



May 26, 2020

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 audited financial results for the quarter and year ended March 31, 2020**

At the meeting of Board of Directors of the Company (“the Board”) held today, the Board has approved the audited financial results (standalone and consolidated) for the quarter and year ended March 31, 2020 and took on record the Report issued by Statutory Auditors in this regard.

Accordingly, please find enclosed the following:

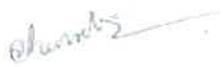
- Audited financial results (standalone and consolidated) for the quarter and year ended March 31, 2020 (“Results”)
- Report issued by Statutory Auditors
- Declaration that the Statutory Auditors have not expressed any modified opinion(s) in their Audit Report

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)  
Phone : (022) 2206 96 09 & 2201 91 30 / Fax : (022) 2208 12 04  
www.keva.co.in  
CIN No. L74999MH1955PLC009593



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**Scrip Code: 539450**

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Dear Sir/ Madam,

**Sub: Declaration with respect to Financial Results (Standalone & Consolidated) for the year ended March 31, 2020**

We hereby declare that in Audited Financial Results (Standalone & Consolidated) for the year ended March



*Deepti Chandratre*  
**Deepti Chandratre**  
**Company Secretary & Compliance Officer**



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# 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

## **Independent Auditors' Report** **To the Board of Directors of** **S H Kelkar and Company Limited**

### **Report on the audit of the Standalone Annual Financial Results**

#### **Opinion**

We have audited the accompanying standalone annual financial results of S H Kelkar and Company Limited (hereinafter referred to as the "Company") for the year ended 31 March 2020, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2020.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the Standalone annual financial results.

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

## **Independent Auditors' Report (Continued)**

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

#### **Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results**

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of standalone financial statements on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

## **Independent Auditors' Report (*Continued*)**

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

#### **Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results (*Continued*)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Other Matters**

The standalone annual financial results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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

Mumbai  
26 May 2020

**Balajirao Pothana**  
*Partner*  
Membership No: 122632  
UDIN:20122632AAAAAL1991



**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020**

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

Particulars	Quarter Ended			Year Ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>1. Revenue from Operations</b>					
(a.) Sales	176.53	179.60	164.64	712.86	692.09
(b.) Other Operating Income	0.70	0.75	0.95	5.97	1.94
<b>2. Other Income (Refer note 4)</b>	<b>1.72</b>	<b>2.78</b>	<b>4.75</b>	<b>8.81</b>	<b>18.89</b>
<b>3. Total Income</b>	<b>178.95</b>	<b>183.13</b>	<b>170.34</b>	<b>727.64</b>	<b>712.92</b>
<b>4. Expenses</b>					
(a.) Cost of materials consumed	105.94	114.42	102.94	438.15	452.02
(b.) Purchase of stock in trade	-	-	-	-	5.41
(c.) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2.64)	0.94	(3.70)	11.16	(31.48)
(d.) Employee benefits expense (Refer note 4)	12.23	21.51	17.18	77.82	78.47
(e.) Finance Costs (Refer note 5)	1.88	3.97	2.85	13.82	6.51
(f.) Depreciation and amortisation expense (Refer note 5)	7.01	8.10	4.53	27.81	15.18
(g.) Royalty expense	3.25	4.05	4.57	16.47	18.50
(h.) Other expenses (Refer note 5)	37.82	23.45	29.04	103.73	106.10
<b>Total Expenses</b>	<b>165.49</b>	<b>176.44</b>	<b>157.41</b>	<b>688.96</b>	<b>650.71</b>
<b>5. Profit before exceptional items and tax (3-4)</b>	<b>13.46</b>	<b>6.69</b>	<b>12.93</b>	<b>38.68</b>	<b>62.21</b>
<b>6. Exceptional Items</b>	-	-	-	-	-
<b>7. Profit before tax (5 - 6)</b>	<b>13.46</b>	<b>6.69</b>	<b>12.93</b>	<b>38.68</b>	<b>62.21</b>
<b>8. Tax expense</b>					
Current year tax	4.76	(3.64)	0.38	5.29	13.48
Deferred tax	3.92	(0.12)	0.61	5.06	3.76
<b>9. Net Profit for the period after tax (7 - 8)</b>	<b>4.78</b>	<b>10.45</b>	<b>11.94</b>	<b>28.33</b>	<b>44.97</b>
<b>10. Other Comprehensive Income</b>					
Items that will not be reclassified to profit or loss	0.82	(0.21)	(0.93)	0.19	(0.83)
Income Tax on relating to items that will not be reclassified to profit or loss	(0.21)	0.01	0.32	(0.05)	0.29
<b>Other Comprehensive Income (net of tax)</b>	<b>0.61</b>	<b>(0.20)</b>	<b>(0.61)</b>	<b>0.14</b>	<b>(0.54)</b>
<b>11. Total Comprehensive Income for the period (9 + 10)</b>	<b>5.39</b>	<b>10.25</b>	<b>11.33</b>	<b>28.47</b>	<b>44.43</b>
<b>12. Paid-up equity share capital (Face Value of Rs 10 each)</b>	<b>141.32</b>	<b>141.32</b>	<b>144.62</b>	<b>141.32</b>	<b>144.62</b>
<b>13. Other Equity</b>				<b>408.82</b>	<b>451.93</b>
<b>14. Earnings Per Share (Face Value of Rs 10 each) (not annualised): (Refer note 8)</b>					
(a) Basic	0.34	0.75	0.84	2.03	3.15
(b) Diluted	0.34	0.75	0.84	2.03	3.15

