



November 01, 2018

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, 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 half year ended September 30, 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 half year ended September 30, 2018 (“Results”)
- Limited Review Report issued by Statutory Auditors
- Press release on Results
- Presentation on results being made to investors in the Conference Call scheduled today at 5.00 pm IST, invite of which has been submitted to the stock exchanges on October 29, 2018.

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 Shashtri 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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CIN No. L74999MH1955PLCO09593

S H KELKAR AND COMPANY LIMITED

CIN : L74999MH1955PLC009593

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

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



STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2018

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

Particulars	Quarter Ended			Six Months Ended		Year Ended
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Sales excluding Excise &amp; GST</b>	<b>282.09</b>	<b>235.98</b>	<b>220.83</b>	<b>518.07</b>	<b>454.75</b>	<b>1,019.27</b>
<b>1. Revenue from Operations</b>						
(a.) Sales including Excise (Refer note 6)	282.09	235.98	220.83	518.07	472.68	1,037.20
(b.) Other Operating Income	1.41	0.41	0.37	1.82	0.76	1.75
<b>2. Other Income</b>						
(a.) Export Incentives	1.00	1.01	0.73	2.01	1.41	4.09
(b.) Other income	5.04	2.28	1.16	7.32	5.53	21.61
<b>3. Total Income</b>	<b>289.54</b>	<b>239.68</b>	<b>223.09</b>	<b>529.22</b>	<b>480.38</b>	<b>1,064.65</b>
<b>4. Expenses</b>						
(a.) Cost of materials consumed	135.91	147.43	104.99	283.34	269.25	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	13.98	(15.27)	9.59	(1.29)	(32.51)	10.12
(d.) Excise duty on sale of goods	-	-	-	-	17.93	17.93
(e.) Employee benefits expense	37.60	29.10	30.70	66.70	60.88	125.19
(f.) Finance costs	1.89	1.51	1.06	3.40	1.67	3.97
(g.) Depreciation and amortisation expense	7.58	6.77	5.70	14.35	11.52	23.84
(h.) Other expenses	46.28	42.19	41.21	88.47	81.73	174.78
<b>Total Expenses</b>	<b>256.25</b>	<b>211.73</b>	<b>193.25</b>	<b>467.98</b>	<b>410.47</b>	<b>908.64</b>
<b>5. Profit before exceptional items and tax (3-4)</b>	<b>33.29</b>	<b>27.95</b>	<b>29.84</b>	<b>61.24</b>	<b>69.91</b>	<b>156.01</b>
<b>6. Exceptional Items (Refer note 4)</b>	-	-	-	-	-	12.85
<b>7. Profit before tax (5 - 6)</b>	<b>33.29</b>	<b>27.95</b>	<b>29.84</b>	<b>61.24</b>	<b>69.91</b>	<b>143.16</b>
<b>8. Tax expense</b>						
Current tax	16.94	10.01	11.01	26.95	23.63	46.42
Deferred tax	(12.06)	(0.01)	(0.03)	(12.07)	0.62	4.16
<b>9. Profit for the period (7 - 8)</b>	<b>28.41</b>	<b>17.95</b>	<b>18.86</b>	<b>46.36</b>	<b>45.66</b>	<b>92.58</b>
<b>10. Share of Profit from Equity investment in Joint Venture (Net of tax)</b>	<b>0.37</b>	<b>0.74</b>	-	<b>1.11</b>	-	<b>1.61</b>
<b>11. (Loss)/ Profit attributable to Non-controlling interests</b>	<b>(0.04)</b>	-	-	<b>(0.04)</b>	-	-
<b>12. Profit after Non-controlling interests (9 + 10 - 11)</b>	<b>28.82</b>	<b>18.69</b>	<b>18.86</b>	<b>47.51</b>	<b>45.66</b>	<b>94.19</b>
<b>13. Other Comprehensive Income</b>						
Items that will not be reclassified to profit or loss	0.03	0.03	(0.46)	0.06	(0.92)	0.11
Income Tax on relating to items that will not be reclassified to profit or loss	(0.02)	(0.01)	0.15	(0.03)	0.31	(0.10)
Items that will be reclassified to profit or loss	1.69	(1.09)	3.53	0.60	7.22	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>1.70</b>	<b>(1.07)</b>	<b>3.22</b>	<b>0.63</b>	<b>6.61</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>1.70</b>	<b>(1.07)</b>	<b>3.22</b>	<b>0.63</b>	<b>6.61</b>	<b>11.55</b>
<b>16. Total Comprehensive Income for the period (9 + 10 + 13)</b>	<b>30.48</b>	<b>17.62</b>	<b>22.08</b>	<b>48.10</b>	<b>52.27</b>	<b>105.74</b>
<b>17. Total Comprehensive Income for the period attributable to Non controlling interests</b>	<b>(0.04)</b>	-	-	<b>(0.04)</b>	-	-
<b>18. Total Comprehensive Income for the period after Non controlling interests (16 + 17)</b>	<b>30.52</b>	<b>17.62</b>	<b>22.08</b>	<b>48.14</b>	<b>52.27</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>	-	-	-	-	-	712.59
<b>21. Earnings Per Share (Face Value of Rs 10 each) (not annualised):(Refer note 7)</b>						
(a) Basic	2.01	1.30	1.30	3.32	3.16	6.52
(b) Diluted	2.01	1.30	1.30	3.32	3.16	6.52



