



October 29, 2021

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

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

**Scrip Code: 539450**

**Scrip Symbol: SHK**

Dear Sir/ Madam,

**Sub: Submission of unaudited financial results for the quarter and half year ended September 30, 2021**

At the meeting of Board of Directors of the Company (“the Board”) held today, the Board has approved the unaudited financial results (standalone and consolidated) for the quarter and half year ended September 30, 2021 and took on record the Limited Review Report issued by Statutory Auditors in this regard.

Accordingly, please find enclosed the following:


- Unaudited financial results (standalone and consolidated) for the quarter and half year ended September 30, 2021 (“Results”)
- Limited Review Report issued by Statutory Auditors

You are requested to take the above on record.

Thanking you,

Yours faithfully,

For S H Kelkar and Company Limited

  
Deepthi Chandratre  
Company Secretary & GM – Legal



*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

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM  
STANDALONE FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF S H KELKAR AND COMPANY LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **S H Kelkar and Company Limited** ("the Company"), for the quarter and six months ended 30 September 2021 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel 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 specified under section 143(10) of the Companies Act, 2013 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.
4. Based on our review conducted as stated in paragraph 3 above, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



**Deloitte  
Haskins & Sells LLP**

5. The comparative financial information in the Statement of the Company (a) for the corresponding quarter and six months ended September 30, 2020 and quarter ended June 30, 2021, were reviewed and (b) as at and for the year ended March 31, 2021 were audited, by the predecessor auditor. The reports of the predecessor auditor on this comparative financial information for the quarter and six months ended September 30, 2020, quarter ended June 30, 2021 and for the year ended March 31, 2021, dated November 11, 2020, August 06, 2021, and May 27, 2021 respectively expressed unmodified conclusion / opinion, as applicable.

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

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**Mehul Parekh**  
(Partner)  
(Membership No. 121513)  
UDIN: 21121513AAAAFX8853

Place: Mumbai  
Date: October 29, 2021

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2021

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

Particulars	Quarter Ended			Six Months Ended		Year Ended
	30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Income</b>						
(a.) Sales	173.72	192.53	224.44	366.25	351.70	756.13
(b.) Other operating income	0.91	0.85	1.58	1.76	2.11	4.88
<b>Revenue from operations</b>	<b>174.63</b>	<b>193.38</b>	<b>226.02</b>	<b>368.01</b>	<b>353.81</b>	<b>761.01</b>
<b>2. Other income</b>	<b>2.20</b>	<b>2.28</b>	<b>2.71</b>	<b>4.48</b>	<b>7.18</b>	<b>34.43</b>
<b>3. Total Income (1+2)</b>	<b>176.83</b>	<b>195.66</b>	<b>228.73</b>	<b>372.49</b>	<b>360.99</b>	<b>795.44</b>
<b>4. Expenses</b>						
(a.) Cost of materials consumed	96.15	144.56	158.87	240.71	242.04	466.39
(b.) Changes in inventories of finished goods, work-in-progress and stock-in-trade	13.21	(18.90)	(14.37)	(5.69)	(12.37)	15.47
(c.) Employee benefits expense	20.22	21.96	20.71	42.18	31.60	73.02
(d.) Finance costs	1.04	1.33	2.03	2.37	3.52	6.28
(e.) Depreciation and amortisation expense	6.92	6.79	6.97	13.71	13.90	27.63
(f.) Royalty expense	3.73	4.41	4.71	8.14	7.63	15.72
(g.) Other expenses	22.60	27.47	23.49	50.07	43.28	91.16
<b>Total expenses</b>	<b>169.87</b>	<b>187.62</b>	<b>202.41</b>	<b>351.49</b>	<b>329.60</b>	<b>695.67</b>
<b>5. Profit before tax (3 - 4)</b>	<b>12.96</b>	<b>8.04</b>	<b>26.32</b>	<b>21.00</b>	<b>31.39</b>	<b>99.77</b>
<b>6. Tax expense</b>						
Current tax	4.13	2.31	6.19	6.44	7.38	19.55
Deferred tax	(0.75)	(0.28)	0.43	(1.03)	0.49	0.51
<b>Total tax expense</b>	<b>3.38</b>	<b>2.03</b>	<b>6.62</b>	<b>5.41</b>	<b>7.87</b>	<b>20.06</b>
<b>7. Profit for the period (5 - 6)</b>	<b>9.58</b>	<b>6.01</b>	<b>19.70</b>	<b>15.59</b>	<b>23.52</b>	<b>79.71</b>
<b>8. Other comprehensive Income</b>						
Items that will not be reclassified to profit or loss	0.11	0.11	0.05	0.22	0.10	0.44
Income tax relating to items that will not be reclassified to profit or loss	(0.03)	(0.03)	(0.01)	(0.06)	(0.02)	(0.11)
<b>Other comprehensive Income</b>	<b>0.08</b>	<b>0.08</b>	<b>0.04</b>	<b>0.16</b>	<b>0.08</b>	<b>0.33</b>
<b>9. Total comprehensive income for the period (7 + 8)</b>	<b>9.66</b>	<b>6.09</b>	<b>19.74</b>	<b>15.75</b>	<b>23.60</b>	<b>80.04</b>
<b>10. Paid-up equity share capital (face value of Rs 10 each)</b>	<b>141.32</b>	<b>141.32</b>	<b>141.32</b>	<b>141.32</b>	<b>141.32</b>	<b>141.32</b>
<b>11. Reserves excluding revaluation reserves as at balance sheet date</b>						<b>493.65</b>
<b>12. Earnings per share (face value of Rs 10 each) (not annualised): (as per Note 5)</b>						
(a) Basic	0.69	0.44	1.43	1.13	1.70	5.78
(b) Diluted	0.69	0.44	1.43	1.13	1.70	5.78

