



It beckons.
It compels.

It does not allow us to hold back.
That enigmatic, alluring, aroma which pulls us. Propels us.

Pushing us forward towards an
exciting tomorrow packed with
exponential possibilities.

Mesmerising and
Unstoppable.

All-embracing in its depth,
overarching in its reach.
It arouses, it overwhelms.

Come, let us take you along on this exhilarating journey
of Smell....and of the ultimate Sensorial Delight!



To download or to read the report online, please log on to
www.keva.co.in/our-group

Contents

Corporate Overview

- 04 A Business Designed to Go Fast Forward
- 06 Tracing the Forward Journey...
- 10 The Spirit of Keva
- 14 MD's Review
- 18 CEO's Operational Review
- 24 Operational Review
- 30 Putting People in the Fast Mode
- 31 Financial Highlights

Statutory Reports

- 32 Management Discussion & Analysis
- 42 Board's Report
- 74 Report on Corporate Governance
- 88 Business Responsibility Report

Financial Statements

- 96 Auditors' Report on Consolidated Financial Statements
- 104 Consolidated Financial Statements
- 188 Auditors' Report on Standalone Financial Statements
- 196 Standalone Financial Statements
- 262 Notice



With Smell comes an overwhelming emotion.

An emotion that leaves the heart racing.

And has the ability to transform the way the world experiences its consumption of daily products and fragrances.

It is on such an emotional and exciting journey that we, at Keva, have embarked.

A journey that promises to take us across new geographies, new consumers and new markets of exceptional opportunities.

We are exhilarated by what we see ahead. A whole new universe packed with a plethora of exciting possibilities. Where the taste of our Flavours will linger, and the sense of our Fragrances will continue to enthrall your senses to deliver the ultimate experience.

**Here's your
chance to find
out how...**



A Business Designed to Go Fast Forward



The largest Fragrance & Flavour company in India, Keva spells brand excellence that distinguishes itself with an exciting portfolio of products customised to local needs, while retaining global quality edge.

Keva is a corporate focussed on fast forward growth aimed at seizing the opportunities of the future. Led by the evolving aspirational needs of our consumers, we are continuously aligning our business philosophy to meet those.

Leveraging our creative skills on the platform of cutting-edge technologies, we, at Keva (SH Kelkar and Company Limited), have crafted a business model that is focussed on delivering sensorial delight to a growing clientele across domestic and international markets. Our legacy of tradition blends with contemporary and unique needs of our ever-expanding base of global customers to create a portfolio of powerful brands – SHK, Cobra, Keva, Auris. Backed by innovative products, it is a value proposition that drives engaging experiences across diverse segments.



Listed
On Bombay and National Stock Exchanges.
As of March 31, 2019, Keva had a market capitalisation of ₹ 2,219.21 Cr, with the promoters holding a 56.91% stake.



9,000+
Products



07
Manufacturing facilities



05
Creation & Development Centres



12
Molecules developed



13
Perfumers



5
Flavourists



880
Employees (Groupwide)



4,100+
Customers

Our Client Expanse

Downstream sectors of our presence

Global clientele
Leading national and multinational FMCG companies, blenders of fragrances & flavours, fragrance and flavour producers

Diverse industries
FMCG, Personal Care, Pharmaceutical, Food & Beverages

Fragrances		
 Fine fragrances	 Fabric care	 Air care
 Home care	 Skincare and cosmetics	 Household products
Flavours		
 Dairy products	 Beverages	 Confectionery
 Bakery products	 Pharmaceuticals	 Savoury

Forward – the only way to win

Our fast forward growth strategy has brought us many awards and recognitions, showcasing the strength of our vision and approach.

Keva has been adjudged as “The National Best Employer Brands 2018” by Employer Branding Institute – India during the 13th Employer Branding Awards in February 2019. Keva was adjudged 23rd Dream Company To Work For at the 8th Edition of ET Now – Dream Companies To Work For by the World HRD Congress in February 2019.