**Notes :**

- 1 The above consolidated financials results of S H Kelkar and Company Limited and its subsidiaries (collectively referred to as 'the Group') and its Joint venture were reviewed by the Audit Committee at its meeting held on 31 October, 2018 and subsequently approved by the Board of Directors of S H Kelkar and Company Limited ('the Company') at its meeting held on 01 November, 2018. The statutory auditors of the Company have conducted limited review of the above results for the quarter and six months ended 30 September, 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 30 September, 2018 at Rs 42.76 crores (for the quarter ended 30 September, 2017: Rs 36.62 crores) and for the six months ended 30 September, 2018 at Rs.78.99 crores. (for the six months ended 30 September, 2017: Rs 83.10 crores)
- 4 The Group had decided to restructure its operation at PFW Aroma Ingredients B.V ('PFW'), Netherlands in the previous year and, inter alia, to relocate part of its production base to India to optimise the cost structure of its fragrance business. This had resulted in partial reduction of PFW's workforce. Such restructuring cost of Rs 12.85 crores has been considered in full in accordance with Ind AS 19-Employee Benefits and shown as Exceptional item.
- 5 Keva Fragrance industries Pte.Ltd ("Keva Singapore") a subsidiary company in the Group has acquired 66.7% in Anhui Ruibang Aroma Co. Ltd. ("Anhui") in accordance with Share Purchase Agreement executed between Keva Singapore & Anhui on 01 August, 2018, and financials has been consolidated.
- 6 According to the requirements of the Listing Regulations, 2015, revenue for the quarter ended 30 June, 2017 was reported inclusive of excise duty. Goods and Service Tax ("GST") has been implemented with effect from 01 July, 2017 which replaces Excise Duty and other input taxes. As per Ind AS 18, the revenue for the period from 1 July, 2017 to 31 March, 2018 and quarter and six months ended 30 September, 2018 is reported net of GST.
- 7 Basic and Diluted earnings per share for quarter and six months ended 30 September, 2018 and year ended 31 March, 2018 is adjusted for the effect of treasury shares held by the Company.
- 8 The MCA wide notification dated 11 October, 2018 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. The Company has incorporated appropriate changes in the above results.
- 9 Previous period figures have been regrouped and reclassified wherever necessary.



Place: Mumbai  
Date: 01 November, 2018



For and on behalf of Board of Directors

Keval Vaze  
Director and Chief Executive Officer

**S H KELKAR AND COMPANY LIMITED**

CIN : L74999MH1955PLC009593

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(Rupees in Crores)

	Statement of Assets and Liabilities Particulars	CONSOLIDATED	CONSOLIDATED
		As at 30 September 2018	As at 31 March 2018
		Unaudited	Audited
<b>A</b>	<b>ASSETS</b>		
	<b>Non-current assets</b>		
1	Property, Plant and Equipment	367.35	274.38
	Capital work-in-progress	7.59	35.57
	Investment Property	14.07	14.30
	Goodwill	40.93	35.64
	Other Intangible assets	39.86	27.55
	Intangible Assets under Development	22.96	24.62
	Equity Accounted Investee	96.04	94.94
	Financial Assets		
	Investments*	0.00	0.00
	Loans	1.60	2.25
	Others	2.15	1.37
	Deferred tax assets (net)	17.58	4.44
	Other tax assets (net)	21.41	25.19
	Other non-current assets	35.85	41.19
	<b>Total non current assets</b>	<b>667.39</b>	<b>581.44</b>
2	<b>Current Assets</b>		
	Inventories	369.22	347.95
	Financial Assets		
	Investments	1.53	1.55
	Trade receivables	287.56	276.63
	Cash and cash equivalents	26.51	17.40
	Other bank balances	3.79	6.45
	Loans	5.56	4.09
	Others	0.09	0.20
	Other current assets	51.47	44.21
	<b>Total current assets</b>	<b>745.73</b>	<b>698.48</b>
	<b>TOTAL ASSETS</b>	<b>1413.12</b>	<b>1279.92</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
1	<b>Equity</b>		
	Equity share capital	144.62	144.62
	Other equity		
	Retained earnings	385.37	368.44
	Other Reserves	326.61	344.15
	<b>Equity attributable to owners of the Company</b>	<b>856.60</b>	<b>857.21</b>
	Non-Controlling Interest	11.04	-
	<b>Total equity</b>	<b>867.64</b>	<b>857.21</b>
2	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	Financial liabilities		
	Borrowings	80.76	48.20
	Others	1.09	1.29
	Provisions	0.80	0.62
	Deferred tax liabilities (net)	8.36	8.22
	<b>Total non-current liabilities</b>	<b>91.01</b>	<b>58.33</b>
	<b>Current liabilities</b>		
	Financial liabilities		
	Borrowings	193.07	116.07
	Trade payables		
	-total outstanding dues of micro enterprises and small enterprises	10.81	8.91
	-total outstanding dues of creditors other than micro enterprises and small enterprises	156.32	146.71
	Other financial liabilities	25.69	28.99
	Other current liabilities	19.03	25.29
	Provisions	13.17	12.41
	Current tax liabilities (net)	36.38	26.00
	<b>Total current liabilities</b>	<b>454.47</b>	<b>364.38</b>
	<b>Total Liabilities</b>	<b>545.48</b>	<b>422.71</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1413.12</b>	<b>1279.92</b>

\*Amount less than Rs. 0.01 crs



*Keval*

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**Consolidated Segment-wise Revenue, Assets, Liabilities and Capital Employed for the Quarter and Six months ended 30 September 2018**

