

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 nine months ended 31 December 2016, attached herewith, being submitted by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 February 2017. 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.

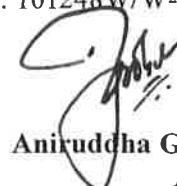
We did not review the financial results of eight subsidiaries included in the unaudited consolidated financial results, whose interim financial results reflect total assets of Rs 324.10 crores as at 31 December 2016, total revenues of Rs 54.08 crores and Rs 192.04 crores for the quarter and nine months ended 31 December 2016 respectively and total loss after tax of Rs 3.27 crores and Rs 3.14 crores for the quarter and nine months ended 31 December 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.

For B S R & Co. LLP

Chartered Accountants

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



Aniruddha Godbole
Partner

Membership No: 105149

Mumbai
14 February 2017

B S R & Co (a partnership firm with
Registration No. BA61223) converted into
B S R & Co. LLP (a Limited Liability, Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

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

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 NINE MONTHS ENDED 31 DECEMBER 2016

Particulars	(Rupees in Crore, except for share data and if otherwise stated)					
	Quarter Ended 31.12.2016 Unaudited	Quarter Ended 30.9.2016 Unaudited	Quarter Ended 31.12.2015 Unaudited	Nine Months Ended 31.12.2016 Unaudited	Nine Months Ended 31.12.2015 Unaudited	Year Ended 31.3.2016 Unaudited
1. Income from operations						
(a.) Sales/ Income from Operations	248.17	262.39	243.78	785.91	702.78	989.87
(b.) Other Operating Income	1.25	1.47	1.03	4.14	2.43	3.72
Total Income from operations (net) (a + b)	249.42	263.86	244.81	790.05	705.21	993.59
2. Expenses						
(a.) Cost of materials consumed	115.07	137.01	93.96	401.66	345.52	517.75
(b.) Purchase of stock in trade	3.01	2.13	12.36	7.17	15.31	1.79
(c.) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1.32	(2.84)	13.93	(11.34)	2.26	(6.62)
(d.) Excise Duty	17.53	18.61	15.34	57.06	46.45	68.72
(e.) Employee benefits expense	34.14	31.24	29.08	94.72	81.82	111.85
(f.) Depreciation and amortisation expense	4.81	4.90	7.21	14.11	21.97	29.70
(g.) Other expenses	38.81	36.09	39.41	111.92	107.23	150.33
Total Expenses	214.69	227.14	211.29	675.30	620.56	873.52
3. Profit/(Loss) from Operations before other income, finance cost and exceptional items (1-2)	34.73	36.72	33.52	114.75	84.65	120.07
Other Income	1.89	2.88	1.81	7.56	5.93	10.45
4. Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	36.62	39.60	35.33	122.31	90.58	130.52
Finance Costs - Imputed interest (Refer note 11)	0.24	2.15	0.95	4.32	4.80	4.80
Finance Costs - Others	36.38	37.45	30.96	117.99	71.78	110.49
5. Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)						
Exceptional Items	-	-	-	-	-	-
6. Profit / (Loss) from ordinary activities before tax (7 + 8)	36.38	37.45	30.96	117.99	71.78	110.49
Tax expense	11.00	12.88	9.15	40.73	23.02	37.27
7. Net Profit / (Loss) from ordinary activities after tax (9 - 10)	25.38	24.57	21.81	77.26	48.76	73.22
12. Extraordinary items	-	-	-	-	-	-
8. Net Profit / (Loss) for the period (11 + 12)	25.38	24.57	21.81	77.26	48.76	73.22
14. Other Comprehensive Income (net of tax)	(2.31)	(1.63)	(1.65)	(5.76)	5.76	6.25
9. Total Comprehensive Income (13 + 14)	23.07	22.94	20.16	71.50	54.52	79.47
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						575.96
10. Earnings Per Share (not annualised):						
(a) Basic	1.75	1.70	1.63	5.34	3.65	5.37
(b) Diluted	1.75	1.70	1.63	5.34	3.65	5.37



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SH 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 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 February, 2017 and subsequently approved by the Board of Directors at its meeting held on 14 February, 2017. 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 nine months ended 31 December 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.
- Reconciliation of Net profit as reported under previous Generally Accepted Accounting Principles ("Previous GAAP") and as per Ind AS is given as follows:

Particulars	Rs. In Crores	
	Quarter Ended	Year Ended
	31.12.2015	31.3.2016
	Unaudited	Unaudited
Consolidated Net profit as per IGAAP	23.41	80.21
Ind AS adjustments	54.14	(4.80)
1. Imputed Interest cost on committed returns to the investor shareholder	(0.95)	(4.80)
2. Amortisation of Upfront Fees on borrowings	(0.19)	(0.83)
3. Restatement of past business combinations	(0.07)	(0.29)
4. Debtors provisioning based on Expected loss model	(1.87)	(3.41)
5. MTM gain/(loss) on financial instruments	0.56	0.75
6. Restatement of prior period errors	-	(1.71)
7. Deferred tax on GAAP adjustments and consolidation adjustments	1.04	2.87
8. Actuarial gain/(loss) on defined benefit plans reclassified to OCI, net of tax	0.03	0.14
9. Reversal of provision for tax consequent to scheme of arrangement referred in Note 7 below.	(0.15)	0.29
Consolidated Net profit as per Ind AS	21.81	73.22

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

Particulars	Rs. In Crores	
	Year Ended	Year Ended
	31.3.2016	31.3.2016
	Unaudited	Unaudited
Consolidated Equity as per I-GAAP	762.83	762.83
Ind AS Adjustments:		
1. Debtors provisioning based on Expected loss model	(5.12)	(5.12)
2. Fair valuation of financial instruments	1.54	1.54
3. Restatement of PFW Business Combination	(37.29)	(37.29)
4. Restatement of Saiba Business Combination	(3.58)	(3.58)
5. Restatement of prior period errors	(1.71)	(1.71)
5. Deferred tax on GAAP adjustments and consolidation adjustments	3.62	3.62
7. Reversal of provision for tax consequent to scheme of arrangement referred in Note 7 below.	0.29	0.29
Consolidated Equity as per Ind AS	720.58	720.58



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5 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:

Particulars	Object of the issue as per the prospectus	Rs. In Crores	
		Utilised upto 31 December 2016	Unutilised amount as at 31 December 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 or in	32.00	32.00	-
General Corporate purposes	33.79	33.79	-
TOTAL	191.79	191.79	-

Funds infused by the Holding Company in Keva Fragrances Pvt. Ltd. (Formerly K.V. Arochem Private Limited) out of IPO proceeds but not yet utilised for loan repayment, amounting to Rs. 13 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.

6 Keva Flavours Pvt. Ltd. ("KFL"), a subsidiary company in the Group, has acquired Business Undertaking of Gujarat Flavour Private Limited ("GFPL") comprising of Flavours Division on 02 January, 2017 in accordance with the Business Transfer Agreement executed between KFL and GFPL on 26 October, 2016.

7 The Board of Directors of Keva Fragrances Private Limited ("KFG") and K.V. Arochem Private Limited (now renamed as Keva Fragrances Pvt. Ltd.) ("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 filed with the Registrar of Companies - Mumbai on 15 November 2016. Accordingly, KFG has been amalgamated into KVA w.e.f. the appointed date of 1 May 2015 and the effective date of the merger was 15 November 2016. Hence, the results for the quarter ended 31 December 2015, nine months ended 31 December 2015, year ended 31 March 2016 and quarter ended 30 September 2016 have been recast to reflect the impact of the merger on the consolidated financial statements of the Company.

8 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 nine months ended 31 December 2016 is lower by Rs 3.80 crores and Rs 10.33 crores respectively. Accordingly the profit for the quarter and nine months ended 31 December 2016 is higher by Rs 2.47 crores and 6.72 crores respectively.

9 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.

10 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 nine months ended 31 December 2016 on eligible projects under development aggregated to Rs 2.10 crores and Rs 6.59 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 nine months ended 31 December 2016 would have been lower by Rs 1.37 crores and Rs 4.32 crores respectively.

11 Finance costs for the quarter and nine months ended 31 December 2015 includes imputed interest costs of Rs 0.95 crores and Rs 4.80 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.

12 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.

13 Previous periods' year's figures have been regrouped/ reclassified, where necessary, to conform to current period's classification.