Notes :

- The above standalone financials results of S H Kelkar and Company Limited were reviewed by the Audit Committee at its meeting held on October 29, 2021 and subsequently approved by the Board of Directors of S H Kelkar and Company Limited ('the Company') at its meeting held on October 29, 2021. The comparative financial information of the Company for the quarter ended June 30, 2021, September 30, 2020, six months ended September 30, 2020 and year ended March 31, 2021 have been reviewed / audited, as applicable, by the predecessor statutory auditors. The statutory auditors of the Company have conducted limited review of the above results for the quarter and six months ended September 30, 2021 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 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 which is manufacturing of fragrances.
- Earning before interest, tax, depreciation and amortisation (EBITDA) for the quarter ended September 30, 2021 is Rs 20.92 crores (for the quarter ended September 30, 2020: Rs 35.32 crores), for the quarter ended June 30, 2021 is Rs. 16.16 crores, six months ended September 30, 2021 is Rs. 37.08 crores, six months ended September 30, 2020 : Rs. 48.81 crores and for the year ended March 31, 2021 is Rs. 133.68 crores. Formulae for computing EBITDA = Profit before tax + Depreciation and amortisation expense + Finance cost.
- The Board of Directors of the Company at its meeting held on October 29, 2021 approved proposal to buy back upto 29,00,000 equity shares of the Company for an aggregate amount not exceeding Rs. 60.90 crores being 9.64 % of the fully paid up share capital and free reserves of the Company as of March 31, 2021 at Rs. 210 per share .
- Basic and Diluted earning per share for the quarter ended September 30, 2021, June 30, 2021, September 30, 2020, six months ended September 30, 2021, September 30, 2020, year ended March 31, 2021 is adjusted for the effect of treasury shares held by the Company.
- Previous period / year figures have been regrouped and reclassified wherever necessary.



For and on behalf of Board of Directors

*Kedar Vaze*  
Kedar Vaze  
Director and Chief Executive Officer

Place: Mumbai  
Date: October 29, 2021

S H KELKAR AND COMPANY LIMITED

CIN : L74999MH1955PLC009593

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

Website : www.keva.co.in, E - mail : investors@keva.co.in

Tel No. +91 22 21649163, Fax No : +91 22 21649766



(Rupees In Crore)

Standalone Statement of Assets and Liabilities		As at September 30, 2021	As at March 31, 2021
Particulars		Unaudited	Audited
<b>A</b>	<b>ASSETS</b>		
1	<b>Non-current assets</b>		
	Property, plant and equipment	120.01	120.57
	Capital work-in-progress	4.07	3.58
	Right of use asset	11.52	14.68
	Goodwill	9.59	9.59
	Investment property	12.67	12.90
	Other intangible assets	60.11	64.45
	Intangible assets under development	-	13.14
	<b>Financial assets</b>		
	Investment in subsidiaries and joint ventures	321.59	320.59
	Other financial assets	2.07	2.11
	Current tax assets (net)	20.60	18.62
	Other non-current assets	4.53	2.60
	<b>Total non-current assets</b>	<b>566.76</b>	<b>582.83</b>
2	<b>Current assets</b>		
	Inventories	210.91	175.10
	<b>Financial assets</b>		
	Trade receivables	130.21	199.53
	Cash and cash equivalents	17.19	30.59
	Other bank balances	0.60	0.80
	Loans	3.12	16.93
	Other financial assets	5.05	10.68
	Other current assets	12.98	14.55
	<b>Total current assets</b>	<b>390.05</b>	<b>448.18</b>
	<b>TOTAL ASSETS (1+2)</b>	<b>946.82</b>	<b>1,031.01</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
1	<b>Equity</b>		
	Equity share capital	141.32	141.32
	Other equity	499.05	493.65
	<b>Total equity</b>	<b>640.37</b>	<b>634.97</b>
2	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	<b>Financial liabilities</b>		
	Lease liabilities	10.62	11.38
	Other financial liabilities	1.09	1.09
	Deferred tax liabilities (net)	12.08	13.05
	<b>Total non-current liabilities</b>	<b>23.79</b>	<b>25.52</b>
	<b>Current liabilities</b>		
	<b>Financial liabilities</b>		
	Short term borrowings	19.00	50.00
	Lease liabilities	2.74	5.18
	Trade payables		
	-total outstanding dues of micro enterprises and small enterprises	7.52	6.50
	-total outstanding dues of creditors other than micro enterprises and small enterprises	219.20	265.09
	Other financial liabilities	13.02	21.73
	Other current liabilities	11.39	12.62
	Provisions	8.83	7.55
	Current tax liabilities (net)	0.96	1.85
	<b>Total current liabilities</b>	<b>282.66</b>	<b>370.52</b>
	<b>Total Liabilities</b>	<b>306.45</b>	<b>396.04</b>
	<b>TOTAL EQUITY AND LIABILITIES (1+2)</b>	<b>946.82</b>	<b>1,031.01</b>