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

Particulars	Quarter Ended			Six Months Ended		Year Ended
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Segment Revenue (Excluding Excise &amp; GST)</b>						
Fragrance	253.92	211.31	194.28	465.23	396.96	906.59
Flavours	28.17	24.67	26.55	52.84	57.79	112.68
<b>Total</b>	<b>282.09</b>	<b>235.98</b>	<b>220.83</b>	<b>518.07</b>	<b>454.75</b>	<b>1,019.27</b>
<b>1. Segment Revenue (Including Excise)</b>						
Fragrance	253.92	211.31	194.28	465.23	412.93	922.60
Flavours	28.17	24.67	26.55	52.84	59.75	114.60
<b>Total</b>	<b>282.09</b>	<b>235.98</b>	<b>220.83</b>	<b>518.07</b>	<b>472.68</b>	<b>1,037.20</b>
Other Operating Income	1.41	0.41	0.37	1.82	0.76	1.75
<b>Sales/ Income From Operations</b>	<b>283.50</b>	<b>236.39</b>	<b>221.20</b>	<b>519.89</b>	<b>473.44</b>	<b>1,038.95</b>
<b>2. Segment Results (Profit (+) / Loss(-) before tax and interest from ordinary activities)</b>						
- Fragrance (Refer note - 3)	36.58	29.48	31.09	66.06	67.64	139.86
- Flavours	2.29	3.86	4.22	6.15	10.51	21.13
<b>Total</b>	<b>38.87</b>	<b>33.34</b>	<b>35.31</b>	<b>72.21</b>	<b>78.15</b>	<b>160.99</b>
Less: i) Finance costs	(1.89)	(1.51)	(1.07)	(3.40)	(1.67)	(3.97)
<b>Add/(Less): Other unallocable income net of unallocable expenditure</b>	<b>(3.32)</b>	<b>(3.14)</b>	<b>(4.40)</b>	<b>(6.46)</b>	<b>(6.57)</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>33.66</b>	<b>28.69</b>	<b>29.84</b>	<b>62.35</b>	<b>69.91</b>	<b>144.77</b>
<b>3. Segment Assets</b>						
- Fragrance (Refer note - 4)	1,217.47	1,131.33	944.84	1,217.47	944.84	1,076.33
- Flavours	136.66	146.67	129.48	136.66	129.48	151.76
- Unallocated	58.99	45.56	44.63	58.99	44.63	51.83
<b>Total</b>	<b>1,413.12</b>	<b>1,323.56</b>	<b>1,118.95</b>	<b>1,413.12</b>	<b>1,118.95</b>	<b>1,279.92</b>
<b>4. Segment Liabilities</b>						
- Fragrance	208.91	204.13	150.73	208.91	150.73	191.54
- Flavours	16.31	16.54	27.15	16.31	27.15	23.85
- Unallocated	320.26	238.83	107.67	320.26	107.67	207.32
<b>Total</b>	<b>545.48</b>	<b>459.50</b>	<b>285.55</b>	<b>545.48</b>	<b>285.55</b>	<b>422.71</b>
<b>5. Capital Employed (Segment assets - Segment liabilities)</b>						
- Fragrance	1,008.56	927.19	794.11	1,008.56	794.11	884.79
- Flavours	120.35	130.13	102.33	120.35	102.33	127.91
- Unallocated	(261.27)	(193.27)	(63.04)	(261.27)	(63.04)	(155.49)
<b>Total</b>	<b>867.64</b>	<b>864.05</b>	<b>833.40</b>	<b>867.64</b>	<b>833.40</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 30 September, 2018, 30 September, 2017, 30 June, 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).

4. Including Equity Investment in Joint Venture - CFF.



# 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 venture for the quarter ended 30 September 2018 and the year-to-date results for the period from 1 April 2018 to 30 September 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 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)	Wholly Owned Subsidiary
- Tanishka Fragrance Encapsulation Technologies LLP	
Keva Fragrances Private Limited (including its following wholly owned subsidiary)	Wholly Owned Subsidiary
- VN Creative Chemicals Private Limited	
Keva U.K. Ltd (including its following wholly owned subsidiary)	Wholly Owned Subsidiary
- PFW Aroma Ingredients B.V	

**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)**

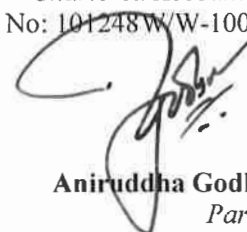
**S H Kelkar and Company Limited**

<b>Name of the Entity</b>	<b>Relationship</b>
Keva Fragrance Industries Pte Ltd. (including its following wholly owned subsidiaries)	Wholly Owned Subsidiaries
- PT SHKKEVA Indonesia	
- Anhui Ruibang Aroma Company Limited	
Creative Flavours and Fragrances S.p.A	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 90.27 crores and Rs 165.47 crores for the quarter ended 30 September 2018 and period from 1 April 2018 to 30 September 2018 respectively and total assets of Rs 614.28 crores as at 30 September 2018. The consolidated financial results also include the Group's share of net profit ( and other comprehensive income) of Rs 0.37 crores and Rs 1.11 crores for the quarter ended 30 September 2018 and period from 1 April 2018 to 30 September 2018 respectively in respect of one joint venture 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.

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



**Aniruddha Godbole**  
Partner  
Membership No: 105149

Mumbai  
01 November 2018

## S H KELKAR AND COMPANY LIMITED

CIN : L74999MH1955PLC009593

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## STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2018

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

Particulars	Quarter Ended			Six Months Ended		Year Ended
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Sales excluding Excise &amp; GST</b>	<b>196.26</b>	<b>159.46</b>	<b>139.66</b>	<b>355.72</b>	<b>283.99</b>	<b>680.79</b>
<b>1. Revenue from Operations</b>						
(a.) Sales including Excise (Refer note 4)	196.26	159.46	139.66	355.72	300.04	696.84
(b.) Other Operating Income	0.21	0.25	0.24	0.46	0.48	0.89
<b>2. Other Income</b>						
(a.) Export Incentives	0.05	0.10	-	0.15	-	0.51
(b.) Other income	3.19	3.09	3.35	6.28	6.73	13.62
<b>3. Total Income</b>	<b>199.71</b>	<b>162.90</b>	<b>143.25</b>	<b>362.61</b>	<b>307.25</b>	<b>711.86</b>
<b>4. Expenses</b>						
(a.) Cost of materials consumed	107.75	105.21	75.28	212.96	185.57	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	4.56	(7.41)	5.63	(2.85)	(28.78)	5.46
(d.) Excise duty on sale of goods	-	-	-	-	16.05	16.05
(e.) Employee benefits expense	25.28	18.06	17.16	43.34	32.32	70.85
(f.) Finance Costs	0.91	1.11	0.64	2.02	1.22	3.16
(g.) Depreciation and amortisation expense	3.23	3.06	2.58	6.29	5.04	10.53
(h.) Royalty expense	5.33	4.36	3.97	9.69	8.15	19.16
(i.) Other expenses	26.88	24.10	19.98	50.98	38.34	89.21
<b>Total Expenses</b>	<b>179.35</b>	<b>148.49</b>	<b>125.24</b>	<b>327.84</b>	<b>262.28</b>	<b>608.70</b>
<b>5. Profit before exceptional items and tax (3-4)</b>	<b>20.36</b>	<b>14.41</b>	<b>18.01</b>	<b>34.77</b>	<b>44.97</b>	<b>103.16</b>
<b>6. Exceptional Items</b>	-	-	-	-	-	-
<b>7. Profit before tax (5 - 6)</b>	<b>20.36</b>	<b>14.41</b>	<b>18.01</b>	<b>34.77</b>	<b>44.97</b>	<b>103.16</b>
<b>8. Tax expense</b>						
Current tax	4.83	4.74	6.08	9.57	14.80	32.38
Deferred tax	1.64	(0.10)	(0.04)	1.54	0.23	1.82
<b>9. Net Profit for the period after tax (7 - 8)</b>	<b>13.89</b>	<b>9.77</b>	<b>11.97</b>	<b>23.66</b>	<b>29.94</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	(0.34)	0.06	(0.68)	0.13
Income Tax on relating to items that will not be reclassified to profit or loss	(0.01)	(0.01)	0.11	(0.02)	0.23	(0.04)
<b>Other Comprehensive Income (net of tax)</b>	<b>0.02</b>	<b>0.02</b>	<b>(0.23)</b>	<b>0.04</b>	<b>(0.45)</b>	<b>0.09</b>
<b>11. Total Comprehensive Income for the period (9 + 10)</b>	<b>13.91</b>	<b>9.79</b>	<b>11.74</b>	<b>23.70</b>	<b>29.49</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 5)</b>						
(a) Basic	0.97	0.68	0.83	1.65	2.07	4.77
(b) Diluted	0.97	0.68	0.83	1.65	2.07	4.77

