



November 14, 2016

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 half year ended September 30, 2016**

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 half year ended September 30, 2016 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 half year ended September 30, 2016 (“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

  
Deepti Chandratre  
Company Secretary & Compliance Officer



Encl: As above



**S H Kelkar And Company Limited**  
Lal Bahadur Shastri Marg, Mulund (West), Mumbai - 400 080. Tel : +91 22 2167 7777  
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 SIX MONTHS ENDED 30 SEPTEMBER 2016**  
(Rupees in Crore, except for share data and If otherwise stated)

Particulars	Quarter Ended	Quarter Ended	Quarter Ended	Six Months Ended	Six Months Ended	Year Ended
	30.9.2016	30.6.2016	30.9.2015	30.9.2016	30.9.2015	31.3.2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
<b>1. Income from operations</b>						
(a.) Sales/ Income from Operations	262.15	275.32	222.57	537.47	459.89	989.47
(b.) Other Operating Income	1.47	1.42	0.84	2.89	1.41	3.72
<b>Total Income from operations (net) (a + b)</b>	<b>263.62</b>	<b>276.74</b>	<b>223.41</b>	<b>540.36</b>	<b>461.30</b>	<b>993.19</b>
<b>2. Expenses</b>						
(a.) Cost of materials consumed	137.01	149.57	124.87	286.59	251.56	517.75
(b.) Purchase of stock in trade	2.13	2.03	2.62	4.16	2.95	1.79
(c.) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2.84)	(9.82)	(8.23)	(12.67)	(11.67)	(6.62)
(d.) Excise Duty	18.37	20.88	15.25	39.24	32.00	68.33
(e.) Employee benefits expense	31.24	29.34	28.18	60.59	52.73	111.85
(f.) Depreciation and amortisation expense	4.90	4.40	7.40	9.30	14.76	29.70
(g.) Other expenses	36.09	37.41	35.22	73.10	67.82	150.33
<b>Total Expenses</b>	<b>226.90</b>	<b>233.81</b>	<b>205.31</b>	<b>460.31</b>	<b>410.15</b>	<b>873.13</b>
<b>3. Profit/(Loss) from Operations before other income, finance cost and exceptional items (1-2)</b>	<b>36.72</b>	<b>42.93</b>	<b>18.10</b>	<b>80.05</b>	<b>51.15</b>	<b>120.06</b>
4. Other Income	2.88	3.20	2.25	5.67	4.13	10.45
<b>5. Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)</b>	<b>39.60</b>	<b>46.13</b>	<b>20.35</b>	<b>85.72</b>	<b>55.28</b>	<b>130.51</b>
6. Finance Costs - Imputed interest (Refer note 12)	-	-	1.96	-	3.85	4.80
Finance Costs - Others	2.15	1.93	5.31	4.08	10.58	15.23
<b>7. Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)</b>	<b>37.45</b>	<b>44.20</b>	<b>13.08</b>	<b>81.64</b>	<b>40.85</b>	<b>110.48</b>
8. Exceptional Items	-	-	-	-	-	-
<b>9. Profit / (Loss) from ordinary activities before tax (7 + 8)</b>	<b>37.45</b>	<b>44.20</b>	<b>13.08</b>	<b>81.64</b>	<b>40.85</b>	<b>110.48</b>
10. Tax expense	13.16	16.67	6.07	29.82	14.35	37.55
<b>11. Net Profit / (Loss) from ordinary activities after tax (9 - 10)</b>	<b>24.29</b>	<b>27.53</b>	<b>7.01</b>	<b>51.82</b>	<b>26.50</b>	<b>72.93</b>
12. Extraordinary items	-	-	-	-	-	-
<b>13. Net Profit / (Loss) for the period (11 + 12)</b>	<b>24.29</b>	<b>27.53</b>	<b>7.01</b>	<b>51.82</b>	<b>26.50</b>	<b>72.93</b>
14. Other Comprehensive Income (net of tax)	(1.63)	(1.81)	3.10	(3.45)	7.41	6.25
<b>15. Total Comprehensive Income (13 + 14)</b>	<b>22.66</b>	<b>25.72</b>	<b>10.11</b>	<b>48.37</b>	<b>33.91</b>	<b>79.18</b>
16. Paid-up equity share capital (Face Value of Rs 10 per share)						144.62
17. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						575.68
<b>18. Earnings Per Share (not annualised):</b>						
(a) Basic	1.68	1.90	0.54	3.58	2.02	5.35
(b) Diluted	1.68	1.90	0.54	3.58	2.02	5.35



