

8th June, 2020

BSE Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001.

Dear Sir(s),

Sub: Outcome of Board meeting held on 8th June, 2020

Ref: Company Code No. 526821.

The Board of Directors at its meeting held on 8th June, 2020, have considered and approved the Audited Standalone Financial results of the Company for the quarter and year ended March 31, 2020 and Consolidated Financial results for the year ended March 31, 2020.

We hereby enclose audited financial results of the company together with Independent Auditors' report for Standalone and Consolidated financial statements of the Company for the year ended March 31, 2020 containing the information required by you as per Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The report of Auditors is with unmodified opinion with respect to Audited financial results (Standalone and Consolidated) for the year ended March 31, 2020. Declaration to that effect is also enclosed herewith.

Kindly take the above information on your record.

For **DAI-ICHI KARKARIA LIMITED**

KAVITA BHAVESH
THADESHWAR

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Kavita Thadeshwar
Company Secretary

Encl: as above

8th June, 2020

BSE Limited,
25th Floor, P.J. Towers,
Dalal Street,
Mumbai - 400 001

Dear Sir/ Madam,

Sub: Declaration pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In compliance with the provisions of Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, we confirm that M/s. BSR & Co. LLP, Statutory Auditors of the Company have issued an Auditors' report with unmodified opinion on Audited Financial Results (Standalone and Consolidated) of the Company for the financial year ended March 31, 2020.

Kindly take this declaration on your record.

Thanking you,

For **DAI-ICHI KARKARIA LIMITED**

SHAILESH
JAYANTILAL
CHAUHAN
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SHAILESH JAYANTILAL
CHAUHAN
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Shailesh Chauhan
Chief Financial Officer

BSR & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
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N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

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Independent Auditors' Report To the Board of Directors of Dai-Ichi Karkaria Limited

Report on the audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying standalone annual financial results of Dai-Ichi Karkaria Limited (hereinafter referred to as the "Company") for the year ended 31 March 2020 ('Standalone annual financial results'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India ("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 loss 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.

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.

Independent Auditors' Report (*Continued*)

Dai-Ichi Karkaria Limited

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

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 loss 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 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*)

Dai-Ichi Karkaria 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.

Mumbai
8 June 2020

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

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Balajirao Pothana
Partner

Membership No: 122632
UDIN: 20122632AAAAAT8342

Statement of Standalone Audited Financial Results for the Quarter and Year ended 31 March 2020

(Rs. In lakhs)

	Quarter ended			Year Ended	
	31-03-2020 Audited (refer note 7)	31-12-2019 Unaudited	31-03-2019 Audited (refer note 7)	31-03-2020 Audited	31-03-2019 Audited
1 Revenue from operations	2,637	3,039	1,977	10,717	9,235
2 Other income	157	55	53	384	324
3 Total Income (1+2)	2,794	3,094	2,030	11,101	9,559
4 Expenses					
(a) Cost of materials consumed	1,930	1,991	1,408	7,448	6,237
(b) Changes in inventories of finished goods and work-in-progress	(148)	45	(55)	(297)	111
(c) Employee benefits expenses	443	396	378	1,615	1,653
(d) Finance costs	247	262	245	1,024	724
(e) Depreciation and amortisation expense	238	234	237	946	813
(f) Other expenses	747	601	561	2,459	2,315
Total Expenses	3,457	3,529	2,774	13,195	11,853
5 (Loss) before exceptional item (3-4)	(663)	(435)	(744)	(2,094)	(2,294)
6 Exceptional item					
Retrenchment compensation	-	-	(142)	-	(142)
Cost for settlement of litigations (Refer note 4)	-	(35)	-	(400)	-
7 (Loss) after exceptional item before tax (5-6)	(663)	(470)	(886)	(2,494)	(2,436)
8 Tax (benefit) :					
(a) Deferred Tax	-	-	(692)	-	(1,173)
9 (Loss) for the period (7-8)	(663)	(470)	(194)	(2,494)	(1,263)
10 Other Comprehensive Income/ (Expense)					
A a) Items that will not be reclassified to Profit & Loss	(2)	(5)	(43)	(13)	(43)
b) Income Tax relating to items that will not be reclassified to Profit & Loss	-	-	12	-	12
11 Total Comprehensive Income for the period (9+10) (net of taxes)	(665)	(475)	(225)	(2,507)	(1,294)
12 Paid up Equity Share Capital (Face Value of Rs.10/- per share)	745	745	745	745	745
13 Earnings per Equity Share basic and diluted (of Rs.10/- each) (Not annualised)	(8.90)	(6.31)	(2.60)	(33.47)	(16.95)