## Notes :

- The above standalone financials results were reviewed by the Audit Committee on 31 October, 2018 and subsequently approved by the Board of Directors of S H Kelkar and Company Limited ('the Company') at its meeting held on 01 November, 2018. The statutory auditors of the Company have conducted limited review of the above results for the quarter and six months ended 30 September, 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 30 September, 2018 at Rs 24.50 crores (for the quarter ended 30 September, 2017: Rs 21.23 crores) and for the six months ended 30 September, 2018 at Rs.43.08 crores. (for the six months ended 30 September, 2017: Rs 51.23 crores)
- According to the requirements of the Listing Regulations, 2015, revenue for the quarter ended 30 June, 2017 was reported inclusive of excise duty. Goods and Service Tax ("GST") has been implemented with effect from 01 July, 2017 which replaces Excise Duty and other input taxes. As per Ind AS 18, the revenue for the period from 1 July, 2017 to 31 March, 2018 and quarter and six months ended 30 September, 2018 is reported net of GST.
- Basic and Diluted earnings per share for quarter and six months ended 30 September, 2018 and year ended 31 March, 2018 is adjusted for the effect of treasury shares held by the Company.
- The MCA wide notification dated 11 October, 2018 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. The Company has incorporated appropriate changes in the above results.
- Previous period figures have been regrouped and reclassified wherever necessary.

For and on behalf of Board of Directors



Kedar Vaze  
Director and Chief Executive OfficerPlace: Mumbai  
Date: 01 November, 2018



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



(Rupees in Crores)

	Statement of Assets and Liabilities Particulars	STANDALONE	
		As at 30 September 2018	
		Unaudited	Audited
<b>A</b>	<b>ASSETS</b>		
	<b>Non-current assets</b>		
1	Property, Plant and Equipment	118.81	119.77
	Capital work-in-progress	3.37	3.67
	Investment Property	14.07	14.30
	Other Intangible assets	71.61	19.97
	Intangible Assets under Development	19.54	14.49
	<b>Financial Assets</b>		
	Investment in Subsidiaries and Joint Venture	267.91	267.91
	Loans	1.16	1.07
	Others	0.03	0.03
	Deferred tax assets (net)	-	0.00
	Other tax assets (net)	18.60	16.62
	Other non-current assets	2.81	3.93
	<b>Total non current assets</b>	<b>517.91</b>	<b>461.76</b>
2	<b>Current Assets</b>		
	Inventories	182.66	156.80
	<b>Financial Assets</b>		
	Investments	1.53	1.55
	Trade receivables	160.02	187.60
	Cash and cash equivalents	10.75	1.49
	Other bank balances	2.56	3.23
	Loans	28.59	20.75
	Others	7.02	9.04
	Other current assets	9.81	11.28
	<b>Total current assets</b>	<b>402.94</b>	<b>391.74</b>
	<b>TOTAL ASSETS</b>	<b>920.85</b>	<b>853.50</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
1	<b>Equity</b>		
	Equity share capital	144.62	144.62
	Other equity		
	Retained earnings	247.24	254.09
	Other Reserves	210.77	228.86
	<b>Equity attributable to owners of the Company</b>	<b>602.63</b>	<b>627.57</b>
	<b>Total equity</b>	<b>602.63</b>	<b>627.57</b>
2	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	<b>Financial liabilities</b>		
	Borrowings	0.21	0.28
	Others	24.09	24.29
	Provisions	0.00	0.00
	Deferred tax liabilities (net)	3.06	1.50
	<b>Total non-current liabilities</b>	<b>27.36</b>	<b>26.07</b>
	<b>Current liabilities</b>		
	<b>Financial liabilities</b>		
	Short term borrowings	31.00	18.67
	Trade payables		
	-total outstanding dues of micro enterprises and small enterprises	8.09	4.96
	-total outstanding dues of creditors other than micro enterprises and small enterprises	163.49	134.30
	Other financial liabilities	65.16	15.73
	Other current liabilities	10.13	13.45
	Provisions	10.38	9.62
	Current tax liabilities (net)	2.61	3.13
	<b>Total current liabilities</b>	<b>290.86</b>	<b>199.86</b>
	<b>Total Liabilities</b>	<b>318.22</b>	<b>225.93</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>920.85</b>	<b>853.50</b>



*Handwritten signature/initials*

# B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,  
Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011  
India

Telephone +91 (22) 4345 5300  
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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 30 September 2018 and year-to-date results for the period from 1 April 2018 to 30 September 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 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  
01 November 2018



## 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 Q2 & H1 FY19 results

#### H1 FY19

**Normalized revenue run-rate in Q2 drives growth in H1**

**Total Income higher by 14% at Rs. 529 Cr**

**Domestic Fragrance revenue grew 24%**

**PAT higher by 4% at Rs. 48 Cr despite RM headwinds**

**Mumbai, November 1, 2018:** S H Kelkar and Company, the largest Indian origin Fragrance and Flavours Company in India, has announced its financial results for the quarter and half year ended September 30, 2018.

