationalization of Creative Development Centers (CDC) in Europe
- PAT stood at Rs. 68.9 crore as against Rs. 72.9 crore

- The Company expects growth to normalize from Q1 FY20 onwards as operating parameters stabilize along with improving macro factors

### Q3 FY19 performance overview compared with Q3 FY18

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- Revenues from operations at Rs. 254.5 crore from Rs. 281.8 crore, owing to a subdued domestic demand in December
- EBITDA at Rs. 45.0 crore as against Rs. 58.2 crore
  - EBITDA margin stood at 17.2% vs 20.5%
  - Gross margins improved sequentially to 45%
- PAT stood at Rs. 21.4 crore as against Rs. 27.2 crore

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

*“Over the last 3 years, since the listing of our Company, the business has undergone three high-intensity market disruptions which include Demonetization, GST implementation, and the recent raw material shortage event. However, SHK’s business model and the financial parameters have held strong, enabling the underlying core business to still report gross margins in the range of 43-45% and EBITDA margins within the range 17-20%.*

*While we witnessed an uptick in consumer demand in the months of October and November during the quarter, the sales performance in the month of December was far below our expectations. The business delivered subdued performance in the domestic segment, especially in certain categories which witnessed a transitory slow-down due to delays in GST refund leading to uncertainty among certain customers. As things get more streamlined, we anticipate business in this segment to recover. Despite this operating environment, our client base remained intact and we witnessed a healthy pace of new client wins during Q3, so we expect the scenario to normalize going forward.*

*We continue to focus towards enhancing our operational capabilities and are rationalizing costs across business parameters. We believe, in the longer term, this will help bring in higher business efficiencies, and assist us to bounce back strongly when we see normalization of operating parameters. Simultaneously, we are also focusing on optimizing our Greenfield manufacturing facility at Mahad. On the whole, we are confident of delivering improved results as a revival in macros coupled with our strategic initiatives towards strengthening our product offerings and cost saving measures should help augment business performance from FY 2020 onwards.”*

## Key Developments:

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### **Healthy progress towards ramping up production at Mahad facility**

- The state-of-the-art facility at Mahad manufactures Tonalid and other key raw materials used in the fragrance industry
- The facility, commissioned in September, 2018, is expected to reach optimal utilizations levels over the next few quarters
- Operationalization of this facility to help improve availability of key raw materials, business and cost efficiencies going forward

### **Promoters hike stake in the Company by purchase of 250,000 shares in January 2019**

- The acquisition of shares have been made from own liquidity and reiterate the promoter group's commitment towards the business and confidence in the Company's growth outlook
- The recent pledge of shares by the promoter's has been for meeting transitory liquidity gaps from time to time and no draw down has been made so far



### About S H Kelkar and Company Limited:

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S H Kelkar and Company Limited (SHK) is the largest Indian-origin Fragrance & Flavour Company in India. It has a long standing reputation in the fragrance industry developed in 96 years of experience. Its fragrance products and ingredients are used as a raw material in personal wash, fabric care, skin and hair care, fine fragrances and household products. Its flavour products are used as a raw material by producers of baked goods, dairy products, beverages and pharmaceutical products. The Company offers products under SHK, Cobra and Keval brands.

The Company has a strong and dedicated team of scientists, perfumers, flavourists, evaluators and application executives at its facilities and four creation and development centres in India, The Netherlands, Indonesia and Italy for the development of fragrance and flavour products. The research team has developed 12 molecules over the last three years. The Company has filed 13 patent applications in respect of molecules, systems and processes developed by it, of which 2 have been commercially exploited in deodorant and fine fragrance categories.

Over the years, SHK has developed a vast product portfolio of fragrances and flavour products for the FMCG, personal care, pharmaceutical and food & beverages industry. The Company has a diverse and large client base including leading national and multi-national FMCG companies, blenders of fragrances & flavours and fragrance & flavour producers.

### For further information please contact:

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### DISCLAIMER:

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