**Notes :**

- The above standalone financials results were reviewed by the Audit Committee on 26 May 2020 and subsequently approved by the Board of Directors of S H Kelkar and Company Limited ('the Company') at its meeting held on 26 May 2020. The statutory auditors of the Company have conducted audit of the above results for the quarter and year ended 31 March 2020 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"), who have expressed an unqualified opinion thereon. The above results are filed with the Stock Exchanges and available on Group website -www.keva.co.in.
- The Company is in the business of manufacturing of fragrances. The Company has only one reportable business segment of fragrances.
- Earning before interest, tax, depreciation and amortisation (EBITDA) before exceptional items for the quarter ended 31 March 2020 is Rs 22.35 crores (for the quarter ended 31 March 2019: Rs 20.31 crores) and for the year ended 31 March 2020 is Rs.80.31 crores (for the year ended 31 March 2019: Rs 83.90 crores). Formulae for computing EBITDA = Profit before tax (after exceptional item) + Depreciation and amortisation expense + Finance cost
- 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 written back of Rs 3.59 crores is disclosed under Other income for the previous year. There was Nil Business / Organisation restructuring cost for quarter and nine months ended 31 December 2019.
- 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.
- In view of the lockdown across the country due to the outbreak of COVID pandemic, operations of the Company's/Group's (manufacturing, offices, etc.) are scaled down or shut down from second half of March 2020. The duration of this lockdown is uncertain at this point in time and resumption of full-fledged operations will depend upon directives issued by the Government authorities. While this has adversely impacted the sales performance of certain Group Companies, the Company/Group continue to closely monitor the situation and take appropriate action, as necessary to scale up operations, in due compliance with the applicable regulations. As per the current assessment, no significant impact on carrying amounts of inventories, goodwill, intangible assets, trade receivables, investments and other financial assets is expected, and we continue to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results. The operations have resumed for certain locations in compliance with Government directives in April, 2020. Further Management has taken into account the impact of COVID-19 on the business for the foreseeable future and have concluded that the company has sufficient resources to continue as a going concern.
- Previous period figures have been regrouped and reclassified wherever necessary.
- Basic and Diluted earning per share for the quarter ended 31 March 2020, 31 December 2019, 31 March 2019 and year ended 31 March 2020 & 31 March 2019 is adjusted for the effect of treasury shares held by the Company.
- The amount reflected as "0.00" in Financial Results are value with less than one lakh



For and on behalf of Board of Directors

*Kedavaze*

Kedavaze  
Director and Chief Executive Officer



**S H KELKAR AND COMPANY LIMITED**

CIN : L74999MH1955PLC009593

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

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**AUDITED STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st March, 2020**