**S H KELKAR AND COMPANY LIMITED**

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**Notes :**

- The Company adopted Indian Accounting Standard ("Ind AS") from 1 April, 2016 and accordingly the Unaudited Consolidated Financial Results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. The Unaudited Consolidated Financial Results for all periods have been prepared in accordance with the recognition and measurement principles of Ind AS 34.
- The above results were reviewed and recommended by the Audit Committee on 14 November, 2016 and subsequently approved by the Board of Director at its meeting held on 14 November, 2016. The statutory auditors of S H Kelkar and Company Limited ('the Company') have carried out a limited review of the above results for the quarter and six months ended 30 September 2016 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 report does not contain any qualifications. The Limited review report is filed with the Stock Exchanges and available on Company's website - www.keva.co.in.
- The Unaudited Consolidated Financial results for the quarter and six months ended 30 September 2015, and year ended 31st March 2016 have not been audited or reviewed by the auditors and are compiled by the management after exercising necessary due diligence to ensure a true and fair view of the Group's affairs.
- Reconciliation of Net profit as reported under previous Generally Accepted Accounting Principles ('Previous GAAP') and as per IND AS is given as follows:

Rs. In Crores

Particulars	Quarter Ended	Half Year Ended	Year Ended
	30.9.2015	30.9.2015	31.3.2016
	Unaudited	Unaudited	Unaudited
<b>Consolidated Net profit as per IGAAP</b>	9.95	30.73	80.21
<b>Ind AS adjustments</b>			
1. Imputed interest cost on committed returns to the investor shareholder	(1.96)	(3.85)	(4.80)
2. Amortisation of Upfront Fees on borrowings	(0.32)	(0.64)	(0.83)
3. Restatement of past business combinations	(0.07)	(0.14)	(0.29)
4. Debtors provisioning based on Expected loss model	(1.26)	0.44	(3.41)
5. MTM gain/(loss) on financial instruments	(0.76)	(1.01)	0.75
6. Restatement of prior period errors	-	-	(1.71)
7. Deferred tax on GAAP adjustments and consolidation adjustments	1.40	0.73	2.87
8. Actuarial gain/(loss) on defined benefit plans reclassified to OCI, net of tax	0.03	0.24	0.14
<b>Consolidated Net profit as per Ind AS</b>	<b>7.01</b>	<b>26.50</b>	<b>72.93</b>

- Reconciliation of Equity as reported under previous Generally Accepted Accounting Principles ('Previous GAAP') and as per IND AS is given as follows:

Rs. In Crores

Particulars	Year Ended
	31.3.2016
	Unaudited
<b>Consolidated Equity as per I-GAAP</b>	<b>762.83</b>
<b>Ind AS Adjustments:</b>	
1. Debtors provisioning based on Expected loss model	(5.12)
2. Fair valuation of financial instruments	1.54
3. Restatement of PFW Business Combination	(37.29)
4. Restatement of Saiba Business Combination	(3.58)
5. Restatement of prior period errors	(1.71)
6. Deferred tax on GAAP adjustments and consolidation adjustments	3.63
<b>Consolidated Equity as per Ind AS</b>	<b>720.30</b>

- The proceeds from IPO were Rs.209.99 (gross of issue related expenses inclusive of Service Tax- Rs.18.20)

Details of utilisation of IPO proceeds are as follows:

Rs. In Crores

Particulars	Object of the issue as per the prospectus	Utilised upto 30 September 2016	Unutilised amount as at 30 September 2016
Repayment/pre-payment in full or in part of certain loans availed	126.00	126.00	-
Investment in K.V. Arochem Private Limited for repayment/pre-payment in full	32.00	32.00	-
General Corporate purposes	33.79	33.79	-
<b>TOTAL</b>	<b>191.79</b>	<b>191.79</b>	<b>-</b>

Funds infused by the Holding Company in K. V. Arochem Private Limited out of IPO proceeds but not yet utilised for loan repayment, amounting to Rs.17 Crore, is maintained as Fixed deposit with a Bank. The same will be utilised for the loan payment as and when installments for the said loan are due.



