

10th May, 2022

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

Dear Sir(s),

Sub: Outcome of Board meeting held on 10th May, 2022
Ref: Company Code No. 526821.

The Board of Directors of the Company, at its meeting held today i.e. 10th May, 2022, have considered and approved the Audited Standalone and Consolidated Financial results of the Company for the quarter and year ended March 31, 2022.

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, 2022 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 Standalone and Consolidated financial results for the year ended March 31, 2022. Declaration to that effect is also enclosed herewith.

The meeting of the Board of Directors commenced at 4:35 p.m. and concluded at 7:55 p.m.

For **DAI-ICHI KARKARIA LIMITED**



Ankit Shah
Company Secretary and Compliance officer



Encl: as above

10th May, 2022

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

Dear Sir(s),

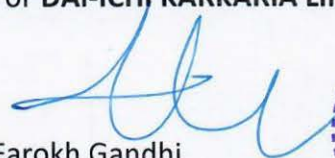
Sub: Declaration pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In compliance with the provisions of Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, we confirm that B S R & Co. LLP, Statutory Auditors of the Company have issued an Auditors' report with unmodified opinion on Audited Standalone and Consolidated Financial Results of the Company for the financial year ended March 31, 2022.

Kindly take this declaration on your record.

Thanking you,

For **DAI-ICHI KARKARIA LIMITED**


Farokh Gandhi
Chief Financial Officer



B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway, Goregaon (East),
Mumbai - 400 063, India

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Independent Auditor's 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 2022, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (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 loss and other financial information for the year ended 31 March 2022.

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 obtained by us, 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.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/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.

Registered Office:

Independent Auditor's Report (Continued)

Dai-Ichi Karkaria Limited

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 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 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.

Independent Auditor's Report (Continued)

Dai-Ichi Karkaria Limited

Other Matter

- a. The standalone annual financial results include the results for the quarter ended 31 March 2022 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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Farhad Bamji

Partner

Mumbai

10 May 2022

Membership No.: 105234

UDIN:22105234AITFEI6869

DAI-ICHI KARKARIA LIMITED
CIN: L24100MH1960PLC011681

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

Statement of Standalone Audited Financial Results for the Quarter and Year ended 31 March 2022

		Quarter ended			Year Ended	Year ended
		31-03-2022 Audited (Refer Note 7)	31-12-2021 Unaudited	31-03-2021 Audited (Refer Note 7)	31-03-2022 Audited	31-03-2021 Audited
(Rs. in lakhs)						
1	Revenue from operations	3,127	3,015	3,198	12,184	9,742
2	Other income	91	138	278	608	629
3	Total Income (1+2)	3,218	3,153	3,476	12,792	10,371
4	Expenses					
	(a) Cost of materials consumed	2,103	2,213	2,791	8,565	7,011
	(b) Changes in inventories of finished goods and work-in-progress	127	59	(610)	355	(277)
	(c) Employee benefits expenses	436	359	404	1,541	1,476
	(d) Finance costs	23	76	177	149	920
	(e) Depreciation and amortisation expense	174	171	164	680	851
	(f) Other expenses	937	793	1,236	3,560	2,887
	Total Expenses	3,800	3,671	4,162	14,850	12,868
5	(Loss) before exceptional items (3-4)	(582)	(518)	(686)	(2,058)	(2,497)
6	Exceptional items					
	Loss by fire (Refer Note 3)	-	-	-	-	(4,932)
	Interim Insurance claim received (Refer Note 3)	400	-	-	400	-
	Profit on sale of Land (Net) (Refer Note 4)	-	-	13,147	-	13,147
7	(Loss)/Profit after exceptional item before tax (5-6)	(182)	(518)	12,461	(1,658)	5,718
8	Tax expense :					
	(a) Current Tax	-	-	770	-	770
	(b) Deferred Tax	-	-	(31)	-	(31)
9	(Loss)/Profit for the period (7-8)	(182)	(518)	11,722	(1,658)	4,979
10	Other Comprehensive Income/ (Expense)					
A	a) Items that will not be reclassified to Profit & Loss	(24)	(2)	31	(30)	22
	b) Income Tax relating to items that will not be reclassified to Profit & Loss	(2)	1	(6)	-	(6)
11	Total Comprehensive Income/(Expense) for the period (9+10) (net of taxes)	(208)	(519)	11,747	(1,688)	4,995
12	Paid up Equity Share Capital (Face Value of Rs.10/- per share)	745	745	745	745	745
13	Other equity excluding revaluation reserve as shown in the Audited Balance Sheet of the previous year	-	-	-	12,200	14,112
14	Earnings per Equity Share basic and diluted (of Rs.10/- each) (Not annualised)	(2.44)	(6.96)	157.34	(22.25)	66.83

