



August 09, 2019

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

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

Scrip Code: 539450

Scrip Symbol: SHK

Dear Sir/ Madam,

Sub: Submission of unaudited financial results for the quarter ended June 30, 2019

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 ended June 30, 2019 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 ended June 30, 2019 (“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

Am



S H Kelkar And Company Limited
Regd. Office : Devkaran Mansion, 36, Mangaldas Road, Mumbai - 400 002. (INDIA)
Phone : (022) 2206 96 09 & 2201 91 30 / Fax : (022) 2208 12 04
www.keva.co.in
CIN No. L74999MH1955PLC009593

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
Fax +91 (22) 4345 5399

Limited review report on unaudited quarterly consolidated financial results of S H Kelkar and Company Limited pursuant to the Regulation 33 of the SEBI (Listing obligation and Disclosure requirement) Regulations 2015

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

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of S H Kelkar and Company Limited, in which are incorporated returns from a Branch in Amsterdam , the Netherlands and S H Kelkar Employee Benefit Trust (“the Parent”) and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”), and its share of the net profit after tax and total comprehensive income of its joint ventures for the quarter ended 30 June 2019 (“the Statement”), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”).
2. This Statement, which is the responsibility of the Parent’s management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.



Limited review report on unaudited quarterly consolidated financial results of S H Kelkar and Company Limited pursuant to the Regulation 33 of the SEBI (Listing obligation and Disclosure requirement) Regulations 2015 (Continued)

S H Kelkar and Company Limited

4. The Statement includes 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 own Subsidiary
- VN Creative Chemicals Private Limited (including its following joint venture)	
- Purandar Fine Chemicals Private Limited	Joint Venture
Keva U.K. Ltd (including its following wholly owned subsidiary)	Wholly Owned Subsidiary
- PFW Aroma Ingredients B.V.	
- Keva Europe B.V.	
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

5. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2019 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of the other auditor referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, 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.

Dr.

Limited review report on unaudited quarterly consolidated financial results of S H Kelkar and Company Limited pursuant to the Regulation 33 of the SEBI (Listing obligation and Disclosure requirement) Regulations 2015 (Continued)

S H Kelkar and Company Limited

7. We did not review the interim financial information of one subsidiary included in the Statement, whose interim financial information reflect total revenues of Rs 37.75 crores, total net loss after tax of Rs 0.15 crores and total comprehensive loss of Rs 0.15 crores, for the quarter ended 30 June 2019, respectively, as considered in the consolidated unaudited financial results. These interim financial information have been reviewed by other auditor whose reports have been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matter.

8. The Statement includes the interim financial information of ten subsidiaries which have not been reviewed, whose interim financial information reflect total revenue of Rs 28.75 crores, total net profit after tax of Rs 0.26 crores and total comprehensive income of Rs 0.26 crores for the quarter ended 30 June 2019, respectively, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of Rs 0.07 crores and total comprehensive income of Rs 0.07 crores for the quarter ended 30 June 2019, as considered in the consolidated unaudited financial results, in respect of two joint ventures, based on their interim financial information which have not been reviewed. According to the information and explanations given to us by the management, these interim financial information are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