- 7 On 26 October 2016, Keva Flavours Private Limited, a subsidiary company in the Group, has executed a Business Transfer Agreement ("BTA") with Gujarat Flavour Private Limited ("GFPL") for acquisition of the Business Undertaking of GFPL comprising of Flavours Division
- 8 The Board of Directors of Keva Fragrances Private Limited ("KFG") and K V Arochem Private Limited ("KVA"), wholly-owned subsidiaries of the Company, in a meeting held on 29 January 2016, accorded its consent to the merger of KFG with KVA under the Scheme of Amalgamation ("Scheme") with effect from May 1, 2015 (i.e. Appointed Date). The merger order from the High Court was approved on 22 September 2016 and has been received by the KVA on 27 October 2016. KVA is in the process of evaluating the implications of the Order. Accordingly, the effect of the merger has not been incorporated in the consolidated audited financial results for the quarter and half year ended 30 September 2016 and it will be recorded on completion of KVA's evaluation as well as completion of the necessary regulatory filings by KVA to give effect to the Order.
- 9 With effect from 1 April 2016, the Group has changed its method for charging depreciation on tangible assets from diminishing balance method to straight-line method, based on the expected pattern of consumption of the future economic benefits embodied in the asset. Consequently, the depreciation charge for the quarter and six months ended 30 September 2016 is lower by Rs 3.06 crores and Rs 6.53 crores respectively. Accordingly the profit for the quarter and six months ended 30 September 2016 is higher by Rs 1.99 crores and 4.25 crores respectively.
- 10 With effect from 1 April 2016, the Group has changed its policy for valuation of inventory from 'First-in, first out' method to 'Weighted average cost' method. The impact of the change in the valuation of inventory as at 1 April 2016 on the results for the quarter is not material.
- 11 With effect from 1 April 2016, the Group has changed its policy for accounting for research and development expenses. The Company has decided to capitalise development costs on intangible assets as per the requirements of Ind AS 38 - Intangible assets. The development costs capitalised during the quarter and six months ended 30 September 2016 on eligible projects under development aggregated to Rs 1.41 crores and Rs.4.49 crores respectively. Had the Company continued with the old policy of charging development costs to the Statement of profit and loss, the profit after tax for the quarter and six months ended 30 September 2016 would have been lower by Rs 0.56 crores and Rs 2.47 crores respectively.
- 12 Finance costs for the quarter and six months ended 30 September 2015 includes imputed interest costs of Rs 1.96 crores and Rs 3.85 crores respectively. The same for the year ended 31 March 2016 includes imputed interest costs of Rs 4.80 crores. Imputed Interests refers to guaranteed returns to certain shareholders pursuant to the shareholders agreement entered into with them. The shareholders agreement which entitled certain shareholders to the said guaranteed returns has been terminated and the cumulative debt has been reclassified as equity on 16 November 2015.
- 13 The Group has identified two reporting segments viz. Fragrances and Flavours as primary segment. Fragrances segment manufactures/ trades in Fragrances and aroma ingredients for Fragrances. Flavours segment manufactures/ trades in Flavours.
- 14 Previous period's/ year's figures have been regrouped/ reclassified, where necessary, to conform to current period's classification.

Place : Mumbai  
Dated: 14 November, 2016



For and on behalf of Board of Directors

Kedar Vaze  
Director and Chief Executive Officer

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**S H KELKAR AND COMPANY LIMITED**

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



Particulars	Quarter ended 30th Sep 2016	Quarter ended 30th June 2016	Quarter ended 30th Sep 2015	Six Months Ended 30th Sep 2016	Six Months Ended 30th Sep 2015	Year ended 31st March 2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
<b>1. Segment Revenue</b>						
- Fragrance	266.90	268.78	234.26	535.68	480.11	1,045.21
- Flavours	26.77	38.05	14.31	64.82	27.52	67.97
<b>Total</b>	<b>293.67</b>	<b>306.83</b>	<b>248.56</b>	<b>600.50</b>	<b>507.63</b>	<b>1,113.19</b>
Less: Inter Segment Revenue	(31.52)	(31.51)	(25.99)	(63.03)	(47.74)	(123.72)
Other Operating Income	1.47	1.42	0.84	2.89	1.41	3.72
<b>Sales/ Income From Operations</b>	<b>263.62</b>	<b>276.74</b>	<b>223.41</b>	<b>540.36</b>	<b>461.30</b>	<b>993.19</b>
<b>2. Segment Results (Profit (+) / Loss(-) before tax and interest from ordinary activities)</b>						
- Fragrance	35.68	34.83	17.76	70.50	50.03	114.12
- Flavours	3.40	10.40	2.43	13.80	4.76	11.06
<b>Total</b>	<b>39.08</b>	<b>45.23</b>	<b>20.19</b>	<b>84.30</b>	<b>54.79</b>	<b>125.18</b>
Less: i) Finance costs	(2.15)	(1.93)	(7.29)	(4.08)	(14.43)	(20.03)
Add/(Less): Other unallocable income net of	0.52	0.90	0.18	1.42	0.49	5.33
<b>Total Profit Before Tax from ordinary activities</b>	<b>37.45</b>	<b>44.20</b>	<b>13.08</b>	<b>81.64</b>	<b>40.85</b>	<b>110.48</b>
<b>3. Segment Assets</b>						
- Fragrance	905.07	902.71	818.75	905.07	818.75	896.90
- Flavours	93.02	86.36	39.68	93.02	39.68	44.58
- Unallocated	84.00	80.90	73.70	84.00	73.70	80.10
<b>Total</b>	<b>1,082.09</b>	<b>1,069.97</b>	<b>932.13</b>	<b>1,082.09</b>	<b>932.13</b>	<b>1,021.58</b>
<b>4. Segment Liabilities</b>						
- Fragrance	155.70	177.68	223.47	155.70	223.47	185.08
- Flavours	29.03	25.37	8.21	29.03	8.21	13.07
- Unallocated	128.69	119.64	253.14	128.64	253.14	103.13
<b>Total</b>	<b>313.42</b>	<b>322.69</b>	<b>484.82</b>	<b>313.37</b>	<b>484.82</b>	<b>301.28</b>
<b>5. Capital Employed (Segment assets - Segment liabilities)</b>						
- Fragrance	749.37	725.03	595.28	749.37	595.28	711.82
- Flavours	63.99	60.99	31.47	63.99	31.47	31.51
- Unallocated	(44.69)	(38.74)	(179.44)	(44.64)	(179.44)	(23.03)
<b>Total</b>	<b>768.67</b>	<b>747.28</b>	<b>447.31</b>	<b>768.72</b>	<b>447.31</b>	<b>720.30</b>