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

	Year ended 31 March 2020	Year ended 31 March 2019
<b>A. Cash flows from operating activities</b>		
Profit before tax from continuing operations	38.68	62.21
<b>Adjustments for :</b>		
Depreciation and amortisation	27.81	15.18
Net loss on sale of property, plant and equipment	-	0.03
Intangible asset under development written off	18.01	20.40
Gain on sale of investment	(0.33)	(0.27)
Unrealised exchange fluctuation loss / (gain) (net)	5.19	(0.58)
Rent income	(4.90)	(4.69)
Interest income on Deposits with banks	-	0.00
Interest income on loans to subsidiary	(1.59)	(2.53)
Provision for doubtful debts	2.76	0.92
Bad debts written off	0.01	0.11
Liabilities no longer required written back	(0.16)	(4.36)
Interest received on income tax refund	(0.09)	(1.50)
Interest expense and other finance costs	13.82	6.51
	<b>99.21</b>	<b>91.43</b>
<b>Working capital adjustments</b>		
(Increase) / decrease in inventories	9.19	(29.16)
(Increase) / decrease in trade receivables	(21.98)	59.22
(Increase) / decrease in loans and advances and other current assets	6.19	(0.32)
Increase / (decrease) in trade payables, other current liabilities and provisions	108.12	2.80
<b>Net change in working capital</b>	<b>101.52</b>	<b>32.54</b>
<b>Cash flows generated from operating activities</b>	<b>200.74</b>	<b>123.97</b>
Income tax paid (net)	(10.95)	(19.40)
<b>Net cash flows generated from operating activities</b>	<b>189.79</b>	<b>104.56</b>
<b>Cash flows from investing activities</b>		
Purchase of Property, plant and equipment, investment property and intangibles (including Capital work in progress and intangible under development)	(29.38)	(87.08)
Investment in equity shares of subsidiary/Joint venture	(34.71)	-
Loan given to subsidiary	-	(44.05)
Loan recovered from subsidiary	20.00	36.95
Proceeds from sale of property, plant and equipment	0.13	0.16
Proceeds from sale of mutual funds	77.86	77.09
Investment in mutual funds	(76.00)	(77.06)
Rent income	4.90	4.69
Increase / (decrease) in non-current deposits with bank	-	(0.03)
Interest received	3.24	2.46
<b>Net cash flows (used in) Investing activities</b>	<b>(33.96)</b>	<b>(86.87)</b>
<b>Cash flows from financing activities</b>		
Finance leases payment	-	(0.13)
Working capital loans taken	391.02	274.50
Working capital loans repaid	(425.04)	(205.49)
Borrowing from related party	2.50	-
Repayment of lease obligations	(4.44)	-
(Purchase)/Sale of Investment by Employee Benefit Trust	1.12	(45.18)
Dividend paid, including tax thereon	(16.19)	(30.51)
Dividend received on treasury shares	0.31	0.23
Buy back of equity share	(3.30)	-
Premium paid on buy back of equity share	(56.10)	-
Interest paid	(13.98)	(5.98)
<b>Net cash flows (used In) financing activities</b>	<b>(124.10)</b>	<b>(12.56)</b>
<b>Net Increase / (decrease) in cash and cash equivalents</b>	<b>31.73</b>	<b>5.13</b>



**S H KELKAR AND COMPANY LIMITED**

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**AUDITED STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st March, 2020**

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

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Reconciliation of cash and cash equivalents with the balance sheet</b>		
Cash and cash equivalents at the beginning of the year	2.95	(2.18)
Cash and cash equivalents at the end of the year	34.68	2.95
	(31.73)	(5.13)
<b>Notes:</b>		
<b>Cash and cash equivalents</b>		
Balances with banks in:		
- current accounts	33.71	0.82
- exchange earners foreign currency account	0.81	5.08
Cash on hand	0.16	0.19
Bank overdrafts used for cash management purposes	-	(3.13)
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>34.68</b>	<b>2.95</b>

The above statement of cash flow has been prepared under the indirect method as set out in Indian Accounting standard 7 'Statement of Cash Flows'.



# Independent Auditors' Report

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

### Report on the audit of the Consolidated Annual Financial Results

#### Opinion

We have audited the accompanying consolidated annual financial results of S H Kelkar and Company Limited (hereinafter referred to as the ‘‘Holding Company’’) and its subsidiaries (Holding Company and its subsidiaries together referred to as ‘‘the Group’’) and its joint ventures for the year ended 31 March 2020, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘Listing Regulations’).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial information of the subsidiaries and joint venture, the aforesaid consolidated annual financial results:

- a. include the annual financial results of the following entities:

<b>Name of the entity</b>	<b>Relationship</b>
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	Wholly Owned Subsidiary
(including its following wholly owned subsidiary)	
- Tanishka Fragrance Encapsulation Technologies LLP	
Keva Fragrances Private Limited	Wholly Owned Subsidiary
(including its following wholly owned subsidiary)	
- VN Creative Chemicals Private Limited	
(including its following joint venture)	
- Purandar Fine Chemicals Private Limited	Joint Venture
Keva U .K. Ltd	Wholly Owned Subsidiary
(including its following wholly owned subsidiary)	
- PFW Aroma Ingredients B.V.	
- Keva Europe B.V.	
- Keva Italy Srl.	
Keva Fragrance Industries Pte Ltd.	Wholly Owned Subsidiary
(including its following wholly owned subsidiaries)	
- PT SHKKEVA Indonesia	
- Anhui Ruibang Aroma Company Limited	
Creative Flavours and Fragrances S.p.A	Joint Venture