For B S R & Co. LLP
Chartered Accountants

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



Balajirao Pothana
Partner

Membership No: 122632
UDIN: 19122632AAAAAR6605

Mumbai
9 August 2019

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 ENDED 30 JUNE 2019

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

Particulars	Quarter Ended			Year Ended
	30.06.2019	30.06.2018	31.03.2019	31.03.2019
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1. Revenue from Operations				
(a.) Sales excluding Excise & GST	271.53	235.98	268.57	1,041.15
(b.) Other Operating Income	2.85	1.42	1.17	6.97
2. Other Income (Refer note 4)	1.38	2.28	11.09	23.36
3. Total Income	275.76	239.68	280.83	1,071.48
4. Expenses				
(a.) Cost of materials consumed	146.43	147.43	169.50	609.35
(b.) Purchase of stock in trade	-	-	-	13.01
(c.) Changes in inventories of finished goods, work-in-progress and stock-in-trade	9.64	(15.27)	(13.05)	(31.59)
(d.) Employee benefits expense (Refer note 4)	32.09	29.10	30.14	128.09
(e.) Finance costs (Refer note 6)	7.00	1.51	6.06	13.95
(f.) Depreciation and amortisation expense (Refer note 6)	12.14	6.77	7.94	31.15
(g.) Other expenses (Refer note 6)	39.85	42.19	58.23	192.67
Total Expenses	247.15	211.73	258.82	956.63
5. Profit before exceptional items and tax (3-4)	28.61	27.95	22.01	114.85
6. Exceptional Items	-	-	-	-
7. Profit before tax (5 - 6)	28.61	27.95	22.01	114.85
8. Tax expense				
Current tax	7.09	10.01	(3.20)	35.19
Deferred tax	2.54	(0.01)	5.06	(8.18)
9. Profit for the period (7 - 8)	18.98	17.95	20.15	87.84
10. Share of Profit/(Loss) in equity accounted investee (net of amortisation for the quarter ended 30, June 19 Rs 0.31 crores (for the quarter ended 30, June 18 Rs Nil, for the quarter and year ended 31, March 19 Rs 1.22 crores) on identified intangible assets resulting from purchase price allocation adjustment and tax)	(0.23)	0.74	(0.86)	0.41
11. Profit / (Loss) attributable to Non-controlling interests	0.29	-	(0.30)	(0.23)
12. Profit after Non-controlling interests (9 + 10 - 11)	18.46	18.69	19.59	88.48
13. Other Comprehensive Income				
Items that will not be reclassified to profit or loss	(0.21)	0.03	(0.64)	(0.56)
Income Tax on relating to items that will not be reclassified to profit or loss	0.07	(0.01)	0.26	0.23
Items that will be reclassified to profit or loss	(0.83)	(1.09)	0.61	(6.15)
Income Tax on relating to items that will be reclassified to profit or loss	-	-	-	-
Other Comprehensive Income (net of tax)	(0.97)	(1.07)	0.23	(6.48)
14. Other Comprehensive Income (net of tax) attributable to Non-controlling interests	-	-	-	-
15. Other Comprehensive Income (net of tax) after Non-controlling interests (13 - 14)	(0.97)	(1.07)	0.23	(6.48)
16. Total Comprehensive Income for the period (9 + 10 + 13)	17.78	17.62	19.52	81.77
17. Total Comprehensive Income for the period attributable to Non controlling interests	0.29	-	(0.30)	(0.23)
18. Total Comprehensive Income for the period after Non controlling interests (16 - 17)	17.49	17.62	19.82	82.00
19. Paid-up equity share capital (Face Value of Rs 10 each)	144.62	144.62	144.62	144.62
20. Other Equity				718.73
21. Earnings Per Share (Face Value of Rs 10 each) (not annualised):(Refer note 10)				
(a) Basic	1.31	1.30	1.37	6.20
(b) Diluted	1.31	1.30	1.37	6.20