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(Rupees In Crores)

	Statement of Assets and Liabilities	CONSOLIDATED	
		As at 30th September 2016	As at 31st March 2016
		Unaudited	Unaudited
<b>A</b>	<b>ASSETS</b>		
1	<b>Non-current assets</b>		
	Property, plant and equipment	214.72	201.45
	Capital work in progress	14.64	18.12
	Other Intangible assets	30.09	5.30
	Goodwill on consolidation	25.31	24.97
	Intangible assets under development	4.49	-
	<b>Financial Assets</b>		
	Loans	-	1.76
	Others	3.22	1.17
	Deferred tax assets (net)	14.16	14.30
	Other non-current assets	59.01	44.22
	<b>Sub-total - Non-current assets</b>	<b>365.64</b>	<b>311.29</b>
2	<b>Current assets</b>		
	<b>Inventories</b>	394.35	335.22
	<b>Financial Assets</b>		
	Investments	28.76	35.41
	Trade receivables	208.02	228.81
	Cash and cash equivalents	28.61	58.56
	Bank balances other than above	18.11	23.67
	Short term loans and advances	2.56	2.73
	Other receivables	4.49	6.43
	Other current assets	31.55	19.46
	<b>Sub-total - Current assets</b>	<b>716.45</b>	<b>710.29</b>
	<b>TOTAL - ASSETS</b>	<b>1,082.09</b>	<b>1,021.58</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
1	<b>Equity</b>		
	Equity Share Capital	144.62	144.62
	Other Equity	624.05	575.68
	<b>Sub-total - Shareholders' funds</b>	<b>768.67</b>	<b>720.30</b>
2	<b>Non-controlling interest</b>		
3	<b>Non-current liabilities</b>		
	<b>Financial Liabilities</b>		
	Borrowings	25.80	29.62
	Other financial liabilities	1.10	1.10
	Provisions	5.23	4.61
	Deferred tax liabilities (Net)	7.24	5.72
	<b>Sub-total - Non-current liabilities</b>	<b>39.37</b>	<b>41.05</b>
4	<b>Current liabilities</b>		
	<b>Financial Liability</b>		
	Borrowings	55.78	43.56
	Trade payables	103.18	128.66
	Other financial liability	24.08	22.78
	Other current liabilities	55.66	48.93
	Provisions	6.28	4.73
	Current tax liabilities (Net)	29.07	11.57
	<b>Sub-total - Current liabilities</b>	<b>274.05</b>	<b>260.23</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>1,082.09</b>	<b>1,021.58</b>



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# B S R & Co. LLP

Chartered Accountants

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

### To 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 ("the Company") and its subsidiaries (the Company and its subsidiaries 'the Group') for the quarter and six months ended 30 September 2016, attached herewith, being submitted by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter and six months ended 30 September 2015 and for the year ended as at 31 March 2016, including the reconciliation of profit under Ind AS of the corresponding quarter and six months / year with profit reported under previous GAAP, as reported in these unaudited consolidated financial results have been approved by the Company's Board of Directors but have not been subjected to review. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors in their meeting held on 14 November 2016. Our responsibility is to issue a report on the Statement 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" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the 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.