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Statement of Assets and Liabilities as at 31 March, 2020

(Rs. In lakhs)

Particulars	Standalone	
	As at 31-03-2020 Audited	As at 31-03-2019 Audited
A - Assets		
1 - Non-current assets		
(a) Property, plant and equipment	15,328	16,360
(b) Capital work-in-progress	267	534
(c) Intangible assets	11	17
(d) Financial assets		
(i) Investments in Subsidiary & Joint Venture	70	70
(ii) Other Investments	1	133
(iii) Other non-current financial assets	275	266
(e) Deferred Tax assets (Net)	1,076	1,076
(f) Non Current Tax assets (Net)	387	437
(g) Other non-current assets	130	129
Total non-current assets	17,545	19,022
2 - Current assets		
(a) Inventories	2,040	1,705
(b) Financial Assets		
(i) Investments	104	282
(ii) Trade receivables	2,042	1,650
(iii) Cash and cash equivalents	79	494
(iv) Bank balances other than (iii) above	279	272
(v) Other Financial assets	135	121
(C) Assets held for disposal	505	-
(d) Other Current Assets	2,203	2,669
Total current assets	7,387	7,193
Total assets	24,932	26,215
B - Equity & liabilities		
1 - Equity		
(a) Equity share capital	745	745
(b) Other equity	9,118	11,624
Equity attributable to equity holders of the Company	9,863	12,369
2 - Liabilities		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	6,778	7,318
(ii) Other financial liabilities	57	-
(b) Provisions	165	155
(c) Other non-current liabilities	25	-
Total non-current liabilities	7,025	7,473
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	2,357	1,405
(ii) Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises	78	40
Total outstanding dues other than Micro Enterprises and Small Enterprises	2,782	2,180
(iii) Other financial liabilities	2,087	2,582
(b) Provisions	149	116
(c) Other Current liabilities	592	50
Total current liabilities	8,045	6,373
Total equity and liabilities	24,932	26,215

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DAI-ICHI KARKARIA LIMITED
CIN: L24100MH1960PLC011681

Regd. Off. Liberty Building, Sir V. T. marg, New Marine lines, Mumbai : 400 020

Statement of Standalone cash flow for the Year ended 31 March 2020

(Rs. In lakhs)

	Year Ended	
	31-03-2020 Audited	31-03-2019 Audited
A. Cash Flow from Operating Activities:		
(Loss) after exceptional items before tax	(2,494)	(2,436)
<u>Adjustments for:</u>		
Depreciation and amortisation	946	813
Loss /(Profit) on sale of investments (net)	34	(41)
Profit on sales of Fixed Assets	(8)	-
Sundry Balance W/back	108	-
Inventory Assets Written off During the Year	54	-
Net loss on Investments at fair value through profit and loss	10	99
Dividend income	(6)	(84)
Interest income	(22)	(36)
Interest expenses	1,024	724
Unrealised foreign currency loss on revaluation (net)	(36)	2
Subtotal of Adjustments	2,105	1,477
Operating loss before working capital changes	(389)	(959)
Changes in working capital:		
Adjustments for increase/decrease in:		
(Increase)/Decrease in trade receivables	(349)	1,366
Decrease/(Increase) in loans, other financial assets and other assets	417	(56)
(Increase)/Decrease in inventories	(389)	226
Increase in trade payable, other financial liabilities and other liabilities	714	64
Increase in provisions	43	10
Subtotal of Adjustments	435	1,610
Cash generated from operations	46	651
Less: Income taxes paid (net of refund)	50	(28)
Net cash from/(used in) operating activities	96	623
B. Cash Flow from Investing Activities:		
Purchases of property, plant and equipment	(711)	(3,828)
Proceeds from Sale of property, plant and equipment	8	-
Advance received against Sale of property, plant and equipment	500	-
Proceeds from sale of current investments	265	1,596
Movement in bank deposits having maturity of more than 3 months	(9)	53
Dividend received	6	84
Interest received	28	36
Net Cash from/(used in) investing activities	87	(2,059)
C. Cash Flow from Financing Activities:		
Repayment towards non-current borrowings	(1,565)	(20)
Proceeds from non-current borrowings	1,052	2,352
Proceeds from current borrowings (net)	952	399
Dividends and corporate dividend tax paid	-	(224)
Interest paid	(1,024)	(899)
Net cash from/(used in) financing activities	(586)	1,608
D. Net Decrease in cash and cash equivalents (A+B+C)	(403)	172
E. Cash and cash equivalents as at beginning of the year	494	364
Net Comprehensive Expense	(13)	(43)
Add: Effect of exchange differences on cash and cash equivalents held in foreign currency	-	1
F. Cash and cash equivalents as at end of the year (D+E)	79	494