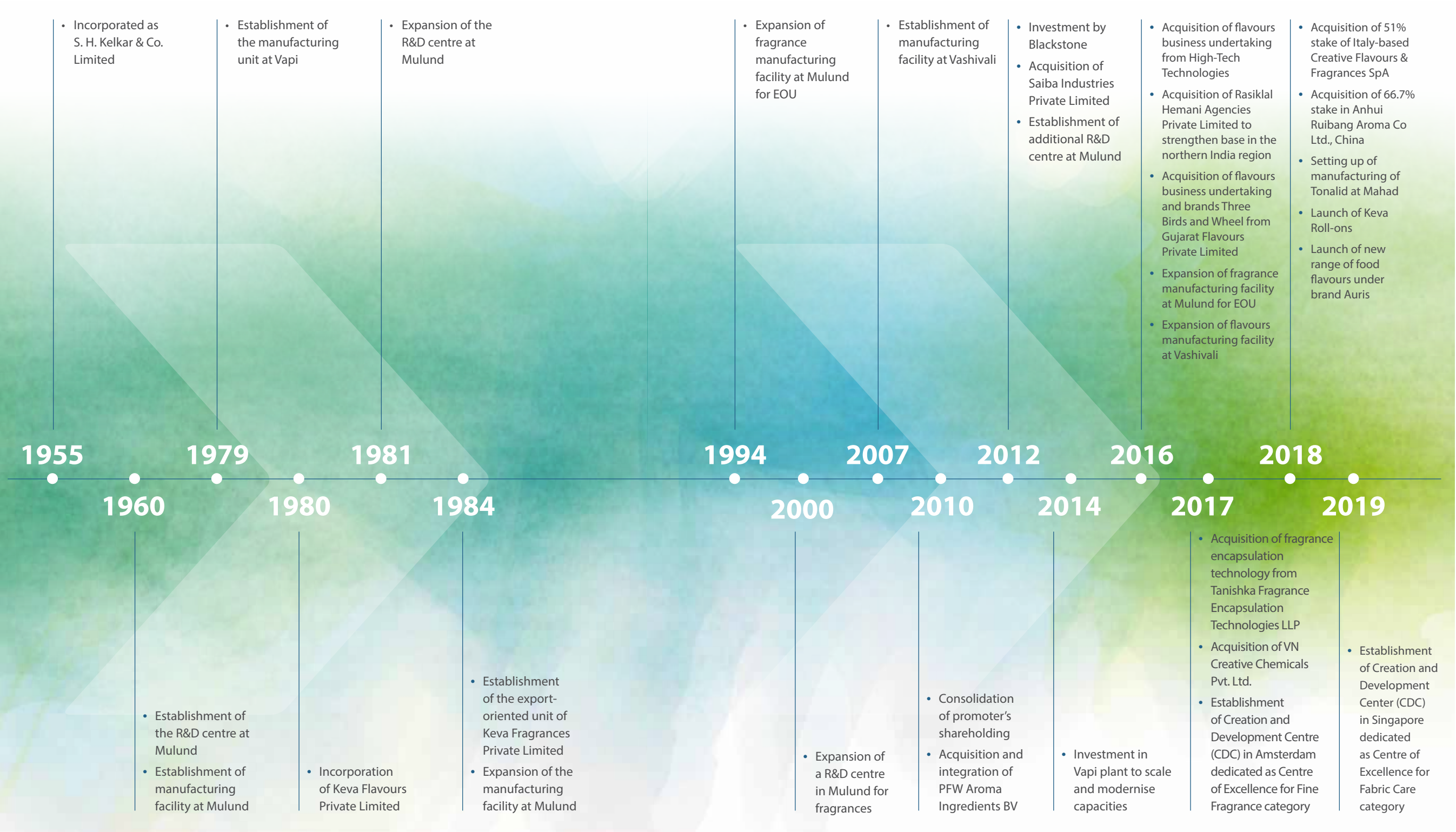
Keva’s manufacturing plant at Vapi has been certified in Integrated Management System (OHSAS 18001 & ISO 14001) during the year. This certification is an acknowledgement of Keva’s compliance towards the requirements set by International Standard Organization (ISO) for Environmental Management and Occupational Health and Safety Management.