## **Independent Auditors' Report (*Continued*)**

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

#### **Opinion (*Continued*)**

- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group for the year ended 31 March 2020.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Companies Act, 2013 (“the Act”). Our responsibilities under those SAs are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group, its associate and its joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the “Other Matters” paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

#### **Management’s and Board of Directors’ Responsibilities for the Consolidated Annual Financial Results**

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company’s Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit and other comprehensive income and other financial information of the Group including its associate and its joint ventures in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group and of its associate and its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Directors of the Holding Company, as aforesaid.

## **Independent Auditors' Report (Continued)**

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

#### **Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results (Continued)**

In preparing the consolidated annual financial results, the respective Management and the Board of Directors of the companies included in the Group and of its associate and its joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and its joint ventures is responsible for overseeing the financial reporting process of each entity.

#### **Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated annual financial results made by the Management and Board of Directors of the Holding Company.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and its joint ventures to cease to continue as a going concern.

## **Independent Auditors' Report (Continued)**

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

#### **Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results (Continued)**

- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associate and its joint ventures to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated annual financial results of which we are the independent auditors. For the other entities included in the consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

#### **Other Matters**

- (a) The consolidated annual financial results include the audited financial results of ten subsidiaries, whose financial information reflect total assets (before consolidation adjustments) of Rs. 674.05 crores as at 31 March 2020, total revenue (before consolidation adjustments) of Rs. 488.57 crores and total net loss after tax (before consolidation adjustments) of Rs. 20.81 crores and net cash inflows of Rs 4.24 crores for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective independent auditors. The consolidated annual financial results also include the Group's share of net profit after tax (before consolidation adjustments) of Rs. 0.11 crores for the year ended 31 March 2020, as considered in the consolidated annual financial results, in respect of one joint venture, whose financial information has been audited by its independent auditors. The independent auditors' reports on financial information of these entities have been furnished to us by the management and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

## **Independent Auditors' Report (*Continued*)**

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

#### **Other Matters (*Continued*)**

- (b) The consolidated annual financial results include the unaudited financial results of two subsidiaries, whose financial information reflect total assets (before consolidation adjustments) of Rs. 4.38 crores as at 31 March 2020, total revenue (before consolidation adjustments) of Rs. Nil and total net loss after tax (before consolidation adjustments) of Rs. 1.39 crores and net cash inflows of Rs 0.03 crores for the year ended on that date, as considered in the consolidated annual financial results. The consolidated annual financial results also include the Group's share of net profit after tax (before consolidation adjustments) of Rs. 2.27 crores for the year ended 31 March 2020, as considered in the consolidated annual financial results, in respect of one joint venture. These unaudited financial information have been furnished to us by the Board of Directors and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture is based solely on such annual financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial information are not material to the Group.

Our opinion on the consolidated annual financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Board of Directors.

- (c) The consolidated annual financial results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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