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Notes :

- 1) The above standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 8 June 2020. The auditors have expressed a un-modified opinion on the audit report for the quarter and year ended 31 March 2020.
- 2) The Company's management, pursuant to 'Ind AS 108 – Operating Segments' has concluded that the Company has only one reportable segment which is Specialty Chemicals. Accordingly, no separate disclosures of segment information have been made.
- 3) The Company has closed down its Kasarwadi Plant situated at 105th Milestone, Mumbai - Pune Road, P.O. Kasarwadi, Pune - 411034 on 25th January, 2019. Pursuant to the shutdown, operations at Kasarwadi Plant are shifted to its new established Plant situated at D-20 / GIDC Industrial Estate, Dahej, Bharuch - 392130, Gujarat. The Company has followed the due legal process prescribed under the provisions of Section 25-FFF of the Industrial Disputes Act, 1947 for retrenchment of the workers and have paid Rs.142 Lakhs as retrenchment compensation to the eligible workers.
The operations of the current quarter and year and the corresponding quarter and year ended 31 March 2019 are not strictly comparable since the transition of the production facility from Kasarwadi plant to Dahej plant is still in process and was impeded by certain external factors.
- 4) A Writ Petition in Mumbai High Court filed by Hind Kamgar Sanghtana (HKS) an unrecognised union, was dismissed by the High Court in April, 2019. Though the High Court Order was in favour of the Company, there were other pending litigations initiated by HKS which would have taken time to be disposed of, resulting in a delay in monetizing the land at Kasarwadi.
In order to expedite monetization of Kasarwadi Land, the Company had executed Consent Terms with Hind Kamgar Sanghtana on 1 November 2019 for settling the long drawn Labour Issue. As per the Consent Terms an amount of Rs. 400 lakhs is paid to HKS and certain workers.
All the litigations from High Court and Industrial Court are withdrawn. The Company is now able to freely move the equipment, stock and other property from the Kasarwadi Plant.
- 5) The COVID-19 pandemic marginally disrupted business operations due to lockdown and other emergency measures imposed by the government. The Company's plant at Dahej, Gujarat was shut down from 25th March 2020 to 2nd April 2020. As of today, production facilities remain operational, following enhanced internal safety guidelines. The Company has considered internal and external information while assessing recoverability of its assets disclosed in the financial statement upto the date of approval of these financial results by the Board of Directors. Based on such assessment and considering the current economic indicators, the Company expects to recover the carrying amount of these assets. Management has also considered 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. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.
- 6) The government of India, on 20/09/2019, vide the Taxation Laws (Amendment) ordinance 2019, inserted in new section 115BAB in the Income Tax Act, 1961, which provides an option to the company for paying Income Tax at reduce rates as per the provisions/conditions defined in the said section. The company has decided to continue under the existing provisions of Income-Tax Act,1961
- 7)The figures in respect of for the quarter ended 31 March 2020 and 31 March 2019 are the balancing figures between the Audited figures in respect of full financial year and the published year to date figures up to third quarter ended 31 December 2019 and 31 December 2018 respectively.
- 8) Figures are rounded off to the nearest lakh.

For and on behalf of the Board

SHERNAZ FIROZE VAKIL Digitally signed by SHERNAZ FIROZE VAKIL
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S. F. Vakil

Chairperson & Managing Director

Place : Mumbai
Dated : 8 June 2020

B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
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Independent Auditors' Report To the Board of Directors of Dai-Ichi Karkaria Limited

Report on the audit of the consolidated annual financial results

Opinion

We have audited the accompanying consolidated annual financial results of Dai-Ichi Karkaria Limited (hereinafter referred to as the "Holding Company"), its subsidiary (Holding Company and its subsidiary together referred to as "the Group") and its joint venture for the year ended 31 March 2020 ('the Statement' or 'consolidated annual financial results'), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India ("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 statements of the subsidiary and joint venture, the aforesaid consolidated annual financial results:

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

Name of the entity	Relationship
Dai-Ichi Gosei Chemicals (India) Limited	Subsidiary
ChampionX Dai-Ichi India Private Limited (<i>formerly known as Nalco Champion Dai-Ichi India Limited</i>)	Joint Venture

- 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 loss 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 and its joint venture 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.