With the change in the new international standard for Quality Management Systems (QMS) ISO 9001:2015, which replaces ISO 9001:2008, Keva’s Domestic Fragrances and Flavours plant at Vashivali has been recertified for ISO 9001:2015.

The Company’s Vashivali Unit, and its subsidiary Keva Fragrances Pvt. Ltd.’s Vapi Unit, have successfully undergone SMETA audits. SMETA is an ethical audit format which reports on Sedex’s four pillars of Labour, Health and Safety, Environment and Business Ethics.

Tracing the Forward Journey...

Fast forward is not just a strategy powering our growth over the past two years. It is a business philosophy ingrained into the Company since 1922, when we started manufacturing industrial perfumes. It is our ethos that has inspired our journey across industries, segments, markets and geographies, underlined by milestone achievements. It is the core of our strengths that has kept us dynamically aligned to the evolving needs and aspirations of our customers through decades of creating innovative products and solutions, to deliver engaging experiences to our customers worldwide.

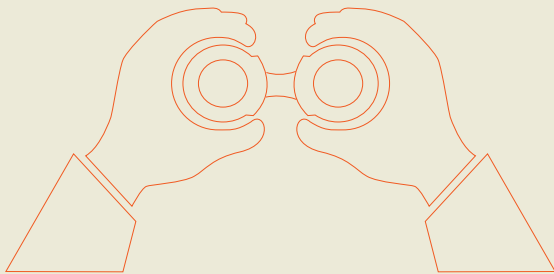




The Spirit of Keva

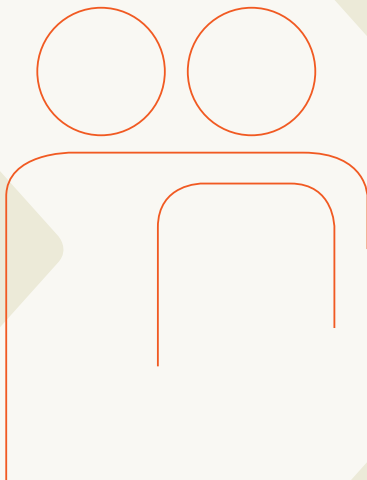
Stewardship.
Partnership.
Innovation.
Responsibility.
Integrity.
Teamwork.

In these value systems lies the SPIRIT of KEVA, which we are constantly nurturing through our strategic investments across the value chain of our business model. Led by tomorrow's opportunities and steered by the powerful matrix of our core strengths, our business model is driving our fast forward odyssey of inclusive and holistic growth through powerful relationships built on mutual trust and sustainable goals.



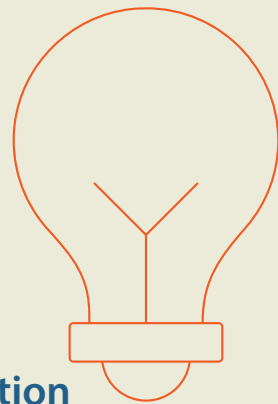
Stewardship

We believe in the concept of management trusteeship to enhance long-term value for all our Stakeholders. We encourage our people to view themselves as custodians of the future and empower them to take business decisions accordingly.



Partnership

We believe in building a long-term sustainable relationship with all our Stakeholders to create enduring value. We encourage our vendors to strengthen their capabilities. We partner with our clients and endeavour to be the catalysts for their growth.



Innovation

We are passionate about innovation and thrive on creating new sensorial breakthroughs.