#### **H1 FY19 performance overview compared with H1 FY18**

- Revenues from operations higher by 14% to Rs. 518.1 crore from Rs. 454.8 crore
  - Domestic Fragrance business witnessed healthy revival of demand and grew at 17%
- EBITDA at Rs. 79.0 crore as against Rs. 83.1 crore
  - EBITDA margin stood at 14.9% vs 18.0%
  - Cost pressures on key raw materials impacted profitability on a YoY basis. The Company has undertaken price increases to partially cover the unprecedented raw material inflation. It expects to take further increases to normalize gross margins over the long-term
  - The employee costs increased by 10% YoY. This was partially due to a one-time expense incurred during Q2 FY19 towards rationalization of Creative Development Centers (CDC) in Europe
- PAT stood at Rs. 47.5 crore as against Rs. 45.7 crore
- The Company is witnessing the initial signs of normalization of business growth and believes the core business is performing in line with market. Accordingly, the Company expects business performance to gain strength in H2 FY2019

## Q2 FY19 performance overview compared with Q2 FY18

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- Revenues from operations higher by 27.7% to Rs. 282.1 crore from Rs. 220.8 crore
  - Domestic Fragrance business reported healthy performance of 36%, while overseas segment grew by 20%
- EBITDA at Rs. 42.8 crore as against Rs. 36.6 crore,
  - EBITDA margin stood at 14.8% vs 16.4%
- PAT stood at Rs. 28.8 crore as against Rs. 18.9 crore

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

*“I am delighted to share that we have reported a healthy performance during the quarter led by increased momentum in our core fragrance business. The domestic Fragrance business delivered a heartening growth of 36% in Q2, translating into a consolidated segment growth of 31%. Our overseas flavor business also reported healthy performance during the quarter.*

*On the operational front, we are happy to share that we have formally inaugurated our aroma ingredients manufacturing facility at Mahad. This plant is one of the largest manufacturing facilities for Tonalid, worldwide and will also manufacture other key specialty ingredients used in the fragrance industry. In addition, we optimized capacity at our other Tonalid manufacturing facility in China at nominal capex. The operationalization of these two facilities will not only help improve business efficiencies, but also consolidate our global market leadership for Tonalid.*

*On the whole, we are witnessing an uptick in consumer demand and a healthy trend of new product launches in the FMCG industry. This, along with improving availability of key ingredients should enable us to further strengthen our overall business performance in the second half of the current fiscal.”*

### **Key Developments:**

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#### **Formal inauguration of aroma ingredients manufacturing facility at Mahad, Maharashtra during the quarter**

- The state-of-the-art facility will manufacture Tonalid and other key raw materials used in the fragrance industry
- With a total installed capacity of 1,200 MTPA, the facility is one of the largest manufacturing facilities for Tonalid, worldwide
- This is in sync with a previously announced strategic investment plan to shift production of aroma ingredients from Barneveld, Netherlands to a high quality & operationally efficient center like India

#### **Capacity optimization at the Tonalid manufacturing facility in China**

- Following the acquisition of a majority equity stake in Anhui Ruibang Aroma Chemical Co. in May 2018, the Company has optimized the capacity at its Tonalid manufacturing facility in China at nominal capex
- The installed capacity is now optimized to 400 MTPA.



### 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 94 years of experience. Its fragrance products and ingredients are used as a raw material in personal wash, fabric care, skin and hair care, fine fragrances and household products. Its flavor products are used as a raw material by producers of baked goods, dairy products, beverages and pharmaceutical products. The Company offers products under SHK, Cobra and Keva brands.

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

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

### For further information please contact:

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Fax: +91 22 2164 9766  
Email: [deepti.chandratre@keva.co.in](mailto:deepti.chandratre@keva.co.in)

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[shikha@cdr-india.com](mailto:shikha@cdr-india.com)

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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.*



*Crafting Sensorial Delight*

# S H Kelkar and Company Limited

Largest Indian-origin Fragrance & Flavour Company

Q2 & H1 FY19 Earnings Presentation

November 1, 2018





## Disclaimer

Certain statements and opinions with respect to the anticipated future performance of SHK in the presentation (“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 presentation 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 presentation or that this presentation is suitable for the recipient’s purposes. The delivery of this presentation 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.



*Crafting Sensorial Delight*



## Q2 & H1 FY19 Results Overview



# Management Comment



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

*“I am delighted to share that we have reported a healthy performance during the quarter led by increased momentum in our core fragrance business. The domestic Fragrance business delivered a heartening growth of 36% in Q2, translating into a consolidated segment growth of 31%. Our overseas flavor business also reported healthy performance during the quarter.*

*On the operational front, we are happy to share that we have formally inaugurated our aroma ingredients manufacturing facility at Mahad. This plant is one of the largest manufacturing facilities for Tonalid, worldwide and will also manufacture other key specialty ingredients used in the fragrance industry. In addition, we optimized capacity at our other Tonalid manufacturing facility in China at nominal capex. The operationalization of these two facilities will not only help improve business efficiencies, but also consolidate our global market leadership for Tonalid.*

*On the whole, we are witnessing an uptick in consumer demand and a healthy trend of new product launches in the FMCG industry. This, along with improving availability of key ingredients should enable us to further strengthen our overall business performance in the second half of the current fiscal.”*

# Consolidated Summarized P&L Statement

Particulars (Rs. crore)	Q2 FY19	Q2 FY18	Y-o-Y Change (%)	H1 FY19	H1 FY18	Y-o-Y Change (%)
Revenues from Operations (Sales excluding Excise & GST)	282.1	220.8	27.7%	518.1	454.8	13.9%
Other Operating Income	1.4	0.4	282.5%	1.8	0.8	139.5%
<b>Total Operating Income</b>	<b>283.5</b>	<b>221.2</b>	<b>28.2%</b>	<b>519.9</b>	<b>455.5</b>	<b>14.1%</b>
Other Income	6.0	1.9	219.0%	9.3	6.9	34.4%
<b>Total Income</b>	<b>289.5</b>	<b>223.1</b>	<b>29.8%</b>	<b>529.2</b>	<b>462.5</b>	<b>14.4%</b>
Total Expenditure	246.8	186.5	32.3%	450.2	379.4	18.7%
▪ Raw Material expenses	162.9	114.6	42.2%	295.1	236.7	24.6%
▪ Employee benefits expense	37.6	30.7	22.5%	66.7	60.9	9.6%
▪ Other expenses	46.3	41.2	12.3%	88.5	81.7	8.2%
<b>EBITDA</b>	<b>42.8</b>	<b>36.6</b>	<b>16.8%</b>	<b>79.0</b>	<b>83.1</b>	<b>-4.9%</b>
<b>EBITDA margin (%)</b>	<b>14.8%</b>	<b>16.4%</b>	<b>-164 bps</b>	<b>14.9%</b>	<b>18.0%</b>	<b>-304 bps</b>
Finance Costs	1.9	1.1	76.0%	3.4	1.7	103.3%
Depreciation and Amortization	7.6	5.7	32.9%	14.4	11.5	24.6%
<b>PBT</b>	<b>33.3</b>	<b>29.8</b>	<b>11.7%</b>	<b>61.2</b>	<b>69.9</b>	<b>-12.4%</b>
Tax expense	4.9	11.0	-55.6%	14.9	24.3	-38.6%
<b>PAT</b>	<b>28.8</b>	<b>18.9</b>	<b>52.8%</b>	<b>47.5</b>	<b>45.7</b>	<b>4.1%</b>
<b>PAT Margins</b>	<b>10.0%</b>	<b>8.5%</b>	<b>+150 bps</b>	<b>9.0%</b>	<b>9.9%</b>	<b>-90 bps</b>
Cash Profit	36.4	24.6	48.1%	61.9	57.2	8.2%