Independent Auditors' Report (Continued)

Dai-Ichi Karkaria Limited

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 loss and other comprehensive income and other financial information of the Group including its joint venture 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 joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 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.

In preparing the consolidated annual financial results, the Management and the respective Board of Directors of the companies included in the Group and of its joint venture 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 joint venture is responsible for overseeing the financial reporting process of each company.

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.

Independent Auditors' Report (*Continued*)

Dai-Ichi Karkaria Limited

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

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 consolidated 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 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 joint venture to cease to continue as a going concern.
- 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 joint venture 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 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.

Independent Auditors' Report (*Continued*)

Dai-Ichi Karkaria Limited

Other Matters

- (a) The consolidated annual financial results include the audited financial results of one subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 234,193 as at 31 March 2020, total revenue (before consolidation adjustments) of Rs. 11,636 and total net loss after tax (before consolidation adjustments) of Rs. 5,300 and net cash outflows of Rs 11,636 for the year ended on that date, as considered in the consolidated annual financial results, which has been audited by its respective independent auditors. The independent auditors' reports on financial statements of this entity has 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 this entity, is based solely on the report of such auditor.
- (b) 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

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Balajirao Pothana
Partner

Membership No: 122632
UDIN: 20122632AAAAAS5145

Mumbai
8 June 2020

Statement of Consolidated Audited Financial Results for the Quarter and Year ended 31 March 2020

(Rs. In lakhs)

	Quarter ended			Year ended	
	31-03-2020 Audited (Refer Note No 8 below)	31-12-2019 Unaudited	31-03-2019 Audited (Refer Note No 8 below)	31-03-2020 Audited	31-03-2019 Audited
1 Revenue from operations	2,637	3,039	1,977	10,717	9,235
2 Other income	157	55	53	384	324
3 Total Income (1+2)	2,794	3,094	2,030	11,101	9,559
4 Expenses					
(a) Cost of materials consumed	1,930	1,991	1,408	7,448	6,237
(b) Changes in inventories of finished goods and work-in-progress	(148)	45	(55)	(297)	111
(c) Employee benefits expenses	443	396	378	1,615	1,653
(d) Finance costs	247	262	245	1,024	724
(e) Depreciation and amortisation expense	238	234	237	946	813
(f) Other expenses	747	601	561	2,459	2,315
Total Expenses	3,456	3,529	2,774	13,195	11,853
5 (Loss) before exceptional item (3-4)	(662)	(435)	(744)	(2,094)	(2,294)
6 Exceptional item					
Retrenchment compensation	-	-	(142)	-	(142)
Cost for settlement of litigations (Refer note 4)	-	(35)	-	(400)	-
7 (Loss) after exceptional item before tax (5-6)	(662)	(470)	(886)	(2,494)	(2,436)
8 Tax (benefit) :					
(a) Deferred Tax	-	-	(692)	-	(1,173)
9 (Loss) for the period (7-8)	(662)	(470)	(194)	(2,494)	(1,263)
10 Share of Profit of Joint Venture	81	90	100	202	2
11 Net (Loss) after tax after share of profit of Joint venture (9+10)	(581)	(380)	(94)	(2,292)	(1,261)
12 Profit attributable to non controlling interest	* -	* -	* -	* -	* -
13 (Loss) after non controlling Interest (11-12)	(581)	(380)	(94)	(2,292)	(1,261)
14 Other Comprehensive Income/ (Expense)					
A a) Items that will not be reclassified to Profit & Loss	(2)	(5)	(43)	(13)	(43)
b) Income Tax relating to items that will not be reclassified to Profit & Loss	-	-	12	-	12
c) Share of Profit in Joint Ventures (Net of Tax)	1	(1)	* -	(1)	(2)
15 Total Comprehensive Income for the period (13+14) (net of taxes)	(582)	(386)	(125)	(2,306)	(1,294)
16 Paid up Equity Share Capital (Face Value of Rs.10/- per share)	745	745	745	745	745
17 Earnings per Equity Share basic and diluted (of Rs.10/- each) (Not annualised)	(7.80)	(5.10)	(1.26)	(30.75)	(16.93)