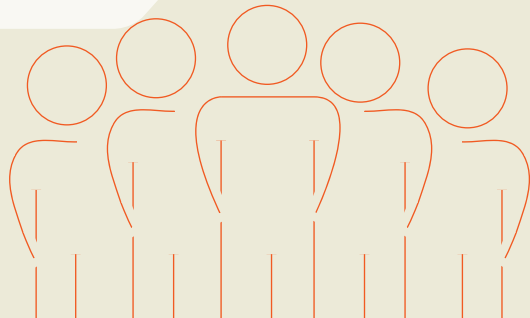
Integrity

It forms the core of our ethos and work behaviour. We always conduct our business in a fair and ethical manner.



Responsibility

We are conscious that our actions have an impact on the local communities, ecology and geographies we operate in, and therefore behave in a manner that befits a responsible corporate citizen. Our products are always designed to be of the highest quality. We take active responsibility to ensure that our products are safe and meet regulatory standards.



Teamwork

We work in an inclusive and collaborative manner across diverse functions and geographies. Our work processes have been designed to maximise synergies and we create continuous learning opportunities for our teams.

Beyond what the eye can see is a frontier called Smell.

**A feeling that allows us to perceive unexplored
new worlds and chart new paths to the future.**

At Keva, we have woven this feeling into the organisational fabric. Enabling us to look beyond today into a promising new tomorrow.



**We have imbued
ourselves with the ability
to seize tomorrow's
opportunities today, to
ensure sustained and
sustainable growth
in the visible future.
Growth that is here to
stay – like the lingering
taste of our Flavours and
the enduring aroma of
our Fragrances.**

MD'S REVIEW

Fast is the only Way Forward



The Fast Forward journey we embarked on during the previous year is now at an exciting stage, and we are poised to take our business to new heights of performance. In this journey, we are catapulted to new heights by our powerful speed and agility. Concurrently, we are guided by our deep insights into our customers' requirements, enabling us to execute our plans with precision – to get it right the first time, every time.



New opportunities are opening a new world of consumer aspirations, in which we see good potential for expansion and growth. The industry landscape is getting more dynamic than before, and we are ready to make the most of every opportunity that we see rising on the horizon ahead of us.

Signs of imminent revival and positivity in the market could be seen towards the end of FY 2018-19, even though the year did not pan out as expected. Markets were slowing in growth for most part of the year, with product visibility low and both the domestic and international markets under pressure due to reasons beyond control such as raw material crisis. We strategically and far-sightedly chose to look beyond the turbulence that had gripped the industry, to stay on the fast track of our expansion and growth plans. We decided not to pull back on our strategic agenda for the future but chose to stay unrelentingly on course with our planned investments. With our deep insights into the consumer mind and our understanding of the markets, we continued building our foundations for the future.



We constantly endeavour to align our business model to the changing contours of the consumer needs and aspirations and to the transformation being consequently catalysed across the industry.



On track with future plans

Keva's unwavering focus on powering forward in the fast mode kept us buoyant through FY 2018-19, which saw your Company strengthen its value proposition across the segments of its business, in both the domestic and global markets. The CFF (Creative Flavours & Fragrances SpA) acquisition (51% stake), the commissioning of the Mahad facility, the acquisition of Anhui Ruibang Aroma Company Ltd (China) (66.67% stake), as well as our foray into new markets and product lines, were initiatives aligned to our decision to continue to stay in the Fast Forward mode. We strongly believe this to be the only sure way to grow and stay ahead of the curve in the increasingly competitive global market.

Our efforts have been focussed on scaling up our capabilities and enhancing our ability to respond with agility and speed to the fast-paced changes across Flavours and Fragrances. We constantly endeavour to align our business model to the changing contours of the consumer needs and aspirations and to the transformation being consequently catalysed across the industry. Guided by our Fast Forward philosophy, we strengthened this proposition further during FY 2018-19, to place ourselves ahead on the road to future growth.

Building on our strategic strengths

Our confidence in our ability to successfully leverage the future opportunities in our business segments stems from the multifarious strengths that we continued to build and augment during the year under review.