# Key Developments

## Formal inauguration of aroma ingredients manufacturing facility at Mahad, Maharashtra during the quarter

- The state-of-the-art facility will manufacture Tonalid and other key raw materials used in the fragrance industry
- With a total installed capacity of 1,200 MTPA, the facility is one of the largest manufacturing facilities for Tonalid, worldwide
- This is in sync with a previously announced strategic investment plan to shift production of aroma ingredients from Barneveld, Netherlands to a high quality & operationally efficient center like India

## Capacity optimization at the Tonalid manufacturing facility in China

- Following the acquisition of a majority equity stake in Anhui Ruibang Aroma Chemical Co. in May 2018, the Company has optimized the capacity at its Tonalid manufacturing facility in China at nominal capex
- The installed capacity is now optimized to 400 MTPA

# H1 FY2019 Financial and Operational Discussions (Y-o-Y)



**Revenues from operations stood at Rs. 518 crore as against Rs. 455 crore, higher by 14% YoY - constant currency revenues growth was at 11.5%**

- Normalized revenue run-rate achieved in Q2 enabled the Company to report healthy growth in H1
- Improving demand environment and increased consumption trends in the FMCG industry assisted overall performance
- The fragrance business reported robust traction during H1 FY19 led by strong growth in domestic markets
  - The Company's core Domestic Fragrance business delivered a 24% growth, while the international segment registered a growth of 3% YoY
- Performance in the domestic Flavours business was impacted due to raw material supply disruptions. The Company expects to report normalized growth rates from H2 onwards
  - International flavors segment grew at a healthy rate of 12%

**EBITDA stood at Rs. 79 crore; EBITDA margins at 14.9%**

- Cost pressures on key raw materials impacted profitability on a YoY basis. The Company has undertaken price increases to partially cover the unprecedented raw material inflation. It expects to take further increases to normalize gross margins over the long-term
- The employee costs increased by 10% YoY. This was partially due to a one-time expense incurred during Q2 FY19 towards rationalization of Creative Development Centers (CDC) in Europe

# H1 FY2019 Financial and Operational Discussions (Y-o-Y)

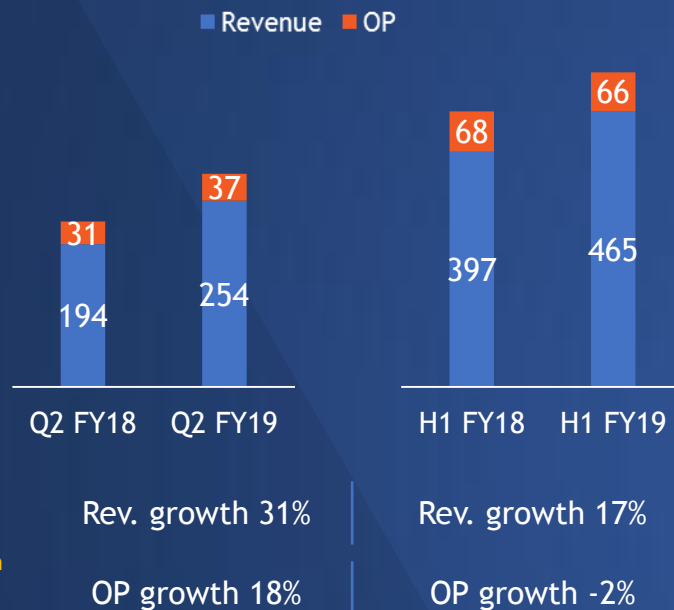


PAT stood at Rs. 48 crore, higher by 4%; EPS at Rs. 3.32

The Company is witnessing the initial signs of normalization of business growth and believes the core business is performing in line with market. Accordingly, the Company expects business performance to gain strength in H2 FY2019

# Fragrance Division

## Net Revenue & Operating Profit



- Fragrance division delivered healthy growth in H1 assisted by robust revival in Q2
- Domestic Fragrance business reported solid performance of 24% in H1; while overseas revenues grew by 3%
- Surge in raw material costs impacted profitability on a YoY basis - price increases with improving availability of raw materials should assist operating margins over the long-term



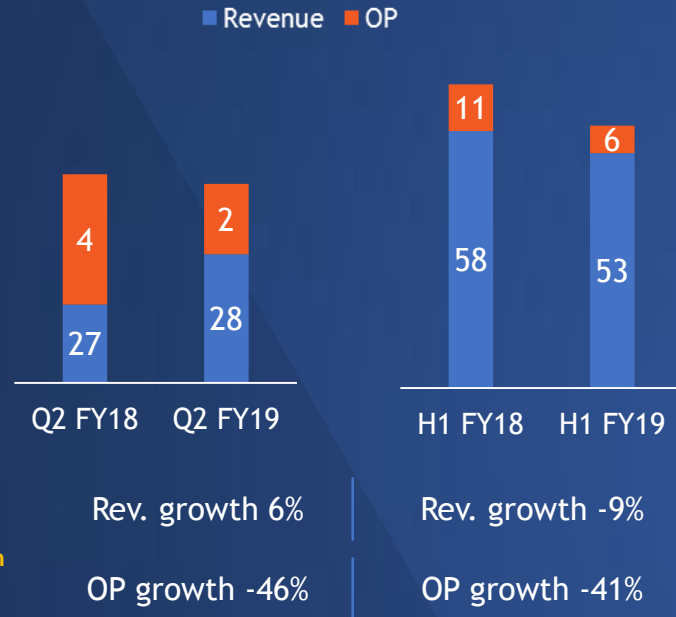
## Domestic and Overseas Revenue - H1 FY19