S H KELKAR AND COMPANY LIMITED

CIN : L74999MH1955PLC009593

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Unaudited standalone statement of cash flow for period ended September 30, 2021



(Rupees in Crore)

Particulars	As at	As at
	September 30, 2021	September 30, 2020
	(Unaudited)	(Unaudited)
<b>A. Cash flows from operating activities</b>		
Profit before tax	21.00	31.39
<b>Adjustments for :</b>		
Depreciation and amortisation expense	13.71	13.90
Intangible asset under development written off	12.15	5.30
Unrealised exchange fluctuation loss / (gain) (net)	0.38	(4.64)
Rent income	(2.50)	(2.50)
Interest income	(0.43)	(0.91)
Provision for doubtful debts	0.40	2.00
Gain on write back of financial liabilities measured at amortised cost	-	(2.63)
Finance costs	2.37	3.52
<b>Operating profit before working capital changes</b>	<b>47.08</b>	<b>45.43</b>
<b>Changes in working capital</b>		
Decrease / (Increase) in trade and other receivables	68.91	(26.23)
Decrease / (Increase) in loans and advances and other assets	2.52	(1.84)
(Increase) in inventories	(35.81)	(48.21)
(Decrease) / Increase in trade and other payables, provisions	(54.64)	75.89
<b>Net change in working capital</b>	<b>(19.02)</b>	<b>(0.39)</b>
<b>Cash flows generated from operating activities before taxes</b>	<b>28.06</b>	<b>45.04</b>
Net direct taxes (paid)	(9.31)	(4.52)
<b>Net cash flows generated from operating activities (A)</b>	<b>18.75</b>	<b>40.52</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 assets under development)	(8.22)	(12.39)
Investment in equity shares of subsidiaries	(1.00)	(67.57)
Loan recovered from subsidiary	14.00	-
Proceeds from sale of property, plant and equipment (net of related expenditure)	0.01	(0.01)
Loan given to subsidiary	-	(1.65)
Rent income received	2.50	2.50
Increase in deposits and other bank balances	0.20	0.01
Dividend received	5.06	-
Interest received	1.01	0.93
<b>Net cash flows generated from / (used in) investing activities (B)</b>	<b>13.56</b>	<b>(78.18)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from short term borrowings (including from a related party)	17.00	76.66
Repayment of short term borrowings	(48.00)	(50.92)
Repayment of lease obligations	(3.20)	(3.22)
Dividend paid (including tax thereon)	(10.60)	-
Dividend received on treasury shares	0.25	-
Finance costs paid	(1.16)	(2.99)
<b>Net cash flows (used in) / generated from financing activities (C)</b>	<b>(45.71)</b>	<b>19.53</b>



D. Net decrease in cash and cash equivalents (A + B + C)	(13.40)	(18.13)
E. Cash and cash equivalents at the beginning of the period	30.59	35.23
F. Cash and cash equivalents at the end of the period (D+E+F)	17.19	17.10
<b>Cash and cash equivalents</b>	<b>17.19</b>	<b>17.10</b>
Cash and cash equivalents comprise of :		
Balances with banks in -		
Current accounts	12.97	14.99
Exchange earners foreign currency account	4.07	1.94
Cash on hand	0.15	0.17
<b>Total Cash and cash equivalents</b>	<b>17.19</b>	<b>17.10</b>

The above statement of cash flow has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) - Statement of Cash Flow



**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM  
CONSOLIDATED FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF S H KELKAR AND COMPANY LIMITED**

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **S H Kelkar and Company Limited** ("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 venture for the quarter and six months ended September 30, 2021 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
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 the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel 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 specified under Section 143(10) of the Companies Act, 2013 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 the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.