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 ventures were reviewed by the Audit Committee at its meeting held on 09 August, 2019 and subsequently approved by the Board of Directors of S H Kelkar and Company Limited ('the Company') at its meeting held on 09 August, 2019 . The statutory auditors of the Company have conducted limited review of the above results for the quarter ended 30 June, 2019 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 June, 2019 at Rs.47.75 crores (for the quarter ended 30 June, 2018: Rs.36.23 crores) and for the quarter ended 31 March, 2019 at Rs.36.01 crores.
- 4 The Group had undertaken Business / Organisation restructuring during previous year and its associated one time cost of Rs 5.39 crores for the previous year is included in the Employment cost. Similarly, excess provision relating to the Employment cost of Rs 3.59 crores is disclosed under Other income for the previous year . There was Nil Business / Organisation restructuring cost for quarter ended 31 March, 2019 and quarter ending 30 June, 2019.
- 5 The Holding Company has entered into an agreement dated 15 January 2018 to acquire 51% of the share capital of Creative Flavours and Fragrances S.p.A. ("CFF"). The Group performed a purchase price allocation exercise basis fair valuation of assets and liabilities, which has resulted into amortisation charge on Intangible assets Rs. 0.31 crores (net of tax) for the quarter ended 30 June 2019 (for the quarter ended 30 June, 2018: Rs.Nil) and for the quarter ended 31 March, 2019 and for the year ended Rs. 1.22 crores (net of tax).
- 6 Effective 01 April, 2019 the Company has adopted Ind AS 116 "Leases". Due to transition the nature of expenses in respect of operating leases has changed from "lease rent" to "depreciation cost" and "finance cost" for the right- to-use assets and for interest accrued on lease liability respectively and therefore these expenses for the current period are not comparable to the previous periods disclosed. For the quarter ended 30 June, 2019, on transition the adoption of new standard has resulted in increase in depreciation cost Rs. 3.25 crores and finance cost Rs 1.00 crores with corresponding reduction in Rent expenses Rs.3.94 crores. The impact is reduction in profit before tax by Rs.0.31 crores.
- 7 The Board of Directors of the Company at its meeting held on 10 June, 2019 approved proposal to buy back upto 33,00,000 equity shares of the Company for an aggregate amount not exceeding Rs.59.40 crores being 7.17 % of the fully paid up share capital and free reserves on consolidation basis at Rs. 180 per share and same has been completed. Company is awaiting clarifications on buy back tax.
- 8 Previous period figures have been regrouped and reclassified wherever necessary
- 9 Figures for the quarter ended 31 March, 2019, as reported in these financial results are the balancing figures between audited figures in respect of the full financial year & published year to date figure upto the end of the third quarter of the relevant financial year. Also the figures upto the end of the third quarter had only been reviewed and not subject to audit.
- 10 Basic and Diluted earning per share for the quarter ended 30 June, 2019 ,30 June, 2018, quarter and year ended 31 March, 2019 is adjusted for the effect of treasury shares held by the Company.

For and on behalf of Board of Directors



Kedar Yaze

Kedar Yaze

Director and Chief Executive Officer

Place: Mumbai

Date: 09 August, 2019



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

Consolidated Segment-wise Revenue, Assets, Liabilities and Capital Employed for the Quarter ended 30 June 2019

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

Particulars	Quarter Ended			Year Ended
	30.06.2019	30.06.2018	31.03.2019	31.03.2019
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1. Segment Revenue (Excluding Excise & GST)				
Fragrance	243.50	211.31	242.01	934.14
Flavours	28.03	24.67	26.56	107.01
Total	271.53	235.98	268.57	1,041.15
Other Operating Income	2.85	1.42	1.17	6.97
Sales/ Income From Operations	274.38	237.40	269.74	1,048.12
2. Segment Results (Profit (+) / Loss(-) before tax and interest from ordinary activities)				
- Fragrance (Refer note - 3)	35.59	29.48	27.35	130.05
- Flavours	3.72	3.86	4.99	15.41
Total	39.31	33.34	32.34	145.46
Less: i) Finance costs	(7.00)	(1.51)	(6.06)	(13.95)
Add/(Less): Other unallocable income net of unallocable expenditure	(3.93)	(3.14)	(5.13)	(16.25)
Total Profit Before Tax from ordinary activities and share of profit from Equity Investment in Joint Venture	28.38	28.69	21.15	115.26
3. Segment Assets				
- Fragrance (Refer note - 4)	1,335.44	1,131.33	1,232.61	1,232.61
- Flavours	137.24	146.67	136.77	136.77
- Unallocated	102.20	45.56	75.71	75.71
Total	1,574.88	1,323.56	1,445.09	1,445.09
4. Segment Liabilities				
- Fragrance	187.83	204.13	163.07	163.07
- Flavours	16.52	16.54	16.41	16.41
- Unallocated	482.66	238.83	391.45	391.45
Total	687.01	459.50	570.93	570.93
5. Capital Employed (Segment assets - Segment liabilities)				
- Fragrance	1,147.61	927.20	1,069.54	1,069.54
- Flavours	120.72	130.13	120.36	120.36
- Unallocated	(380.46)	(193.27)	(315.74)	(315.74)
Total	887.87	864.06	874.16	874.16

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 June, 2019, 30 June,2018 and 31 March, 2019.