* Represents amount less than Rs 1 lakh

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DAI - ICHI KARKARIA LIMITED
CIN: L24100MH1960PLC011681

Regd. Off. Liberty Building, Sir V. T. Marg, New Marine lines, Mumbai - 400020
Statement of Assets and Liabilities as at 31 March, 2020

(Rs. In lakhs)

Particulars	Consolidated	
	As at 31-03-2020	As at 31-03-2019
A - Assets		
1 - Non-current assets		
(a) Property, plant and equipment	15,328	16,360
(b) Capital work-in-progress	267	534
(c) Intangible assets	11	17
(d) Financial assets		
(i) Investments in Subsidiary & Joint Venture	2,170	1,968
(ii) Other Investments	1	133
(iii) Other non-current financial assets	275	266
(f) Deferred Tax assets (Net)	1,076	1,076
(g) Non Current Tax assets (Net)	387	437
(h) Other non-current assets	130	129
Total non-current assets	19,645	20,920
2 - Current assets		
(a) Inventories	2,040	1,705
(b) Financial Assets		
(i) Investments	104	282
(ii) Trade receivables	2,042	1,651
(iii) Cash and cash equivalents	80	494
(iv) Bank balances other than (iii) above	281	274
(v) Other Financial assets	135	121
(c) Assets held for disposal	505	-
(d) Other Current Assets	2,203	2,669
Total current assets	7,390	7,196
Total assets	27,034	28,116
B - Equity & liabilities		
1 - Equity		
(a) Equity share capital	745	745
(b) Other equity	11,220	13,525
Equity attributable to equity holders of the Company	11,965	14,270
Non-controlling Interest	* -	* -
2 - Liabilities		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	6,778	7,318
(ii) Other financial liabilities	57	-
(b) Provisions	165	155
(c) Other non-current liabilities	25	-
Total non-current liabilities	7,025	7,473
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	2,357	1,405
(ii) Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises	78	40
Total outstanding dues other than Micro Enterprises and Small Enterprises	2,782	2,180
(iii) Other financial liabilities	2,087	2,582
(b) Provisions	149	116
(c) Other Current liabilities	592	50
Total current liabilities	8,045	6,373
Total equity and liabilities	27,034	28,116

* Represents amount less than Rs 1 lakh

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DAI-ICHI KARKARIA LIMITED
CIN: L24100MH1960PLC011681

Regd. Off. Liberty Building, Sir V. T. marg, New Marine lines, Mumbai : 400 020

Statement of Consolidated cash flow for the Year ended 31 March 2020

(Rs. In lakhs)

	Year Ended	
	31-03-2020 Audited	31-03-2019 Audited
A. Cash Flow from Operating Activities:		
(Loss) after exceptional items before tax	(2,292)	(2,434)
<u>Adjustments for:</u>		
Depreciation and amortisation	946	813
Loss /(Profit) on sale of investments (net)	34	(41)
Profit on sales of Fixed Assets	(8)	-
Sundry Balance W/back	108	-
Inventory Assets Written off During the Year	54	-
Net loss on Investments at fair value through profit and loss	10	99
Dividend income	(6)	(84)
Interest income	(22)	(36)
Interest expenses	1,024	724
Share of profit in joint venture	(202)	(2)
Unrealised foreign currency loss on revaluation (net)	(36)	2
Subtotal of Adjustments	1,902	1,475
Operating loss before working capital changes	(389)	(959)
Changes in working capital:		
Adjustments for increase/decrease in:		
(Increase) /Decrease in trade receivables	(349)	1,365
Decrease/(Increase) in loans, other financial assets and other assets	417	(56)
(Increase)/Decrease in inventories	(389)	226
Increase in trade payable, other financial liabilities and other liabilities	714	64
Increase in provisions	43	10
Subtotal of Adjustments	435	1,609
Cash generated from operations	46	650
Less: Income taxes paid (net of refund)	50	(28)
Net cash from/(used in) operating activities	96	622
B Cash Flow from Investing Activities:		
Purchases of property, plant and equipment	(711)	(3,828)
Proceeds from Sale of property, plant and equipment	8	-
Advance received against Sale of property, plant and equipment	500	-
Proceeds from sale of current investments	265	1,596
Movement in bank deposits having maturity of more than 3 months	(9)	53
Dividend received	6	84
Interest received	28	36
Net Cash from/(used in) investing activities	87	(2,059)
C Cash Flow from Financing Activities:		
Repayment towards non-current borrowings	(1,565)	(20)
Proceeds from non-current borrowings	1,052	2,352
Proceeds from current borrowings (net)	952	399
Dividends and corporate dividend tax paid	-	(224)
Interest paid	(1,024)	(899)
Net cash from/(used in) financing activities	(586)	1,608
D Net Decrease in cash and cash equivalents (A+B+C)	(402)	171
E Cash and cash equivalents as at beginning of the year	494	365
Net Comprehensive (Expense)/Income	(13)	(43)
Add: Effect of exchange differences on cash and cash equivalents held	-	1
F Cash and cash equivalents as at end of the year (D+E)	79	494