For and on behalf of Board of Directors

Kedar Vaze

Kedar Vaze

Director and Chief Executive Officer

Place: Mumbai

Dated: 14 February, 2017

S H KELKAR AND COMPANY LIMITED

CIN : L74999MH1955PLC009593

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Consolidated Segmentwise Revenue, Results, Assets, Liabilities & Capital Employed for the quarter and nine months ended 31 December 2016
(Rupees in Crore, except for share data and if otherwise stated)



Particulars	Quarter ended 31st Dec 2016	Quarter ended 30th Sep 2016	Quarter ended 31st Dec 2015	Nine Months Ended 31st Dec 2016	Nine Months Ended 31st Dec 2015	Year ended 31st March 2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1. Segment Revenue						
- Fragrance	250.24	266.90	258.40	785.91	738.43	1,045.21
- Flavours	31.10	26.77	19.97	95.91	47.48	67.97
Total	281.34	293.67	278.37	881.82	785.91	1,113.18
Less: Inter Segment Revenue	(33.17)	(31.28)	(34.59)	(95.91)	(83.13)	(123.31)
Other Operating Income	1.25	1.47	1.03	4.14	2.43	3.72
Sales/ Income From Operations	249.42	263.86	244.81	790.05	705.21	993.59
2. Segment Results (Profit (+) / Loss(-) before tax and interest from ordinary activities)						
- Fragrance	29.75	35.67	30.30	101.61	80.32	114.12
- Flavours	9.15	3.40	2.51	21.58	7.29	11.06
Total	38.90	39.07	32.81	123.19	87.61	125.18
Less: i) Finance costs	(0.24)	(2.15)	(4.37)	(4.32)	(18.80)	(20.03)
Add/(Less): Other unallocable income net of Tax	(2.28)	0.53	2.52	(0.88)	2.97	5.34
Total Profit Before Tax from ordinary activities	36.38	37.45	30.96	117.99	71.78	110.49
3. Segment Assets						
- Fragrance	897.42	905.07	916.23	897.42	916.23	896.90
- Flavours	107.99	93.02	43.92	107.99	43.92	44.58
- Unallocated	81.56	84.37	98.53	81.56	98.53	80.37
Total	1,086.97	1,082.46	1,058.68	1,086.97	1,058.68	1,021.85
4. Segment Liabilities						
- Fragrance	149.27	155.70	198.75	149.27	198.75	185.08
- Flavours	28.39	29.03	13.32	28.39	13.32	13.07
- Unallocated	117.10	128.69	124.25	117.10	124.25	103.12
Total	294.76	313.42	336.32	294.76	336.32	301.27
5. Capital Employed (Segment assets - Segment liabilities)						
- Fragrance	748.15	749.37	717.48	748.15	717.48	711.82
- Flavours	79.60	63.99	30.60	79.60	30.60	31.51
- Unallocated	(35.54)	(44.32)	(25.72)	(35.54)	(25.72)	(22.75)
Total	792.21	769.04	722.36	792.21	722.36	720.58



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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

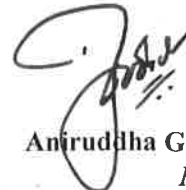
We have reviewed the accompanying statement of unaudited standalone financial results ('the Statement') of S H Kelkar and Company Limited ('the Company') for the quarter and nine months ended 31 December 2016 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 February 2017. 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. Indian Accounting Standards ('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 February 2017

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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2016