We did not review the interim financial results of eight subsidiaries included in the unaudited consolidated financial results, whose interim financial results reflect total assets of Rs 281.89 crores as at 30 September 2016, total revenues of Rs 55.43 crores and Rs 114.44 crores for the quarter and six months ended 30 September 2016 respectively and total loss after tax of Rs 4.40 crores and Rs 10.57 crores for the quarter and six months ended 30 September 2016 respectively, as considered in the unaudited consolidated financial results. These interim consolidated financial results have not been reviewed by the respective auditors and are based solely on the management's accounts.

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 the applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and SEBI Circular dated 5 July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.



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

**S H Kelkar and Company Limited**

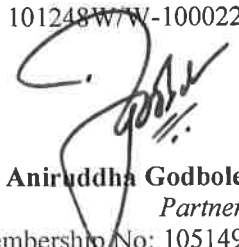
*Emphasis of matter*

We draw attention to Note no. 8 to the Statement which explains that the accounting impact of the Scheme of Arrangement of amalgamation of Keva Fragrances Private Limited with K. V. Arochem Private Limited (both wholly owned subsidiaries of the Company) vide the Order of the Honourable High Court of Judicature at Bombay dated 22 September 2016, received by the Company on 27 October 2016, could not be given in the unaudited consolidated financial results of the Company for the quarter and six months ended 30 September 2016, as K. V. Arochem Private Limited is in the process of evaluating the implications of the Order prior to completing the necessary regulatory filings required to make the Scheme of Arrangement effective.

Our opinion is not qualified in respect of this matter.

Mumbai  
14 November 2016

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



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



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**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2016**

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

Particulars	Quarter Ended	Quarter Ended	Quarter Ended	Six Months Ended	Six Months Ended	Year Ended
	30.9.2016	30.6.2016	30.9.2015	30.9.2016	30.9.2015	31.3.2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
<b>1. Income from operations</b>						
(a.) Sales/ Income from Operations	172.13	176.85	134.06	348.98	287.04	623.08
(b.) Other Operating Income	0.08	0.29	0.21	0.36	0.46	0.96
<b>Total Income from operations (net) (a + b)</b>	<b>172.21</b>	<b>177.14</b>	<b>134.27</b>	<b>349.34</b>	<b>287.50</b>	<b>624.04</b>
<b>2. Expenses</b>						
(a.) Cost of materials consumed	89.18	111.72	88.38	200.90	169.23	343.53
(b.) Purchase of stock in trade	-	-	-	-	-	-
(c.) Changes in inventories of finished goods, work-in-progress and stock-in-trade	5.72	(20.37)	(11.07)	(14.66)	(9.33)	(1.34)
(d.) Excise Duty	17.57	19.04	13.70	36.61	29.68	64.80
(e.) Employee benefits expense	15.34	13.04	13.10	28.38	24.29	52.99
(f.) Depreciation and amortisation expense	1.72	1.50	3.20	3.22	6.66	13.40
(g.) Other expenses	17.33	18.92	16.27	36.25	33.66	71.23
<b>Total Expenses</b>	<b>146.86</b>	<b>143.85</b>	<b>123.58</b>	<b>290.70</b>	<b>254.19</b>	<b>544.61</b>
<b>3. Profit/(Loss) from Operations before other income, finance cost and exceptional items (1-2)</b>	<b>25.35</b>	<b>33.29</b>	<b>10.69</b>	<b>58.64</b>	<b>33.31</b>	<b>79.43</b>
4. Other Income	2.06	1.97	16.22	4.03	17.91	23.82
<b>5. Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)</b>	<b>27.41</b>	<b>35.26</b>	<b>26.91</b>	<b>62.67</b>	<b>51.22</b>	<b>103.25</b>
6. (a.) Finance Costs - Imputed interest (Refer note 10)	-	-	1.96	-	3.85	4.80
(b.) Finance Costs - Others	0.65	0.55	3.35	1.20	7.02	9.28
<b>7. Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)</b>	<b>26.76</b>	<b>34.71</b>	<b>21.60</b>	<b>61.47</b>	<b>40.35</b>	<b>89.17</b>
8. Exceptional Items	-	-	-	-	-	-
<b>9. Profit / (Loss) from ordinary activities before tax (7 + 8)</b>	<b>26.76</b>	<b>34.71</b>	<b>21.60</b>	<b>61.47</b>	<b>40.35</b>	<b>89.17</b>
10. Tax expense	8.11	11.92	5.08	20.04	10.12	23.62
<b>11. Net Profit / (Loss) from ordinary activities after tax (9 - 10)</b>	<b>18.65</b>	<b>22.79</b>	<b>16.52</b>	<b>41.43</b>	<b>30.23</b>	<b>65.55</b>
12. Extraordinary items	-	-	-	-	-	-
<b>13. Net Profit / (Loss) for the period (11 + 12)</b>	<b>18.65</b>	<b>22.79</b>	<b>16.52</b>	<b>41.43</b>	<b>30.23</b>	<b>65.55</b>
14. Other Comprehensive Income (net of tax)	(0.02)	(0.02)	(0.03)	(0.04)	0.08	(0.08)
<b>15. Total Comprehensive Income (net of tax) (13 + 14)</b>	<b>18.63</b>	<b>22.77</b>	<b>16.49</b>	<b>41.39</b>	<b>30.31</b>	<b>65.47</b>
16. Paid-up equity share capital (Face Value of Rs 10 per share)						144.62
17. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						401.04
<b>18. Earnings Per Share (not annualised):</b>						
(a) Basic	1.29	1.58	1.26	2.86	2.31	4.81
(b) Diluted	1.29	1.58	1.26	2.86	2.31	4.81