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 Ventures - Creative Flavours and Fragrances S.p.A.(CFF) & Purandar Fine Chemicals Pvt.Ltd.

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



[Handwritten signature]



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
Fax +91 (22) 4345 5399

Limited review report on unaudited quarterly standalone financial results of S H Kelkar and Company Limited pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

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

1. We have reviewed the accompanying Statement of unaudited standalone financial results of S H Kelkar and Company Limited for the quarter ended 30 June 2019 ('the statement'), in which are incorporated returns from a Branch in Amsterdam, The Netherlands and S H Kelkar Employee Benefit Trust.
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (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 Statement is 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.
4. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2019 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.



Limited review report on unaudited quarterly standalone financial results of S H Kelkar and Company Limited pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Continued)

S H Kelkar and Company Limited

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards 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 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



Balajirao Pothana

Partner

Membership No: 122632

UDIN: 19122632AAAAAQ1621

Mumbai

9 August 2019

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 STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2019

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

Particulars	Quarter Ended			Year Ended
	30.06.2019	30.06.2018	31.03.2019	31.03.2019
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1. Revenue from Operations				
(a.) Sales excluding Excise & GST	176.22	159.46	164.64	692.09
(b.) Other Operating Income	0.66	0.35	0.95	1.94
2. Other Income (Refer note 4)	3.42	3.09	4.75	18.89
3. Total Income	180.30	162.90	170.34	712.92
4. Expenses				
(a.) Cost of materials consumed	106.80	105.21	102.94	452.02
(b.) Purchase of stock in trade	-	-	-	5.41
(c.) Changes in inventories of finished goods, work-in-progress and stock-in-trade	8.02	(7.41)	(3.70)	(31.48)
(d.) Employee benefits expense (Refer note 4)	19.64	18.06	17.18	78.47
(e.) Finance Costs (Refer note 5)	3.61	1.11	2.85	6.51
(f.) Depreciation and amortisation expense (Refer note 5)	6.20	3.06	4.53	15.18
(g.) Royalty expense	4.67	4.36	4.57	18.50
(h.) Other expenses (Refer note 5)	20.55	24.10	29.04	106.10
Total Expenses	169.49	148.49	157.41	650.71
5. Profit before exceptional items and tax (3-4)	10.81	14.41	12.93	62.21
6. Exceptional Items	-	-	-	-
7. Profit before tax (5 - 6)	10.81	14.41	12.93	62.21
8. Tax expense				
Current tax	2.02	4.74	0.38	13.48
Deferred tax	1.69	(0.10)	0.61	3.76
9. Net Profit for the period after tax (7 - 8)	7.10	9.77	11.94	44.97
10. Other Comprehensive Income				
Items that will not be reclassified to profit or loss	(0.21)	0.03	(0.93)	(0.83)
Income Tax on relating to items that will not be reclassified to profit or loss	0.07	(0.01)	0.32	0.29
Other Comprehensive Income (net of tax)	(0.14)	0.02	(0.61)	(0.54)
11. Total Comprehensive Income for the period (9 + 10)	6.96	9.79	11.33	44.43
12. Paid-up equity share capital (Face Value of Rs 10 each)	144.62	144.62	144.62	144.62
13. Other Equity				451.93
14. Earnings Per Share (Face Value of Rs 10 each) (not annualised): (Refer note 9)				
(a) Basic	0.50	0.68	0.84	3.15
(b) Diluted	0.50	0.68	0.84	3.15



Notes :