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4. The Statement includes the results of the following entities:

**A. Subsidiaries:**

- a. Keva Flavours Private Limited
- b. Keva Fragrances Private Limited
- c. VN Creative Chemicals Private Limited
- d. Keva U.K. Ltd
- e. PFW Aroma Ingredients
- f. Keva Europe B.V
- g. Keva Italy S.r.l
- h. Nova Fragranze S.r.l. (w.e.f. April 07, 2021)
- i. Keva Fragrance Industries Pte Ltd
- j. PT SHKKEVA Indonesia
- k. Anhui Ruibang Aroma Company Limited
- l. Creative Flavours and Fragrances S.p.A
- m. CFF Labs Srl
- n. CFF Commerciale Srl
- o. Keva Ventures Private Limited (w.e.f. July 29, 2021)

**B. Joint Venture:**

- a. Purandar Fine Chemicals Private Limited

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the interim financial information of four subsidiaries included in the Statement, whose interim financial information reflect total assets of Rs. 540.07 crores as at September 30, 2021, total revenues of Rs. 159.95 crores and Rs. 308.96 crores for the quarter and six months ended September 30, 2021 respectively, total net profit after tax of Rs. 2.25 crores and Rs. 9.99 crores for the quarter and six months ended September 30, 2021 respectively and total comprehensive income of Rs. 0.05 crores and Rs. 10.15 crores for the quarter and six months ended September 30, 2021 respectively and net cash outflows of Rs. 33.74 crores for the six months ended September 30, 2021, as considered in the Statement. These interim financial information have been reviewed by other auditors whose reports have been furnished to us and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.



## **Deloitte Haskins & Sells LLP**

One of the subsidiary located outside India whose interim financial information have been prepared by its management in accordance with accounting principles generally accepted in the respective country and which have been reviewed by the other auditor under generally accepted auditing standards applicable in the respective country. The Parent's management has converted the unaudited financial information of the aforesaid subsidiary located outside India from accounting principles generally accepted in respective country to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent's management. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary located outside India, is based on the report of another auditor, our review of the conversion adjustments prepared by the Management of the Company and the procedures performed by us as stated in paragraph 3 above.

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

7. The Statement includes the interim financial information of four subsidiaries which have not been reviewed by their auditors, whose interim financial information reflect, total assets of Rs. 259.91 crores as at September 30, 2021, total revenue of Rs. 5.42 crores and Rs. 10.92 crores for the quarter and six months ended September 30, 2021 respectively, total loss after tax of Rs. 0.99 crores and Rs. 2.26 crores for the quarter and six months ended September 30, 2021 respectively and total comprehensive income / (loss) of Rs. 3.36 crores and Rs. (1.99) crore for the quarter and six months ended September 30, 2021 respectively and net cash inflows of Rs. 51.42 crores for the six months ended September 30, 2021, as considered in the Statement. The Statement includes the Group's share of profit after tax of Rs. 0.03 crores and Rs. 0.06 crores for quarter and six months ended September 30, 2021 respectively and total comprehensive income of Rs. 0.03 crores and Rs. 0.06 crores for quarter and six months ended September 30, 2021 respectively, as considered in the Statement, in respect of a joint venture, based on its interim financial information which has not been reviewed by its auditor. According to the information and explanations given to us by the Management, these interim financial information is not material to the Group.

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



**Deloitte  
Haskins & Sells LLP**

8. The comparative financial information in the Statement of the Company (a) for the corresponding quarter and six months ended September 30, 2020 and quarter ended June 30, 2021, were reviewed and (b) as at and for the year ended March 31, 2021 were audited, by the predecessor auditor. The reports of the predecessor auditor on this comparative financial information for the quarter and six months ended September 30, 2020, quarter ended June 30, 2021 and for the year ended March 31, 2021, dated November 11, 2020, August 06, 2021, and May 27, 2021 respectively expressed unmodified conclusion / opinion, as applicable.

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

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**Mehul Parekh**  
Partner  
(Membership No. 121513)  
(UDIN: 21121513AAAAFY1686)