The expertise we have evolved through years of in-depth market and consumer research, backed by our deep engagement with consumers in diverse markets, is pillared on our synergistic strengths. These include our visionary approach, innovative focus, manufacturing excellence, collaborative efforts as manifest in our strategic acquisitions, robust supply chain and strong operational efficiencies, coupled with our large and efficient distribution network. We also continue to invest in new technology as a key enabler of our growth charter and I am happy to share the fragrance encapsulation technology we acquired in 2017 is now in the final stages of commercialisation, including orders from international customers.

FY 2018-19 saw your Company stay dedicatedly focussed on augmenting its deep-rooted strengths, while empowering its people to steer its vision of surging forward. And we are augmenting at a pace that we believe will trigger game-changing growth-led initiatives.



Moving capacities from the Netherlands to Mahad was underlined by exceptional speed, with the project delivered in just 10 months, against the estimated timeline of 12 to 16 months.

Focussed on speed

The very ethos of our Fast Forward philosophy rests on Speed and Agility which we continued to scale up during the year. These efforts translated into several significant developments and initiatives which will drive our futuristic journey even more powerfully in the coming months and quarters.

Moving capacities from the Netherlands to Mahad was underlined by exceptional speed, with the project delivered in just 10 months, against the estimated timeline of 12 to 16 months. We also moved swiftly during the year to acquire Anhui Ruibang Aroma Company Ltd in China and went on with equal agility to increase its production capacity from 200 T to 400 T – a move that helped retain customers while ensuring a sustainable supply position for them. The acquisition and the capacity ramp-up was in line with our business approach of acquiring strategically located assets to power our 3I & 3C journey - across the 3 markets of Italy, Indonesia and India and in the 3 Categories of Fabric care, Fine fragrances and Air care - in the fast forward mode.

Integrated for future growth

The multitude of initiatives taken during the year were designed to the needs of tomorrow, with its large canvas of growth opportunities. Our thrust has been on integration at the front end and the back end, to ensure a seamless supply chain – from the raw material to the final product – for customers in the markets of our presence. This will also steer our expansion into new markets, which remains another high priority agenda for our growth plans.

Our Myanmar foray in the Fragrance segment, during the year, manifested our resolve to move with speed to seize the emerging opportunities in any region of the world, across all our business categories. We are also, at the same time, strengthening our distribution channels to bring more dynamism into the network and create more cross-selling opportunities to build a bigger foundation for future growth.

Going forward

As we move forward, with even greater aggression and agility to tap the opportunities we smell ahead of us, we do so with a strong sense of confidence and optimism. We are confident that we are ready to make the most of the plethora of possibilities that promise to take us to the next level of our Fast Forward journey. Driven by consumer understanding, steered by innovation and powered by a relentless focus on quality, we shall continue to propel our growth trajectory to strengthen our presence and position even further in the select 3I markets and the 3C categories of our presence.

Staying firmly on course towards building our platform to leverage the opportunities in these markets and categories, we shall continue to enhance our new product offerings and to improve our operational capabilities with rationalisation of costs across businesses. We see these initiatives taking us towards a healthy and sustainable performance in the immediate future and welcome all of you to partner us in this journey to push the frontiers of growth powerfully.

Before I conclude, I would like to thank all of you for the unwavering support you have extended to me during my stint as MD. As I get ready to continuing my association with the Company now as Non-Executive Chairman of the Board, I do so with the satisfaction of having steered an ethical and progressive organisation towards new frontiers of growth. I am confident that Company's growth charter is in the safe hands of the CEO and his dedicated team, who will continue to lead it forward into an even more dynamic future. My best wishes are with them.

Ramesh Vaze
Managing Director



Driven by consumer understanding, steered by innovation and powered by a relentless focus on quality, we shall continue to propel our growth trajectory to strengthen our presence and position even further in the select 3I markets and the 3C categories of our presence.