*Keval*



**S H KELKAR AND COMPANY LIMITED**

CIN : L74999MH1955PLC009593

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

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

**Notes :**

- The Company adopted Indian Accounting Standard ("Ind AS") from 1 April, 2016 and accordingly the Unaudited Standalone Financial Results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. The Unaudited Standalone Financial Results for all periods have been prepared in accordance with the recognition and measurement principles of Ind AS 34.
- The above results were reviewed and recommended by the Audit Committee on 14 November, 2016 and subsequently approved by the Board of Directors at its meeting held on 14 November, 2016. The statutory auditors of S H Kelkar and Company Limited (the Company) have carried out a limited review of the above results for the quarter and six months ended 30 September 2016 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 report does not contain any qualifications. The limited review report is filed with the Stock Exchanges and available on Company's website - www.keva.co.in.
- The Unaudited Standalone Financial results for the quarter and six months ended 30 September 2015, and year ended 31st March 2016 have not been audited or reviewed by the auditors and are compiled by the management after exercising necessary due diligence to ensure a true and fair view of the Group's affairs.
- Reconciliation of Net profit as reported under previous Generally Accepted Accounting Principles ("Previous GAAP") and as per IND AS is given as follows:

**Rs. In Crores**

Particulars	Quarter Ended	Half Year Ended	Year Ended
	30.9.2015	30.9.2015	31.3.2016
	Unaudited	Unaudited	Unaudited
<b>Standalone Net profit as per IGAAP</b>	<b>18.46</b>	<b>34.41</b>	<b>70.81</b>
<b>Ind AS adjustments</b>			
1. Imputed Interest cost on committed returns to the investor shareholder	(1.96)	(3.85)	(4.80)
2. Amortisation of Upfront Fees on borrowings	(0.32)	(0.64)	(0.83)
3. Debtors provisioning based on Expected loss model	0.24	0.11	(1.17)
4. Guarantee Commission on corporate guarantees given to subsidiaries	0.04	0.09	0.18
5. MTM gain/(loss) on financial instruments	-	-	0.88
6. Deferred tax on Ind AS adjustments	0.03	0.19	0.40
7. Actuarial gain/(loss) on defined benefit plans reclassified to OCI, net of tax	0.03	(0.08)	0.08
<b>Standalone Net profit as per Ind AS</b>	<b>16.52</b>	<b>30.23</b>	<b>65.55</b>

- Reconciliation of Equity as reported under previous Generally Accepted Accounting Principles ("Previous GAAP") and as per IND AS is given as follows:

Particulars	Year Ended
	31.3.2016
	Unaudited
<b>Standalone Equity as per I-GAAP</b>	<b>546.43</b>
<b>Ind AS Adjustments:</b>	
1. Debtors provisioning based on Expected loss model	(2.15)
2. Fair valuation of financial instruments	0.88
3. Guarantee commission recognised on the corporate guarantees given to subsidiaries	0.07
4. Deferred tax on GAAP adjustments	0.43
<b>Standalone Equity as per Ind AS</b>	<b>545.66</b>

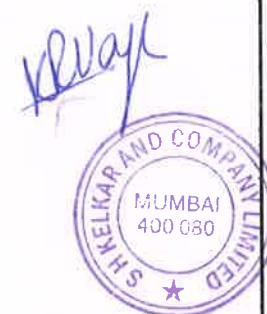
- The proceeds from IPO were Rs. 209.99 (gross of issue related expenses inclusive of Service Tax- Rs.18.20)

Details of utilisation of IPO proceeds are as follows:

**Rs. In Crores**

Particulars	Object of the issue as per the prospectus	Utilised upto 30 September 2016	Unutilised amount as at 30 September 2016
Repayment/pre-payment in full or in part of certain loans availed	126.00	126.00	-
Investment in K. V. Arochem Private Limited for repayment/pre-	32.00	32.00	-
General Corporate purposes	33.79	33.79	-
<b>TOTAL</b>	<b>191.79</b>	<b>191.79</b>	<b>-</b>

Funds infused by the Company in K.V. Arochem Private Limited out of IPO proceeds but not yet utilised for loan repayment, amounting to Rs.17 Crore, is maintained as Fixed deposit with a Bank. The same will be utilised for the loan payment as and when installments for the said loan are due.