Place: Mumbai  
Date: October 29, 2021

## S H KELKAR AND COMPANY LIMITED

CIN : L74990MH1955PLC008593

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 21649786



## STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2021

Particulars	[Rupees in Crores, except for share data and if otherwise stated]					
	Quarter Ended			Six Months Ended		Year Ended
	30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Income						
(a.) Sales	335.03	331.90	339.69	666.93	531.08	1,260.01
(b.) Sales - Contract manufacturing (Refer note 5)	23.27	23.00	12.19	46.27	12.19	55.11
(c.) Other operating income	0.52	0.63	2.59	1.15	3.73	6.83
Revenue from operations	358.82	355.53	354.47	714.35	547.00	1,321.95
2. Other Income						
(a.) Foreign Exchange Gains Exports contracts	-	0.02	3.73	0.02	5.40	10.04
(b.) Other	1.08	3.44	2.43	4.52	4.84	13.42
3. Total Income [1 + 2]	359.90	358.99	360.63	718.89	557.24	1,345.41
4. Expenses						
(a.) Cost of materials consumed	174.26	209.85	218.93	384.11	315.49	700.61
(b.) Changes in inventories of finished goods, work-in-progress and stock-in-trade	17.76	(24.74)	(31.19)	(6.98)	(19.65)	0.89
(c.) Contract manufacturing cost of goods sold (Refer note 5)	20.70	20.36	10.71	41.06	10.71	48.87
(d.) Employee benefits expense	46.75	48.04	40.29	94.79	63.48	150.04
(e.) Finance costs	4.09	3.26	4.37	7.35	8.88	17.07
(f.) Depreciation and amortisation expense	17.35	17.22	14.88	34.57	26.48	61.51
(g.) Other expenses	45.49	60.60	44.63	106.09	74.92	185.66
Total expenses	326.40	334.59	302.62	660.99	480.31	1,164.65
5. Profit before exceptional items and Share of Profit in Joint venture (3-4)	33.50	24.40	58.01	57.90	76.93	180.76
6. Share of Profit/(Loss) in Joint venture	0.03	0.03	(0.14)	0.06	0.12	0.24
Profit before exceptional items and tax (5+6)	33.53	24.43	57.87	57.96	77.05	181.00
7. Exceptional items - Gain / (Loss) (Refer note 4 & 8)	(6.20)	-	12.50	(6.20)	12.50	12.50
8. Profit before tax [5 +6+7]	27.33	24.43	70.37	51.76	89.55	193.50
9. Tax expense						
Current tax (Refer note 9)	11.87	(56.68)	14.44	(44.81)	17.51	46.30
Deferred tax	(6.67)	(0.27)	2.25	(6.94)	3.29	3.23
10. Profit for the period / year (8-9)	22.13	81.38	53.68	103.51	68.75	143.97
11. Loss for the period/year attributable to Non-controlling Interests	(0.09)	(0.09)	(0.23)	(0.18)	(0.44)	(0.72)
12. Profit for the period/year attributable to Owner's of the Company	22.22	81.47	53.91	103.69	69.19	144.69
13. Other comprehensive Income						
Items that will not be reclassified to profit or loss	0.11	0.11	0.05	0.22	0.10	0.66
Income tax relating to items that will not be reclassified to profit or loss	(0.03)	(0.03)	(0.01)	(0.06)	(0.02)	(0.16)
Items that will be reclassified to profit or loss	(1.33)	1.39	(0.05)	0.06	(1.11)	(3.75)
Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
Other comprehensive Income /(loss)	(1.25)	1.47	(0.01)	0.22	(1.03)	(3.25)
14. Other comprehensive Income / (loss) attributable to Non-controlling Interests	-	-	-	-	-	-
15. Other comprehensive Income /(loss) attributable to Owner's of the Company	(1.25)	1.47	(0.01)	0.22	(1.03)	(3.25)
16. Total comprehensive Income for the period/ year (10+15)	20.88	82.84	53.67	103.73	67.73	140.72
17. Total comprehensive loss for the period / year attributable to Non controlling Interests	(0.09)	(0.09)	(0.23)	(0.18)	(0.44)	(0.72)
18. Total comprehensive Income for the period/ year attributable to Owner's of the Company (16 - 17)	20.97	82.93	53.90	103.91	68.17	141.44
19. Paid-up equity share capital (Face Value of Rs 10 each)	141.32	141.32	141.32	141.32	141.32	141.32
20. Reserves excluding revaluation reserves as at Balance sheet date						810.29
21. Earnings per share (Face Value of Rs 10 each) (not annualised):(Refer note 10)						
(a) Basic	1.61	5.90	3.91	7.51	5.01	10.48
(b) Diluted	1.61	5.90	3.91	7.51	5.01	10.48



Notes :