	Y-o-Y Growth (%)	Q2 FY19	H1 FY19
Domestic		36	24
Overseas		20	3
<b>Total Growth</b>		<b>31</b>	<b>17</b>

# Flavour Division

## Net Revenue & Operating Profit



- Flavour division reported a subdued performance during the period -domestic revenues came in lower by 20% in H1 as a result of supply-side disruptions which led to increased pricing pressures in the domestic market
- Operating profit was at Rs. 6 crore with margins at 12% in H1

### Domestic and Overseas Revenue - H1 FY19



Y-o-Y Growth (%)	Q2 FY19	H1 FY19
Domestic	-3	-20
Overseas	24	12
<b>Total Growth</b>	<b>6</b>	<b>-9</b>

Note: Figures in Rs. Crore unless specified otherwise



# Consolidated Balance Sheet



EQUITY AND LIABILITIES			ASSETS		
Particulars (Rs. Crore)	CONSOLIDATED As at 30th September 2018 (Unaudited)	CONSOLIDATED As at 31st March 2018 (Audited)	Particulars (Rs. Crore)	CONSOLIDATED As at 30th September 2018 (Unaudited)	CONSOLIDATED As at 31st March 2018 (Audited)
<b>Equity</b>			<b>ASSETS</b>		
Equity share capital	144.6	144.6	<b>Non-current assets</b>		
Other equity			Property, Plant and Equipment	367.4	274.4
Retained earnings	385.4	368.4	Capital work-in-progress	7.6	35.6
Other Reserves	326.6	344.2	Investment Property	14.1	14.3
<b>Equity attributable to owners of the Company</b>	<b>856.6</b>	<b>857.2</b>	Goodwill	40.9	35.6
Non-Controlling Interest	11.0	-	Other Intangible assets	39.9	27.5
<b>Total equity</b>	<b>867.6</b>	<b>857.2</b>	Intangible Assets under Development	23.0	24.6
			Equity Accounted Investee	96.0	94.9
<b>Liabilities</b>			Financial Assets		
<b>Non-current liabilities</b>			Investments*	-	-
Financial liabilities			Loans	1.6	2.3
Borrowings	80.8	48.2	Others	2.2	1.4
Others	1.1	1.3	Deferred tax assets (net)	17.6	4.4
Provisions	0.8	0.6	Other tax assets (net)	21.4	25.2
Deferred tax liabilities (net)	8.4	8.2	Other non-current assets	35.9	41.2
<b>Total non-current liabilities</b>	<b>91.0</b>	<b>58.3</b>	<b>Total non current assets</b>	<b>667.4</b>	<b>581.4</b>
<b>Current liabilities</b>			<b>Current Assets</b>		
Financial liabilities			Inventories	369.2	348.0
Borrowings	193.1	116.1	Financial Assets		
Trade payables	167.1	155.6	Investments	1.5	1.6
Other financial liabilities	25.7	29.0	Trade receivables	287.6	276.6
Other current liabilities	19.0	25.3	Cash and cash equivalents	26.5	17.4
Provisions	13.2	12.4	Other bank balances	3.8	6.5
Current tax liabilities (net)	36.4	26.0	Loans	5.6	4.1
<b>Total current liabilities</b>	<b>454.5</b>	<b>364.4</b>	Others	0.1	0.2
<b>Total Liabilities</b>	<b>545.5</b>	<b>422.7</b>	Other current assets	51.5	44.2
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>1,413.1</b>	<b>1,279.9</b>	<b>TOTAL - ASSETS</b>	<b>1,413.1</b>	<b>1,279.9</b>



# Balance Sheet Snapshot - As on September 30, 2018



**857**

Networth

**465**

Fixed Assets

**32**

Cash & Investments

**242**

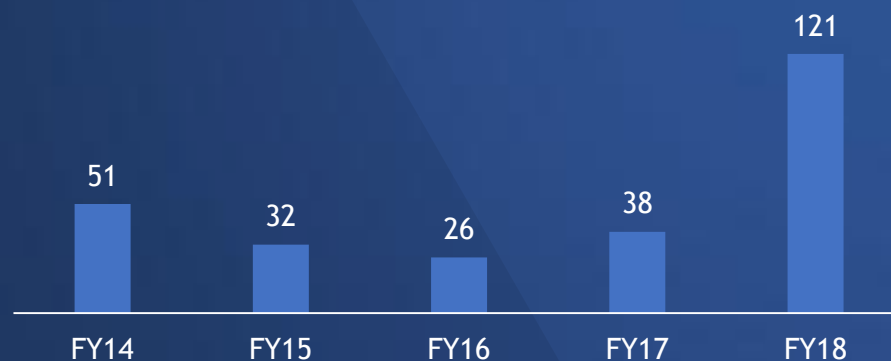
Net Debt

# Cash Flow Snapshot

Particulars (Rs. crore)	FY14	FY15	FY16	FY17	FY18	H1 FY19
Cash flow from Operations	32.1	61.7	86.4	102.3	103.3	41.6
Cash flow from investing activities	-63.7	-17.3	-22.4	-96.0	-220.6	-95.1
Net	-31.6	44.4	64.0	6.3	-117.3	-53.5