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DAI-ICHI KARKARIA LIMITED

CIN: L24100MH1960PLC011681

Regd. Off. Liberty Building, Sir V. T. marg, New Marine lines, Mumbai : 400 020

Notes :

- 1) The above audited consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors of Dai-ichi Karkaria Limited ("The Company" or "the Parent") at their respective meetings held on 8 June 2020. The auditors have expressed an un-modified opinion on the Audit report for the quarter and year ended 31 March 2020.
- 2) The Company's management, pursuant to 'Ind AS 108 – Operating Segments' has concluded that the Company has only one reportable segment which is Specialty Chemicals. Accordingly, no separate disclosures of segment information have been made.
- 3) The Company has closed down its Kasarwadi Plant situated at 105th Milestone, Mumbai - Pune Road, P.O. Kasarwadi, Pune - 411034 on 25th January, 2019. Pursuant to the shutdown, operations at Kasarwadi Plant are shifted to its new established Plant situated at D-20 / GIDC Industrial Estate, Dahej, Bharuch - 392130, Gujarat. The Company has followed the due legal process prescribed under the provisions of Section 25-FFF of the Industrial Disputes Act, 1947 for retrenchment of the workers and have paid Rs.142 Lakhs as retrenchment compensation to the eligible workers.
The operations of the current quarter and year and the corresponding quarter and year ended 31 March 2019 are not strictly comparable since the transition of the production facility from Kasarwadi plant to Dahej plant is still in process and was impeded by certain external factors.
- 4) A Writ Petition in Mumbai High Court filed by Hind Kamgar Sanghtana (HKS) an unrecognised union, was dismissed by the High Court in April, 2019. Though the High Court Order was in favour of the Company, there were other pending litigations initiated by HKS which would have taken time to be disposed of, resulting in a delay in monetizing the land at Kasarwadi.
In order to expedite monetization of Kasarwadi Land, the Company had executed Consent Terms with Hind Kamgar Sanghtana on 1 November 2019 for settling the long drawn Labour Issue. As per the Consent Terms an amount of Rs. 400 lakhs is paid to HKS and certain workers.
All the litigations from High Court and Industrial Court are withdrawn. The Company is now able to freely move the equipment, stock and other property from the Kasarwadi Plant.
- 5) The COVID-19 pandemic marginally disrupted business operations due to lockdown and other emergency measures imposed by the government. The Group's plant at Dahej, Gujarat was shut down from 25th March 2020 to 2nd April 2020. As of today, production facilities remain operational, following enhanced internal safety guidelines. The Group has considered internal and external information while assessing recoverability of its assets disclosed in the financial statement upto the date of approval of these financial results by the Board of Directors. Based on such assessment and considering the current economic indicators, the Group expects to recover the carrying amount of these assets. Management has also considered 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. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Group will continue to closely monitor any material changes to future economic conditions.
- 6) The figures for the corresponding quarter and year ended 31 March 2019 have been approved by the Parent's Board of Directors, but have not been subject to review since the requirement of submission of quarterly consolidated financial results has become mandatory only from 1 April 2019.
- 7) The government of India, on 20/09/2019, vide the Taxation Laws (Amendment) ordinance 2019, inserted in new section 115BAB in the Income Tax Act, 1961, which provides an option to the company for paying Income Tax at reduce rates as per the provisions/conditions defined in the said section. The Group has decided to continue under the existing provisions of Income-Tax Act, 1961
- 8) The figures in respect of for the quarter ended 31 March 2020 and 31 March 2019 are the balancing figures between the Audited figures in respect of full financial year and the published year to date figures up to third quarter ended 31 December 2019 and 31 December 2018 respectively.
- 9) Figures are rounded off to the nearest lakh.

For and on behalf of the Board

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S. F. Vakil

Chairperson & Managing Director

Place : Mumbai

Dated : 8 June 2020