*Chartered Accountants*

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

**Balajirao Pothana**

*Partner*

Membership No: 122632

UDIN: 20122632AAAAAK7982

Mumbai  
26 May 2020



**STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020**

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

Particulars	Quarter Ended			Year Ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>1. Revenue from Operations</b>					
(a.) Sales	269.77	287.59	268.57	1,105.08	1,041.15
(b.) Other Operating Income	1.39	2.43	1.17	9.15	6.97
<b>2. Other Income (Refer note 4)</b>	2.38	2.14	11.09	7.83	23.36
<b>3. Total Income</b>	<b>273.54</b>	<b>292.16</b>	<b>280.83</b>	<b>1,122.06</b>	<b>1,071.48</b>
<b>4. Expenses</b>					
(a.) Cost of materials consumed	135.68	135.90	169.50	551.98	609.35
(b.) Purchase of stock in trade	24.12	27.70	-	76.27	13.01
(c.) Changes in Inventories of finished goods, work-in-progress and stock-in-trade	(8.92)	2.13	(13.05)	2.72	(31.59)
(d.) Employee benefits expense (Refer note 4)	30.56	35.94	30.14	137.68	128.09
(e.) Finance costs (Refer note 5)	3.52	7.05	6.06	24.70	13.95
(f.) Depreciation and amortisation expense (Refer note 5)	12.54	13.67	7.94	51.50	31.15
(g.) Other expenses (Refer note 5)	57.96	45.24	58.23	187.43	192.67
<b>Total Expenses</b>	<b>255.46</b>	<b>267.63</b>	<b>258.82</b>	<b>1,032.28</b>	<b>956.63</b>
<b>5. Profit before exceptional items and tax (3-4)</b>	<b>18.08</b>	<b>24.53</b>	<b>22.01</b>	<b>89.78</b>	<b>114.85</b>
6. Exceptional Items (Refer note 6)	-	36.46	-	36.46	-
<b>7. Profit before tax (5 - 6)</b>	<b>18.08</b>	<b>(11.93)</b>	<b>22.01</b>	<b>53.32</b>	<b>114.85</b>
8. Tax expense					
Current year tax	8.53	(1.09)	(3.20)	19.97	35.19
Deferred tax	(2.47)	0.40	5.06	(1.35)	(8.18)
<b>9. Profit for the period (7 - 8)</b>	<b>12.02</b>	<b>(11.24)</b>	<b>20.15</b>	<b>34.70</b>	<b>87.84</b>
10. Share of Profit/(Loss) in equity accounted investee (net of amortisation for the twelve month ended 31 Mar 2020 Rs1.22 crores (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 )	0.68	0.33	(0.86)	1.16	0.41
<b>11. Profit /(Loss) attributable to Non-controlling interests</b>	<b>(0.01)</b>	<b>(0.03)</b>	<b>(0.30)</b>	<b>0.17</b>	<b>(0.23)</b>
<b>12. Profit after Non-controlling Interests (9 + 10 -11)</b>	<b>12.71</b>	<b>(10.88)</b>	<b>19.59</b>	<b>35.69</b>	<b>88.48</b>
13. Other Comprehensive Income					
Items that will not be reclassified to profit or loss	0.78	(0.21)	(0.64)	0.15	(0.56)
Income Tax on relating to items that will not be reclassified to profit or loss	(0.18)	0.01	0.26	(0.03)	0.23
Items that will be reclassified to profit or loss	4.88	(2.27)	0.61	1.77	(6.15)
Income Tax on relating to items that will be reclassified to profit or loss	-	-	-	-	-
<b>Other Comprehensive Income (net of tax)</b>	<b>5.47</b>	<b>(2.47)</b>	<b>0.23</b>	<b>1.89</b>	<b>(6.48)</b>
14. Other Comprehensive Income (net of tax) attributable to Non-controlling Interests	-	-	-	-	-
<b>15. Other Comprehensive Income (net of tax) after Non-controlling interests (13 - 14)</b>	<b>5.47</b>	<b>(2.47)</b>	<b>0.23</b>	<b>1.89</b>	<b>(6.48)</b>
<b>16. Total Comprehensive Income for the period (9 + 10 + 13)</b>	<b>18.18</b>	<b>(13.38)</b>	<b>19.52</b>	<b>37.75</b>	<b>81.77</b>
<b>17. Total Comprehensive Income for the period attributable to Non controlling Interests</b>	<b>(0.01)</b>	<b>(0.03)</b>	<b>(0.30)</b>	<b>0.17</b>	<b>(0.23)</b>
<b>18. Total Comprehensive Income for the period after Non controlling interests (16 - 17)</b>	<b>18.19</b>	<b>(13.35)</b>	<b>19.82</b>	<b>37.58</b>	<b>82.00</b>
19. Paid-up equity share capital (Face Value of Rs 10 each)	141.32	141.32	144.62	141.32	144.62
20. Other Equity				682.67	718.73
<b>21. Earnings Per Share (Face Value of Rs 10 each) (not annualised):(Refer note 10)</b>					
(a) Basic	0.91	(0.78)	1.37	2.56	6.20
(b) Diluted	0.91	(0.78)	1.37	2.56	6.20



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**Consolidated Segment-wise Revenue, Assets, Liabilities and Capital Employed for the Quarter and year ended 31 March 2020**