- 7 With effect from 1 April 2016, the Company has changed its method for charging depreciation on tangible assets from diminishing balance method to straight-line method, based on the expected pattern of consumption of the future economic benefits embodied in the asset. Consequently, the depreciation charge for the quarter and six months ended 30 September 2016 is lower by Rs 1.16 crores and Rs 2.53 crores respectively. Accordingly the profit for the quarter and six months ended 30 September 2016 is higher by Rs 0.75 crores and 1.65 crores respectively.
- 8 With effect from 1 April 2016, the Company has changed its policy for valuation of inventory from 'First-in, first out' method to 'Weighted average cost' method. The impact of the change in the valuation of inventory as at 1 April 2016 on the results for the quarter is not material.
- 9 With effect from 1 April 2016, the Company has changed its policy for accounting for research and development expenses. The Company has decided to capitalise development costs on intangible assets as per the requirements of Ind AS 38 – Intangible assets. The development costs capitalised during the quarter and six months ended 30 September 2016 on eligible projects under development aggregated to Rs 1.09 crores and Rs. 3.88 crores respectively. Had the Company continued with the old policy of charging development costs to the Statement of profit and loss, the profit after tax for the quarter and six months ended 30 September 2016 would have been lower by Rs 0.35 crores and Rs 2.05 crores respectively.
- 10 Finance costs for the quarter and six months ended 30 September 2015 includes imputed interest costs of Rs 1.96 crores and Rs 3.85 crores respectively. The same for the year ended 31 March 2016 includes imputed interest costs of Rs 4.80 crores. Imputed Interests refers to guaranteed returns to certain shareholders pursuant to the shareholders agreement entered into with them. The shareholders agreement which entitled certain shareholders to the said guaranteed returns has been terminated and the cumulative debt has been reclassified as equity on 16 November 2015.
- 11 The Company is operating in the manufacture of fragrances. The Company has only one reportable business segment which is manufacture of fragrances.
- 12 Previous period/s/ year's figures have been regrouped/ reclassified, where necessary, to conform to current period's classification.

Place: Mumbai  
Dated: 14 November, 2016



For and on behalf of Board of Directors

  
Kedar Vaze  
Director and Chief Executive Officer

**S H KELKAR AND COMPANY LIMITED**

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(Rupees in Crores)

	Statement of Assets and Liabilities Particulars	STANDALONE	STANDALONE
		As at 30th September 2016	As at 31st March 2016
		Unaudited	Unaudited
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	Property, plant and equipment	89.88	89.92
	Capital work in progress	0.32	-
	Other Intangible assets	2.76	2.70
	Intangible assets under development	3.88	-
	Investment in subsidiaries	165.01	131.70
	<b>Financial Assets</b>		
	Others	-	0.03
	Deferred tax assets	2.47	2.08
	Other non-current assets	11.79	11.30
	<b>Sub-total - Non-current assets</b>	<b>276.11</b>	<b>237.73</b>
<b>2</b>	<b>Current assets</b>		
	Inventories	246.83	202.99
	<b>Financial Assets</b>		
	Investments	28.76	35.42
	Trade receivables	116.26	114.83
	Cash and cash equivalents	5.89	45.10
	Bank balances other than above	0.46	0.42
	Loans	45.24	8.28
	Accrued interest and other receivables	2.79	7.10
	Other current assets	4.30	7.82
	<b>Sub-total - Current assets</b>	<b>450.53</b>	<b>421.96</b>
	<b>TOTAL - ASSETS</b>	<b>726.64</b>	<b>659.69</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	Equity Share Capital	144.62	144.62
	Other Equity	442.43	401.04
	<b>Sub-total - Shareholders' funds</b>	<b>587.05</b>	<b>545.66</b>
<b>2</b>	<b>Non-current liabilities</b>		
	<b>Financial Liabilities</b>		
	Borrowings	0.17	0.04
	Other financial liabilities	24.10	1.10
	Provisions	3.73	3.26
	<b>Sub-total - Non-current liabilities</b>	<b>28.00</b>	<b>4.40</b>
<b>3</b>	<b>Current liabilities</b>		
	<b>Financial Liabilities</b>		
	Trade payables	63.74	77.22
	Other financial liability	7.28	7.43
	Other current liabilities	26.95	18.03
	Provisions	4.25	3.01
	Current Tax Liabilities (Net)	9.37	3.94
	<b>Sub-total - Current liabilities</b>	<b>111.59</b>	<b>109.63</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>726.64</b>	<b>659.69</b>