- 1 The above consolidated financials results of S H Kelkar and Company Limited and its subsidiaries (collectively referred to as 'the Group') and its Joint venture were reviewed by the Audit Committee at its meeting held on October 29, 2021 and subsequently approved by the Board of Directors of S H Kelkar and Company Limited ('the Company') at its meeting held on October 29, 2021. The comparative financial information of the Company for the quarter ended June 30, 2021, September 30, 2020, six months ended September 30, 2020 and year ended March 31, 2021 have been reviewed / audited, as applicable, by the predecessor statutory auditors. The statutory auditors of the Company have conducted limited review of the above results for the quarter and six months ended September 30, 2021 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 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.
- 3 Earning before interest, tax, depreciation and amortisation (EBITDA) after exceptional items for the quarter ended September 30, 2021 at Rs 48.77 crores (for the quarter ended June 30, 2021 : Rs.44.91 crores and quarter ended September 30, 2020: Rs 89.62 crores ), for six months ended September 30, 2021 at Rs 93.68 (for the six months ended September 30, 2020 at Rs 124.91) and for the year ended March 31, 2021 at Rs.272.08 crores .  
Formulae for computing EBITDA = Profit before tax (after exceptional item) + Depreciation and amortisation expense + Finance cost
- 4 Factory operations at Mahad Industrial Area, Maharashtra, of the Group pertaining to one of the subsidiary, V N Creative Chemicals Private Limited (VNCC), were suspended temporarily due to unprecedented rains in Mahad, Raigad district of Maharashtra and was shut down for the period from July 22, 2021, to August 25, 2021. After carrying out necessary repairs, the operations of VNCC resumed on August 26, 2021 and the loss resulting from flood, a peril insured against, pertaining to loss /damage of certain inventory and machinery aggregating to Rs.6.20 crore has been changed as an exceptional item to the Consolidated Statement of Profit and Loss for the quarter and six months ended September 30, 2021. VNCC has filed a claim against the said losses, which is receivable and is under evaluation by the insurance company. Further to this, VNCC is in the process of filing business interruption claim with the insurance company.
- 5 Pursuant to the acquisition of 100% stake in CFF, the Group acquired a customer contract whereby CFF sells fragrance formulations to one large customer on contract manufacturing. Accordingly, CFF performs processing of raw materials under the guidance of the customer. This activity is not part of the Group's core business and is done only for one large customer due to a past long term agreement entered by CFF.
- 6 The Board of Directors of the Company at its meeting held on October 29, 2021 approved proposal to buy back upto 29,00,000 equity shares of the Company for an aggregate amount not exceeding Rs. 60.90 crores being 9.64 % of the fully paid up share capital and free reserves of the Holding Company as of March 31, 2021 at Rs. 210 per share .
- 7 On April 7th, 2021, Group acquired 70% stake in Nova Fragranze S.r.l. ("Nova"), through its foreign subsidiaries Creative Flavours & Fragrances SpA & Keva Italy S.r.l. for a consideration of Rs 13.02 crores and entered into a Share and Purchase Agreement (SPA) to gain beneficial ownership overbalance 30% stake in Nova. Nova is an Italy based Company specialised in the fragrance development and marketing with focus on premium customers in hair care / beauty care segments. The acquisition would enable broadening the group's fragrance business in Italy. The fair value of the net assets, non-controlling interest and resulting goodwill is determined on a provisional basis. As permitted by Ind AS 103 Business Combinations, the Group expects to finalise the value of aforesaid items within 1 year from the date of acquisition.
- 8 Further to our disclosure dated January 16, 2018 regarding execution of Share Purchase Agreement dated January 15, 2018 by the Company for acquisition of 100% equity stake of Creative Flavours and Fragrances S.p.A. (CFF) and acquisition of 51% equity stake upfront by the Company in January 2018, the Company, through its Italian subsidiary - Keva Italy Srl, has completed acquisition of balance 49% equity stake in CFF at a consideration of Euros 16 Million on July 28, 2020. Accordingly, CFF has been de-recognised as joint venture and recognised as wholly owned subsidiary effective August 1, 2020. An exceptional gain of Rs 12.50 crore has been recorded in the Consolidated Statement of Profit and Loss for the quarter and six months ended September 30, 2020, on account of de-recognising the joint venture in accordance with Ind AS.
- 9 in respect of ongoing tax appeal in case of Keva Fragrances Pvt. Ltd, a wholly owned subsidiary of the Group, the Income Tax Appellate Tribunal (ITAT) in its order vide dated 2nd August 2021 (uploaded on the ITAT site on 4th August 2021 ), has set aside the order of Commissioner of Income Tax (Appeals) and has directed Assessing officer to allow the amortisation of goodwill as an eligible expenditure. ITAT has also quashed the departmental appeal on the two issues favoured by CIT (A) earlier i.e. allowing set off of brought forward losses and unabsorbed depreciation and deletion of additions under section 56(2)(viiB). Consequent to the said order, the group has reversed the additional tax provisions amounting to Rs. 64.49 Crores, provided in its books in earlier periods, which had been made given the uncertainty over the allowability of goodwill amortisation as an eligible expenditure. Thus, the financial results for the quarter ended June 30, 2021 includes reversal of the aforementioned provision.
- 10 Basic and Diluted earnings per share for the quarter ended September 30, 2021, June 30, 2021 and September 30, 2020 , six months ended September 30, 2021 and September 30, 2020 and year ended March 31, 2021 are adjusted for the effect of treasury shares held by the Company.
- 11 Previous period / year figures have been regrouped and reclassified wherever considered necessary.
12. The amount reflected as "0.00" in Financial Results are value with less than one lakh

Place: Mumbai  
Date: October 29, 2021



For and on behalf of Board of Directors

*Kedar Vaze*

Kedar Vaze  
Director and Chief Executive Officer



S H KELKAR AND COMPANY LIMITED

CIN : L74999MH1955PLC009593

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(Rupees in Crore)