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

Particulars	Quarter Ended			Year Ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>1. Segment Revenue</b>					
Fragrance	240.08	259.53	242.01	998.06	934.14
Flavours	29.69	28.06	26.56	107.02	107.01
<b>Total</b>	<b>269.77</b>	<b>287.59</b>	<b>268.57</b>	<b>1,105.08</b>	<b>1,041.15</b>
Other Operating Income	1.39	2.43	1.17	9.15	6.97
<b>Sales/ Income From Operations</b>	<b>271.16</b>	<b>290.02</b>	<b>269.74</b>	<b>1,114.23</b>	<b>1,048.12</b>
<b>2. Segment Results (Profit (+) / Loss(-) before tax and interest from ordinary activities)</b>					
- Fragrance	24.68	31.74	27.35	119.14	130.05
- Flavours	4.30	4.37	4.99	15.03	15.41
<b>Total</b>	<b>28.98</b>	<b>36.11</b>	<b>32.34</b>	<b>134.17</b>	<b>145.46</b>
Less: i) Finance costs	(3.52)	(7.05)	(6.06)	(24.70)	(13.95)
Add/(Less): Other unallocable income net of unallocable expenditure	(6.70)	(4.20)	(5.13)	(18.53)	(16.25)
<b>Total Profit Before Tax from ordinary activities and share of profit from Equity Investment in Joint Venture</b>	<b>18.76</b>	<b>24.86</b>	<b>21.15</b>	<b>90.94</b>	<b>115.26</b>
<b>3. Segment Assets</b>					
- Fragrance	1,257.10	1,204.51	1,232.61	1,257.10	1,232.61
- Flavours	131.21	125.34	136.77	131.21	136.77
- Unallocated	101.61	77.08	75.71	101.61	75.71
<b>Total</b>	<b>1,489.92</b>	<b>1,406.93</b>	<b>1,445.09</b>	<b>1,489.92</b>	<b>1,445.09</b>
<b>4. Segment Liabilities</b>					
- Fragrance	219.01	181.90	163.07	219.01	163.07
- Flavours	20.92	12.61	16.41	20.92	16.41
- Unallocated	415.44	386.13	391.45	415.44	391.45
<b>Total</b>	<b>655.37</b>	<b>580.64</b>	<b>570.93</b>	<b>655.37</b>	<b>570.93</b>
<b>5. Capital Employed (Segment assets - Segment liabilities)</b>					
- Fragrance	1,038.09	1,022.61	1,069.54	1,038.09	1,069.54
- Flavours	110.29	112.73	120.36	110.29	120.36
- Unallocated	(313.83)	(309.05)	(315.74)	(313.83)	(315.74)
<b>Total</b>	<b>834.55</b>	<b>826.29</b>	<b>874.16</b>	<b>834.55</b>	<b>874.16</b>

**Notes on Segment Information:**

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

Segment Assets and Segment Liabilities are as at 31 March 2020, 31 December 2019 and 31 March 2019.

2. Previous period figures have been regrouped and reclassified wherever necessary.



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(Rupees in Crore)

	Statement of Assets and Liabilities Particulars	CONSOLIDATED	CONSOLIDATED
		As at 31 March 2020	As at 31 March 2019
		Audited	Audited
<b>A</b>	<b>ASSETS</b>		
	<b>Non-current assets</b>		
1	Property, Plant and Equipment	327.13	369.42
	Capital work-in-progress	2.78	15.42
	Right of use asset	46.12	0.00
	Investment Property	13.37	13.83
	Goodwill	40.23	39.84
	Other Intangible assets	45.64	38.86
	Intangible Assets under Development	15.00	22.22
	Equity Accounted Investee	97.00	95.84
	<b>Financial Assets</b>		
	Investments*	0.00	0.00
	Loans	2.96	2.70
	Others	2.31	1.39
	Deferred tax assets (net)	32.57	25.51
	Other tax assets (net)	40.04	28.00
	Other non-current assets	16.52	21.77
	<b>Total non current assets</b>	<b>681.67</b>	<b>674.80</b>
2	<b>Current Assets</b>		
	Inventories	336.96	373.94
	<b>Financial Assets</b>		
	Investments	0.00	1.53
	Trade receivables	317.39	284.45
	Cash and cash equivalents	62.55	37.45
	Other bank balances	3.00	3.44
	Loans	6.57	6.16
	Others	2.33	2.24
	Other current assets	51.91	61.08
	<b>Total current assets</b>	<b>780.71</b>	<b>770.29</b>
	<b>Assets Held for Sale (Refer Note 6 )</b>	<b>27.54</b>	<b>0.00</b>
	<b>TOTAL ASSETS</b>	<b>1489.92</b>	<b>1445.09</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
1	<b>Equity</b>		
	Equity share capital	141.32	144.62
	Other equity		
	Retained earnings	441.93	425.50
	Other Reserves	240.72	293.23
	<b>Equity attributable to owners of the Company</b>	<b>823.97</b>	<b>863.35</b>
	Non-Controlling Interest	10.58	10.81
	<b>Total equity</b>	<b>834.55</b>	<b>874.16</b>
2	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	<b>Financial liabilities</b>		
	Borrowings	54.40	69.97
	Others	1.09	1.98
	Provisions	0.78	0.87
	Deferred tax liabilities (net)	23.63	17.92
	<b>Total non-current liabilities</b>	<b>79.90</b>	<b>90.74</b>
	<b>Current liabilities</b>		
	<b>Financial liabilities</b>		
	Borrowings	288.09	264.00
	Trade payables		
	-total outstanding dues of micro enterprises and small enterprises	7.79	7.18
	-total outstanding dues of creditors other than micro enterprises and small enterprises	165.32	127.13
	Other financial liabilities	52.96	27.09
	Other current liabilities	14.35	13.64
	Provisions	10.81	10.08
	Current tax liabilities (net)	36.15	31.07
	<b>Total current liabilities</b>	<b>575.47</b>	<b>480.19</b>
	<b>Total Liabilities</b>	<b>655.37</b>	<b>570.93</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1489.92</b>	<b>1445.09</b>