- 1 The above standalone financials results were reviewed by the Audit Committee on 09 August, 2019 and subsequently approved by the Board of Directors of S H Kelkar and Company Limited ('the Company') at its meeting held on 09 August, 2019. The statutory auditors of the company have conducted limited review of the above results for the quarter ended 30 June, 2019 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 Company is in the business of manufacturing of fragrances. The Company has only one reportable business segment of fragrances.
- 3 Earning before interest, tax, depreciation and amortisation (EBITDA) before exceptional items for the quarter ended 30 June, 2019 at Rs.20.62 crores (for the quarter ended 30 June, 2018: Rs.18.58 crores) and for the quarter ended 31 March, 2019 at Rs.20.31 crores.
- 4 The Group had undertaken Business / Organisation restructuring during previous year and its associated one time cost of Rs 5.39 crores for the previous year is included in the Employment cost. Similarly, excess provision relating to the Employment cost of Rs 3.59 crores is disclosed under Other income for the previous year. There was Nil Business / Organisation restructuring cost for quarter ended 31 March, 2019 and quarter ending 30 June, 2019.
- 5 Effective 01 April, 2019 the Company has adopted Ind AS 116 "Leases". Due to transition the nature of expenses in respect of operating leases has changed from "lease rent" to "depreciation cost" and "finance cost" for the right- to-use assets and for interest accrued on lease liability respectively and therefore these expenses for the current period are not comparable to the previous periods disclosed. For the quarter ended 30 June, 2019, on transition, the adoption of new standard has resulted in increase in depreciation cost Rs.1.66 crores and finance cost Rs 0.55 crores with corresponding reduction in rent expenses Rs.1.95 crores. The impact is reduction in profit before tax by Rs.0.26 crores.
- 6 The Board of Directors of the Company at its meeting held on 10 June, 2019 approved proposal to buy back upto 33,00,000 equity shares of the Company for an aggregate amount not exceeding Rs.59.40 crores being 7.17 % of the fully paid up share capital and free reserves on consolidation basis at Rs. 180 per share and same has been completed. Company is awaiting clarifications on buy back tax.
- 7 Previous period figures have been regrouped and reclassified wherever necessary
- 8 Figures for the quarter ended 31 March, 2019, as reported in these financial results are the balancing figures between audited figures in respect of the full financial year & published year to date figure upto the end of the third quarter of the relevant financial year. Also the figures upto the end of the third quarter had only been reviewed and not subject to audit.
- 9 Basic and Diluted earning per share for the quarter ended 30 June, 2019, 30 June 2018, quarter and year ended 31 March, 2019 is adjusted for the effect of treasury shares held by the Company.

For and on behalf of Board of Directors



Kedar Vaze

Kedar Vaze

Director and Chief Executive Officer

Place: Mumbai

Date: 09 August, 2019





S H Kelkar and Company Limited

CIN : L74999MH1955PLC009593

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 Q1 FY20 results

Q1 FY20

Revenues from operations higher by 15% at Rs. 271.5 Cr

EBITDA* marked a strong increase of 21% at Rs. 43.8 Cr

Cash Profit up by 26% at Rs. 31.1 Cr**

Note: *Effective 1st April, the Company has adopted the newly mandated accounting standard Ind-AS 116. EBITDA figure mentioned above is as per earlier accounting standard.

**Cash Profit includes impact of Ind-AS 116.

Mumbai, August 9, 2019: S H Kelkar and Company, the largest Indian origin Fragrance and Flavours Company in India, has announced its financial results for the quarter ended June 30, 2019.

Q1 FY20 performance overview compared with Q1 FY19

- Revenues from operations at Rs. 271.5 crore from Rs. 236.0 crore, higher by 15%
 - Fragrance division delivered a healthy revenue growth of 15% led by demand uptick in the domestic and global markets
 - Flavors division grew by 14% driven by a healthy growth in overseas markets
- EBITDA higher by 32%, at Rs. 47.8 crore as against Rs. 36.2 crore in Q1FY19
 - Effective 1st April, the Company has adopted the newly mandated Ind AS 116 accounting standard for leases – this led to lower rent expenses in Q1 FY20 by Rs. 3.9 crore. Adjusted for this, as per earlier accounting, EBITDA increased by 21% to Rs. 43.8 crore
 - EBITDA margins grew by 220 bps YoY at 17%; as per earlier accounting standards, EBITDA margins were up by 78 bps to 16%
- PAT grew by 6%, at Rs. 19.0 crore as against Rs. 17.9 crore in Q1FY19
- Cash Profit grew by 26%, at Rs. 31.1 crore as compared to Rs. 24.7 crore in Q1FY19
 - Cash Profit includes impact of Ind-AS 116