# B S R & Co. LLP

Chartered Accountants

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

### To 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 and six months ended 30 September 2016 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter and six months ended 30 September 2015 and for the year ended and as at 31 March 2016, including the reconciliation of profit under Ind AS of the corresponding quarter and six months / year with profit reported under previous GAAP, as reported in these unaudited standalone financial results, have been approved by the Company's Board of Directors but have not been subjected to review. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors in their meeting held on 14 November 2016. Our responsibility is to issue a report on the Statement 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", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of the 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. Ind AS prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5 July 2016 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  
14 November 2016



## 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.

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### S H Kelkar and Company announces Q2 & H1 FY17 results

#### H1 FY17

**Total Income up 17% to Rs. 501 crore**

**EBITDA improves 36% to Rs. 95 crore**

**PAT grew by 96% to Rs 52 crore**

**Mumbai, November 14, 2016:** S H Kelkar and Company, the largest Indian-origin Fragrance and Flavours Company in India, has announced its financial results for the quarter ended September 30, 2016.

#### **H1 FY17 performance overview compared with H1 FY16**

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- Total Income grew by 17% to Rs. 501 crore from Rs. 429 crore
- EBITDA increases by 36% to Rs. 95 crore from Rs. 70 crore
  - EBITDA margin improves by 265 bps to 19%
- Profit Before Tax higher by 100% to Rs. 82 crore from Rs. 41 crore
- Profit After Tax increases by 96% at Rs. 52 crore compared to Rs. 27 crore

#### **Q2 FY17 performance overview compared with Q2 FY16**

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- Total Income grew by 18% to Rs. 245 crore from Rs. 208 crore
- EBITDA increases by 60% to Rs. 45 crore from Rs. 28 crore
  - EBITDA margin improves by 481 bps to 18.1%
- Profit Before Tax higher by 186% to Rs. 37 crore from Rs. 13 crore
- Profit After Tax increases by 247% at Rs. 24 crore compared to Rs. 7 crore

## Key Developments

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- Executed Business Transfer Agreement (BTA) with Gujarat Flavours Private Limited (GFPL) for acquisition of the Company's flavours division
  - The Company expects to complete the acquisition process in Q3 FY2017
  - GFPL is a Vadodara-based 34-year old entity; the Company's flavour division reported a topline of Rs. 10.5 crore in FY16
  - Acquisition is in-line with the Company's plan to pursue strategic tuck-in acquisitions to increase its market share in the Flavours business

### **Commenting on the results, Mr. Kedar Vaze, Chief Executive Officer and Director at SH Kelkar and Company said,**

*"I am pleased to report yet another strong quarter on the back of healthy volumes and improved realizations. The domestic division continued to deliver robust topline growth of 26%, while the performance in the international segment was muted.*

*Going forward, we expect the global macro-economic environment to remain subdued in the near-term; however we believe the Indian consumption story should enable us to report results in-line with our business plan. We remain at the forefront of the ever evolving consumer landscape. Our investments in R&D will continue to drive innovation and growth in this niche industry."*

- ENDS -



#### **About S H Kelkar and Company Limited:**

S H Kelkar and Company Limited (SHK) is the largest Indian-origin Fragrance & Flavour Company in India. It has a long standing reputation in the fragrance industry developed in 90 years of experience. Its fragrance products and ingredients are used as a raw material in personal wash, fabric care, skin and hair care, fine fragrances and household products. Its flavor products are used as a raw material by producers of baked goods, dairy products, beverages and pharmaceutical products. It offers products under SHK, Cobra and Keva brands.

The Company has a strong and dedicated team of 18 scientists, 12 perfumers, two flavourists, evaluators and application executives at its facilities and five creation and development centers in Mumbai, Bengaluru, The Netherlands and Indonesia for the development of fragrance and flavour products. Their research team has developed 12 molecules over the last three years, of which the Company has filed patent applications for three.

Over the years, SHK has developed a vast product portfolio of fragrances and flavor products for the FMCG, personal care, pharmaceutical and food & beverages industry. The Company has a diverse and large client base of over 4,100 customers including leading national and multi-national FMCG companies, blenders of fragrances & flavors and fragrance & flavor producers.

#### **For further information please contact:**

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#### **DISCLAIMER:**

*Certain statements that are made in the Press Release may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like significant changes in economic environment in India and overseas, tax laws, import duties, litigation, labour relations etc. Actual results might differ substantially from those expressed or implied. SH Kelkar Limited will not be in any way responsible for any action taken based on such statements and discussions; and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.*