\*Amount less than Rs. 0.01 crs



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**AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st March 2020**

(Rupees in Crore, except for share data and otherwise stated)	Year ended 31 March 2020	Year ended 31 March 2019
<b>A. Cash flows from operating activities</b>		
Profit before tax from continuing operations	53.32	114.85
<b>Adjustments for :</b>		
Depreciation and amortization	51.50	31.15
Unrealised (gain) / loss on foreign exchange (net)	(3.29)	0.30
Exceptional Item	26.69	
Interest income	(0.37)	(0.35)
Profit on sale of investment	(0.33)	(0.27)
(Profit) / loss on sale of fixed assets	(0.18)	1.96
Intangible asset under development written off	22.18	23.24
Rent income	(1.28)	(1.24)
Interest expense	24.70	13.95
Provision for doubtful debts	10.73	0.92
Dividend income	(*0.00)	
Provision/ Liabilities no longer required written Back	(0.64)	(10.67)
Reversal of provision on doubtful debts		(1.07)
Loss / (Gain) on derivative contract	2.22	(0.45)
Bad Debts written off	0.23	2.73
<b>Operating profit before working capital changes</b>	<b>185.48</b>	<b>175.05</b>
<b>Changes in working capital</b>		
(Increase) in trade and other receivables	(29.99)	(9.01)
(Increase) in loans and advances	(5.41)	(2.57)
Decrease / (Increase) in inventories	31.44	(18.76)
Decrease/ (Increase) in other current assets	9.17	(0.30)
Decrease in Non current assets	3.31	
Increase /(decrease) in trade and other payables	38.14	(29.37)
Increase / (decrease) in Provision	0.64	2.41
<b>Net change in working capital</b>	<b>47.30</b>	<b>(61.82)</b>
	( )	( )
<b>Cash flows generated from operating activities before taxes</b>	<b>232.78</b>	<b>113.23</b>
Direct taxes paid	27.60	35.99
<b>Net cash flows generated from operating activities (A)</b>	<b>205.18</b>	<b>77.24</b>
<b>B. Cash flows from investing activities</b>		
Purchase of Property, plant and equipment, investment property and intangibles (including Capital work in progress and intangible under development)	(44.71)	(118.04)
Proceeds from sale of fixed assets	0.18	2.24
Proceeds from sale of mutual funds	77.53	77.36
Investment in mutual funds	(76.00)	(77.06)
Increase / (decrease) in non-current deposits with bank	(0.47)	3.83
Rent income	1.28	1.24
Investment in equity shares of Joint Venture/subsidiary		(0.81)
Dividend received	*0.00	
Interest received	( 1.83)	( 0.40)



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**AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st March, 2020**