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

"I am happy to share that we have reported a strong start to the new fiscal with a 15% topline and 21% EBITDA growth on a Y-o-Y basis. This was led by healthy uptick in demand in our core business categories and broad-based normalization seen across the operating environment. During the quarter, especially post elections, we witnessed a strong revival in new product and brand launches in the domestic FMCG market. This, along with improving momentum in client engagements and buoyant international markets, led to a growth of 15% in our core fragrance business. We have also delivered a healthy 14% growth in the flavours division.

On the operational front, we recently expanded into the Industrial use of fragrances (consumer durables and automobile accessories). This new category is a huge milestone in our innovation journey and offers significant potential for future growth. During the quarter, we also launched over 25 variants of roll-ons in the retail market, under the Branded Small Pack (BSP) segment. I am pleased to share that these roll-ons have received positive response and we are now currently working on more new launches within this segment, which should enable us to further expand this category.

As we look ahead, we continue to see an immense potential in all our business categories over the longer-term. Although there are cautious sentiments in the domestic FMCG industry right now, we are currently witnessing steady traction in terms of order enquiries and leads, especially from the mid and large sized FMCG customer segments. Going forward, we believe, a revival in our industry, improving momentum in client enquiries for new product launches along with the implementation of our strategic growth measures, should drive our performance in both the domestic and global markets. Overall, we look forward to delivering healthy and sustainable results in FY 2020."

Key Developments:

Forayed into a new product category of Industrial use of fragrances (consumer durables and automobile accessories) – thereby marking a huge milestone in its innovation journey

- Entered this new fragrance category by initiating pilot projects with certain market leaders
- The Company is optimistic of strengthening these offering in the domestic market in the coming quarters, which should further enhance the category's future growth prospects

Expanded its Branded Small Packs (BSP) segment by launching an extensive portfolio of roll-ons in the retail market

- The Company has launched 25 new variants of 'Keva Roll-ons' in the retail market. The roll-ons business now has a large portfolio of 47 product SKUs spread over Traditional, Arabic and French notes of fine fragrances to address a diversified consumer base



- Launches have received good initial response. Going forward, the Company expects the launch of roll-ons to further strengthen its BSP segment and enhance brand visibility for the brand 'Keva'
- The Company is actively focusing on leveraging new distribution channels, including online platforms to cater to customers across the country
 - Keva Roll-ons' purchase link on Amazon, as below:
https://www.amazon.in/s?k=keva&rh=n%3A1374298031&ref=nb_sb_noss

Witnessing signs of stability in raw material supplies

- In the last 18 months, the Fragrance and Flavours (F&F) industry had faced unprecedented levels of uncertainty in raw material supplies leading to volatility in global raw material prices. However, over the last few months the industry has been witnessing signs of stability in supplies
- The Company believes that if this environment continues over the next few months, the raw material situation will fully normalize. With this, SHK is poised to take on large growth opportunities as there will be no raw material constraints



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 over 96 years of experience. Its fragrance products and ingredients are used as a raw material in personal wash, fabric care, skin and hair care, fine fragrances and household products. Its 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 flavour products for the FMCG, personal care, pharmaceutical and food & beverages industry. The Company has a diverse and large client base including leading national and multi-national FMCG companies, blenders of fragrances & flavours and fragrance & flavour producers.

For further information please contact:

Ms Deepti Chandratre
S H Kelkar and Company Limited
Tel: +91 22 2167 7777
Fax: +91 22 2164 9766
Email: deepti.chandratre@keva.co.in

Anoop Poojari / Shikha Kshirsagar
CDR India
Tel: +91 9833090434 / +91 22 66451217
Fax: +91 22 6645 1213
Email: anoop@cdr-india.com /
shikha@cdr-india.com

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.