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

Particulars	Quarter Ended	Quarter Ended	Quarter Ended	Nine Months Ended	Nine Months Ended	Year Ended
	31.12.2016 Unaudited	30.9.2016 Unaudited	31.12.2015 Unaudited	31.12.2016 Unaudited	31.12.2015 Unaudited	31.3.2016 Unaudited
1. Income from operations						
(a.) Sales/ Income from Operations	166.13	172.13	149.09	515.11	436.13	623.08
(b.) Other Operating Income	0.30	0.08	0.29	0.66	0.75	0.96
Total Income from operations (net) (a + b)	166.43	172.21	149.38	515.77	436.88	624.04
2. Expenses						
(a.) Cost of materials consumed	78.76	89.18	70.62	279.66	239.85	343.53
(b.) Purchase of stock in trade						
(c.) Changes in inventories of finished goods, work-in-progress and stock-in-trade	5.67	5.72	8.87	(8.98)	(0.46)	(1.34)
(d.) Excise Duty	17.13	17.57	14.85	53.74	44.53	64.80
(e.) Employee benefits expense	18.17	15.34	13.89	46.55	38.18	52.99
(f.) Depreciation and amortisation expense	1.78	1.72	3.22	5.01	9.88	13.40
(g.) Other expenses	18.82	17.33	17.04	55.07	50.70	71.23
Total Expenses	140.33	146.86	128.49	431.05	382.68	544.61
3. Profit/(Loss) from Operations before other income, finance cost and exceptional items (1-2)	26.10	25.35	20.89	84.72	54.20	79.43
4. Other Income	3.58	2.06	1.72	7.62	19.63	23.82
5. Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	29.68	27.41	22.61	92.34	73.83	103.25
6. (a.) Finance Costs - Imputed interest (Refer note 9)			0.95		4.80	4.80
(b.) Finance Costs - Others	0.66	0.65	2.06	1.85	9.08	9.28
7. Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)	29.02	26.76	19.60	90.49	59.95	89.17
8. Exceptional Items						
9. Profit / (Loss) from ordinary activities before tax (7 + 8)	29.02	26.76	19.60	90.49	59.95	89.17
10. Tax expense	6.15	8.11	3.96	26.19	14.08	23.62
11. Net Profit / (Loss) from ordinary activities after tax (9 - 10)	22.87	18.65	15.64	64.30	45.87	65.55
12. Extraordinary items						
13. Net Profit / (Loss) for the period (11 + 12)	22.87	18.65	15.64	64.30	45.87	65.55
14. Other Comprehensive Income (net of tax)	(0.02)	(0.02)	(0.14)	(0.06)	(0.06)	(0.08)
15. Total Comprehensive Income (net of tax) (13 + 14)	22.85	18.63	15.50	64.24	45.81	65.47
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
18. Earnings Per Share (not annualised):						
(a) Basic	1.58	1.29	1.17	4.45	3.43	4.81
(b) Diluted	1.58	1.29	1.17	4.45	3.43	4.81



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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 February, 2017 and subsequently approved by the Board of Directors at its meeting held on 14 February, 2017. 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 nine months ended 31 December 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.
- Reconciliation of Net profit as reported under previous Generally Accepted Accounting Principles ("Previous GAAP") and as per IND AS is given as follows:

Particulars	Rs. In Crores	
	Quarter Ended	Year Ended
	31.12.2015	31.3.2016
	Unaudited	Unaudited
Standalone Net profit as per IGAAP	16.64	70.81
Ind AS adjustments		
1. Imputed interest cost on committed returns to the investor shareholder	(0.95)	(4.80)
2. Amortisation of Upfront Fees on borrowings	(0.19)	(0.83)
3. Debtors provisioning based on Expected loss model	(0.30)	(1.17)
4. Guarantee Commission on corporate guarantees given to subsidiaries	0.04	0.18
5. MTM gain/(loss) on financial instruments	0.13	0.88
6. Deferred tax on Ind AS adjustments	0.12	0.40
7. Actuarial gain/(loss) on defined benefit plans reclassified to OCI, net of tax	0.15	0.08
Standalone Net profit as per Ind AS	15.64	65.55

- 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
Standalone Equity as per I-GAAP		546.43
Ind AS Adjustments:		
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	
Standalone Equity as per Ind AS	545.66	



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5 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 31 December 2016	Unutilised amount as at 31 December 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 or in part	32.00	32.00	-
General Corporate purposes	33.79	33.79	-
TOTAL	191.79	191.79	-

6 Funds infused by the Company in Keva Fragrances Private Limited (Formerly K.V. Arochem Private Limited) out of IPO proceeds but not yet utilised for loan repayment, amounting to Rs.13 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 nine months ended 31 December 2016 is lower by Rs 1.49 crores and Rs 4.02 crores respectively. Accordingly the profit for the quarter and nine months ended 31 December 2016 is higher by Rs 0.97 crores and 2.61 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 nine months ended 31 December 2016 on eligible projects under development aggregated to Rs 1.63 crores and Rs. 5.51 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 nine months ended 31 December 2016 would have been lower by Rs 1.06 crores and Rs 3.58 crores respectively.

10 Finance costs for the quarter and nine months ended 31 December 2015 includes imputed interest costs of Rs 0.95 crores and Rs 4.80 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 periods/ year's figures have been regrouped/ reclassified, where necessary, to conform to current period's classification.

Place: Mumbai

Dated: 14 February, 2017



For and on behalf of Board of Directors

Kedar Vaze

Kedar Vaze
Director and Chief Executive Officer