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

	Year ended 31 March 2020	Year ended 31 March 2019
<b>C. Cash flows from financing activities</b>		
Proceeds from term loans	81.90	32.25
Repayment of term loans	(134.84)	(10.46)
Proceeds of working capital loans	734.09	536.46
Repayment of working capital loans	(768.29)	(419.40)
Repayment of lease obligations	(8.18)	(1.02)
Buy back of equity share	(3.30)	-
Premium paid on buy back of equity share	(56.10)	-
Sales/(Purchase) of Treasury Shares by Employee Benefit Trust	1.14	(45.15)
Dividend paid, including tax thereon	(16.19)	(30.55)
Dividend received on treasury shares	-	0.23
Interest paid	(26.44)	(13.70)
<b>Net cash flows used in/ generated from financing activities (C)</b>	<b>(196.20)</b>	<b>48.66</b>
D. Net increase/ (decrease) in cash and cash equivalents ( A + B + C)	(31.39)	(11.49)
<b>Reconciliation of cash and cash equivalents with the balance sheet</b>		
E. Cash and cash equivalents (beginning of the year)	(0.52)	11.15
Cash taken over on acquisition of subsidiary	-	0.01
Effect of exchange rate changes on cash and cash equivalents	(1.17)	(0.19)
G. Cash and cash equivalents at the end of the year (D+E+F)	(33.07)	(0.52)
<b>Cash and cash equivalents (end of the year)</b>		
Cash and cash equivalents comprise of :		
Balances with banks in -		
current accounts	51.49	12.39
exchange earners foreign currency account	10.85	22.20
Cash on hand	0.21	2.86
Bank overdraft	(95.62)	(37.97)
<b>Total Cash and cash equivalents</b>	<b>(33.07)</b>	<b>(0.52)</b>

The above statement of cash flow has been prepared under the indirect method as set out in Indian Accounting standard 7 'Statement of Cash Flows'.



**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 26 May 2020 and subsequently approved by the Board of Directors of S H Kelkar and Company Limited ('the Company') at its meeting held on 26 May 2020. The Statutory Auditors of the Company have conducted audit of the above results for the quarter and year ended 31 March 2020 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"), who have expressed an unqualified opinion thereon. 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) after exceptional items for the quarter ended 31 March 2020 at Rs 34.14 crores (for the quarter ended 31 March 2019: Rs 36.01 crores) and for the year ended 31 March 2020 at Rs.129.51 crores (for the year ended 31 March 2019: Rs 159.95 crores).  
Formulae for computing EBITDA = Profit before tax (after exceptional item) + Depreciation and amortisation expense + Finance cost
- 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 Employment cost. Similarly, excess provision relating to the Employment cost written back of Rs 3.59 crores is disclosed under Other income for the previous year. There was Nil Business / Organisation restructuring cost for quarter and twelve months ended 31 March 2020.
- 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.
- 6 The manufacturing activities at PFW Aroma Ingredients B.V. have been significantly scaled down in the previous year ended 31 March 2019. The Group has shut down the plant and retrenched the work force in earlier quarter and is in advanced discussions for monetising the plant infrastructure, which is reclassified as "Asset held for sale". Pursuant to plant shutdown, the Company has obtained fair value of the plant from an Independent valuer. Accordingly, a provision for impairment of land, building, plant & machinery and other current assets, employee severance cost and plant shutdown cost aggregating Rs. 36.46 crore has been recorded as exceptional expenses during the earlier quarter.
- 7 In view of the lockdown across the country due to the outbreak of COVID pandemic, operations of the Company's/Group's (manufacturing, offices, etc.) are scaled down or shut down from second half of March 2020. The duration of this lockdown is uncertain at this point in time and resumption of full-fledged operations will depend upon directives issued by the Government authorities. While this has adversely impacted the sales performance of certain Group Companies, the Company/Group continue to closely monitor the situation and take appropriate action, as necessary to scale up operations, in due compliance with the applicable regulations. As per the current assessment, no significant impact on carrying amounts of inventories, goodwill, intangible assets, trade receivables, investments and other financial assets is expected, and we continue to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results. The operations have resumed for certain locations in compliance with Government directives in April, 2020. Further Management has taken into account the impact of COVID-19 on the business for the foreseeable future and have concluded that the company has sufficient resources to continue as a going concern.
- 8 Figures for the quarter ended 31 March 2020, and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and 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 Previous period figures have been regrouped and reclassified wherever necessary.
- 10 Basic and Diluted earning per share for the quarter ended 31 March 2020, 31 December 2019, 31 March 2019 and year ended 31 March 2020 & 31 March 2019 is adjusted for the effect of treasury shares held by the Company.
- 11 The amount reflected as "0.00" in Financial Results are value with less than one lakh

Place: Mumbai  
Date: 26 May 2020



For and on behalf of Board of Directors

A handwritten signature in blue ink, appearing to read "Kedar Vaze".

Kedar Vaze

Director and Chief Executive Officer