Consolidated Statement of Assets and Liabilities		As at September 30, 2021	As at March 31, 2021
Particulars		Unaudited	Audited
<b>A</b>	<b>ASSETS</b>		
	Non-current assets		
1	Property, plant and equipment	328.48	333.21
	Capital work-in-progress	10.88	7.88
	Right of use asset	42.94	50.07
	Investment property	13.25	12.90
	Goodwill	207.94	204.40
	Other intangible assets	158.93	140.77
	Intangible assets under development	0.80	19.97
	Investment in a joint venture	1.35	1.29
	Financial assets		
	Investments	0.02	0.02
	Other financial assets	17.06	7.55
	Deferred tax assets (net)	24.65	24.08
	Current tax assets (net)	48.41	36.57
	Other non-current assets	13.03	15.76
	<b>Total non-current assets</b>	<b>867.74</b>	<b>854.47</b>
2	<b>Current assets</b>		
	Inventories	467.98	429.41
	Financial assets		
	Trade receivables	388.68	374.50
	Cash and cash equivalents	127.13	136.53
	Other bank balances	2.52	2.64
	Loans	8.13	5.99
	Other financial assets	3.93	5.34
	Other current assets	70.09	61.18
	<b>Total current assets</b>	<b>1,068.46</b>	<b>1,015.59</b>
	<b>Assets held for sale</b>	<b>28.01</b>	<b>28.01</b>
	<b>TOTAL ASSETS</b>	<b>1,964.21</b>	<b>1,898.07</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
1	<b>Equity</b>		
	Equity share capital	141.32	141.32
	Other equity	899.44	810.29
	<b>Equity attributable to owners of the Company</b>	<b>1,040.76</b>	<b>951.61</b>
	Non-controlling Interest	2.69	2.96
	<b>Total equity</b>	<b>1,043.45</b>	<b>954.57</b>
2	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	Financial liabilities		
	Borrowings	285.68	294.37
	Lease liabilities	32.17	37.21
	Other financial liabilities	18.48	1.63
	Provisions	0.36	0.58
	Deferred tax liabilities (net)	37.63	36.18
	<b>Total non-current liabilities</b>	<b>374.32</b>	<b>369.97</b>
	<b>Current liabilities</b>		
	Financial liabilities		
	Borrowings	184.29	161.32
	Lease liabilities	15.49	18.78
	Trade payables		
	-total outstanding dues of micro enterprises and small enterprises	17.81	9.98
	-total outstanding dues of creditors other than micro enterprises and small enterprises	240.25	237.33
	Other financial liabilities	28.32	34.12
	Other current liabilities	31.98	31.36
	Provisions	15.37	13.37
	Current tax liabilities (net)	12.93	67.27
	<b>Total current liabilities</b>	<b>546.44</b>	<b>573.53</b>
	<b>Total Liabilities</b>	<b>920.76</b>	<b>943.50</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,964.21</b>	<b>1,898.07</b>



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**Consolidated Segment-wise Revenue, Assets and Liabilities for the Quarter and six month ended September 30, 2021**

(Rupees in Crore)

Particulars	Quarter Ended			Six Months Ended		Year Ended
	30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Segment Revenue</b>						
Fragrance	326.03	330.64	321.34	656.67	497.84	1,203.31
Flavours	32.27	24.26	30.54	56.53	45.43	111.81
<b>Total</b>	<b>358.30</b>	<b>354.90</b>	<b>351.88</b>	<b>713.20</b>	<b>543.27</b>	<b>1,315.12</b>
Other Operating Income	0.52	0.63	2.59	1.15	3.73	6.83
<b>Sales/ Income From Operations</b>	<b>358.82</b>	<b>355.53</b>	<b>354.47</b>	<b>714.35</b>	<b>547.00</b>	<b>1,321.95</b>
<b>2. Segment Results (Profit (+) / Loss(-) before tax and interest from ordinary activities)</b>						
- Fragrance	35.61	28.67	56.25	64.28	82.16	196.36
- Flavours	6.55	3.11	12.10	9.66	12.04	22.48
<b>Total</b>	<b>42.16</b>	<b>31.78</b>	<b>68.35</b>	<b>73.94</b>	<b>94.20</b>	<b>218.84</b>
Less: i) Finance costs	(4.10)	(3.26)	(4.37)	(7.36)	(8.88)	(17.07)
Add/(Less): Other unallocable income net of unallocable expenditure	(10.73)	(4.09)	6.39	(14.82)	4.23	(8.27)
<b>Total Profit Before Tax from ordinary activities and share of profit from Equity Investment in Joint Venture</b>	<b>27.33</b>	<b>24.43</b>	<b>70.37</b>	<b>51.76</b>	<b>89.55</b>	<b>193.50</b>
<b>3. Segment Assets</b>						
- Fragrance	1,764.77	1,723.86	1,694.79	1,764.77	1,694.79	1,695.50
- Flavours	105.20	118.74	131.24	105.20	131.24	123.43
- Unallocated	94.24	92.07	93.90	94.24	93.90	79.14
<b>Total</b>	<b>1,964.21</b>	<b>1,934.67</b>	<b>1,919.93</b>	<b>1,964.21</b>	<b>1,919.93</b>	<b>1,898.07</b>
<b>4. Segment Liabilities</b>						
- Fragrance	372.13	346.79	355.90	372.13	355.90	302.41
- Flavours	30.42	26.10	25.49	30.42	25.49	26.07
- Unallocated	518.21	586.47	636.28	518.21	636.28	615.02
<b>Total</b>	<b>920.76</b>	<b>959.36</b>	<b>1,017.67</b>	<b>920.76</b>	<b>1,017.67</b>	<b>943.50</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.