Note: Cash and cash equivalent includes investments in mutual fund

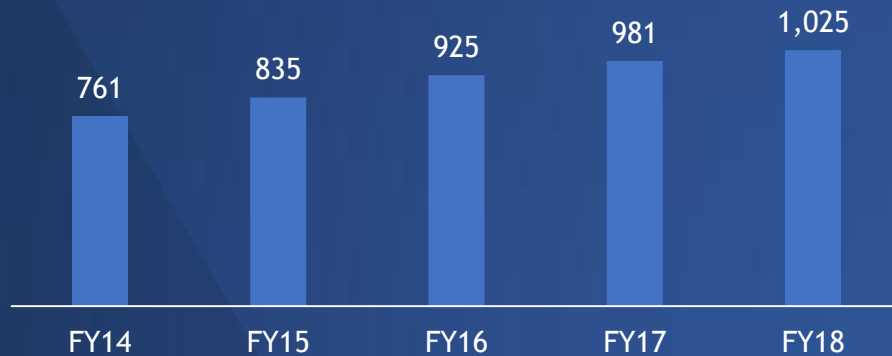
## Capex



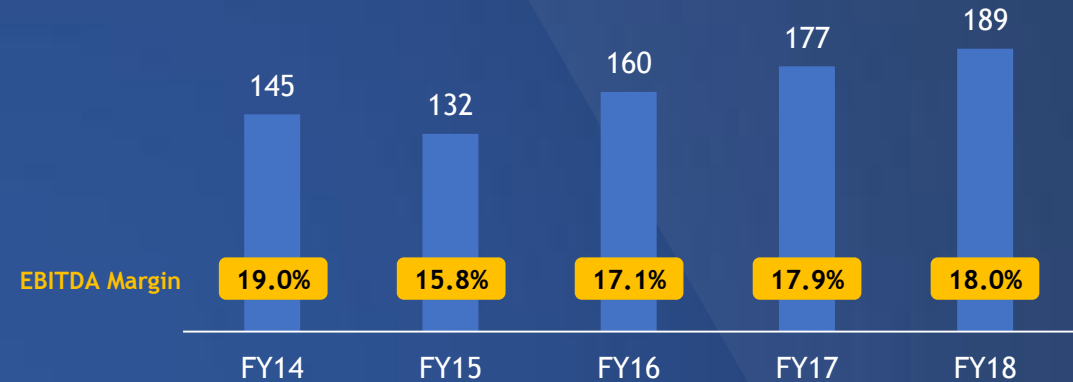
- Low capital intensive business - robust cash flow generation remains a key strength of SHK's business model
- Investments are primarily towards in-organic and other cost saving opportunities - benefits to reflect in cash flows going forward

# Robust Historical Financial Trend

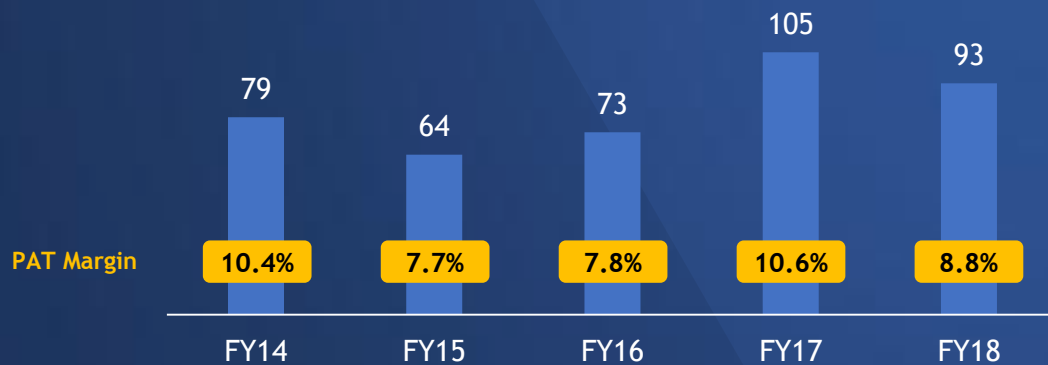
## Total Operating Income



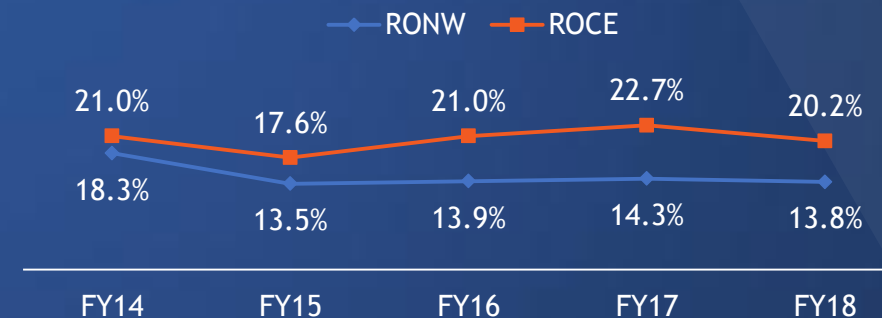
## EBITDA



## PAT



## Return on Net Worth & Return on Capital Employed (%)



# Key Financial Ratios

Particulars (Rs. crore)	FY14	FY15	FY16	FY17	FY18
EBITDA margin (%)	19.0	15.8	17.1	17.9	18.0
PAT Margin (%)	10.4	7.7	7.8	10.6	8.8
Debt to Equity	0.4	0.5	0.1	0.1	0.2
Return on Networth (%)	18.3	13.5	13.9	14.3	13.8
Return on Capital Employed (%)	21.0	17.6	21.0	22.7	20.2

Note:

1. Return on Networth is calculated as: PAT/ Average Networth
2. Return on Capital Employed is calculated as: EBIT/ Average Capital Employed
3. All figures till FY15 as per IGAAP;
4. EBITDA adjusted for one-time expense in FY18



*Crafting Sensorial Delight*



Annexure

# Conference Call Details



## S H Kelkar and Company Ltd.'s Q2 & H1 FY19 Earnings Conference Call

**Time** • 5.00 PM IST on Thursday, November 1, 2018

**Primary dial-in number** • +91 22 6280 1141  
• +91 22 7115 8042

**India Local access Number** • +91 70456 71221  
• (Available all over India)

**International Toll Free Number** • Hong Kong: 800 964 448  
• Singapore: 800 101 2045  
• UK: 0 808 101 1573  
• USA: 1 866 746 2133

# About Us



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 94 years of experience. Its fragrance products and ingredients are used as a raw material in personal wash, fabric care, skin and hair care, fine fragrances and household products. Its flavor products are used as a raw material by producers of baked goods, dairy products, beverages and pharmaceutical products. The Company offers products under SHK, Cobra and Keva brands.

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

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

## For further information please contact:

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Anoop Poojari / Shikha Kshirsagar

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Thank You