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Unaudited Consolidated statement of cash flow for six months ended September 30, 2021

(Rupees in Crore)

Particulars	30.09.21	30.09.20
	(Unaudited)	(Unaudited)
<b>A. Cash flows from operating activities</b>		
Profit before tax	51.75	89.55
<b>Adjustments for :</b>		
Depreciation and amortization expense	34.57	26.48
Exceptional item	6.20	(12.50)
Interest income	(0.72)	(0.38)
Profit on sale of property, plant and equipment	(0.26)	-
Rent income	(1.11)	(0.69)
Finance costs	7.35	8.88
Provision for doubtful debts	-	4.27
Remeasurement of defined benefit liability	0.22	(1.03)
Bad debts written off	-	0.02
Intangible assets under development written off	12.86	7.87
Provision no longer required written back	(0.48)	(2.18)
(Gain)/ Loss on Derivative contract	0.35	(4.85)
Unrealised gain on foreign exchange	(0.43)	(2.19)
Share of profit in a joint venture (net of tax)	(0.06)	(0.12)
<b>Operating profit before working capital changes</b>	<b>110.24</b>	<b>113.13</b>
<b>Changes in working capital</b>		
(Increase)/ decrease in trade and other receivables	(4.63)	11.65
Decrease in loans and advances	0.55	4.83
Increase in inventories	(42.37)	(114.05)
(Increase) / Decrease in other current assets	7.97	(2.85)
Increase in non current assets	(7.75)	(6.80)
Increase /(decrease) in trade and other payables	(4.41)	62.81
Increase / (decrease) in Provision	0.94	(0.35)
<b>Net change in working capital</b>	<b>(49.70)</b>	<b>(44.76)</b>
<b>Cash flows generated from operating activities before taxes</b>	<b>60.54</b>	<b>68.37</b>
Net direct taxes (paid)	(21.45)	(13.24)
<b>Net cash flows generated from operating activities (A)</b>	<b>39.09</b>	<b>55.13</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 )	(15.25)	(20.71)
Proceeds from sale of fixed assets	0.28	-
Decrease in non-current deposits	(1.12)	(0.06)
Rent income received	1.11	0.69
Share of profit in a joint venture	0.06	0.12
Payments for acquisition of controlling stake in joint venture	-	(70.37)
Payments for acquisition of subsidiary( including advance)	(21.62)	-
Interest received	0.87	0.39
<b>Net cash flows (used in) investing activities (B)</b>	<b>(35.67)</b>	<b>(89.94)</b>
<b>C. Cash flows from financing activities</b>		
{ Repayment}/ Proceeds from term loan	(11.98)	128.28
Proceeds of working capital loans	47.00	-
Repayment of working capital loans	(68.09)	-
Repayment of lease liabilities	(8.32)	(6.48)
Dividend received on treasury shares	0.25	-
Dividend paid including Tax thereon	(10.60)	-



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Increase/(Decrease) in Non Controlling interest	(0.27)	0.01
Finance cost paid	(7.07)	(8.38)
<b>Net cash flows generated from financing activities (C)</b>	<b>(59.08)</b>	<b>113.43</b>
<b>D. Net increase/ (decrease) in cash and cash equivalents ( A + B + C)</b>	<b>(55.66)</b>	<b>78.62</b>
E. Cash and cash equivalents at the beginning of the period	102.08	(33.07)
F. Cash taken over on acquisition of subsidiary	2.20	27.80
G. Effect of exchange rate changes on cash and cash equivalents	0.01	2.36
H. Cash and cash equivalents at the end of the period (D+E+F+G)	48.63	75.71
<b>Cash and cash equivalents</b>		
Cash and cash equivalents comprise of :		
Balances with banks in -		
current accounts	110.70	88.18
exchange earners foreign currency account	16.23	7.35
Cash on hand	0.20	0.22
Bank overdraft	(78.50)	(20.04)
<b>Total Cash and cash equivalents</b>	<b>48.63</b>	<b>75.71</b>

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