* Represents amount less than Rs. 1 lakh

Shernaz Firoze Vakil
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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 2022

	(Rs. in lakhs)	
	Standalone	
	As at 31-03-2022 Audited	As at 31-03-2021 Audited
A - Assets		
1 - Non-current assets		
(a) Property, plant and equipment	10,535	10,455
(b) Capital work-in-progress	205	49
(c) Intangible assets	2	6
(d) Financial assets		
(i) Investment in subsidiary and joint venture	68	68
(ii) Other Investments	1	1
(iii) Other non-current financial assets	253	281
(e) Deferred Tax assets (Net)	1,056	1,056
(f) Non Current Tax assets (Net)	434	414
(g) Other non-current assets	33	85
Total non-current assets	12,587	12,415
2 - Current assets		
(a) Inventories	2,281	2,447
(b) Financial Assets		
(i) Investments	16	416
(ii) Trade receivables	1,763	2,377
(iii) Cash and cash equivalents	183	1,159
(iv) Bank balances other than (iii) above	402	379
(v) Other Financial assets	101	159
(c) Assets held for disposal	54	54
(d) Other Current assets	1,996	2,307
Total current assets	6,796	9,298
Total assets	19,383	21,713
B - Equity & liabilities		
1 - Equity		
(a) Equity share capital	745	745
(b) Other equity	12,200	14,112
Equity attributable to equity holders of the Company	12,945	14,857
2 - Liabilities		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	407	2
(ii) Other financial liabilities	79	80
(b) Provisions	191	155
(c) Other non-current liabilities	-	-
Total non-current liabilities	677	237
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,765	2,016
(ii) Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises	243	127
Total outstanding dues other than Micro Enterprises and Small Enterprises	2,734	3,754
(iii) Other financial liabilities	270	479
(b) Other Current liabilities	613	112
(c) Provisions	136	131
Total current liabilities	5,761	6,619
Total equity and liabilities	19,383	21,713

* 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 Standalone cash flow for the year ended 31 March 2022

(Rs. in lakhs)

	Year Ended	
	31-03-2022 Audited	31-03-2021 Audited
A. Cash Flow from Operating Activities:		
(Loss)/Profit after exceptional items before tax	(1,658)	5,718
<u>Adjustments for:</u>		
Depreciation and amortisation	680	851
Profit on sale of land	-	(13,147)
Loss of Property, plant and equipment affected by fire	-	4,326
Loss of inventories by fire	-	581
Interim payment received from insurance claim	400	-
Net (Profit) on sale of investments (net)	(2)	(1)
Dividend income	(169)	(140)
Provision for impairment of investment in subsidiary	-	2
Interest income	(29)	(191)
Interest expenses	149	920
Profit on sale of property, plant & equipments	(3)	(1)
Inventory assets written off during the year	35	10
Provision for non-moving inventories	12	5
Provision for doubtful debts	6	14
Bad Debts written off	125	-
Profit on Revaluation of Investments	-	(11)
Liabilities no longer payable written back	(86)	-
Unrealised foreign currency loss on revaluation (net)	(8)	-
Subtotal of Adjustments	1,110	(6,782)
Operating (Loss) before working capital changes	(548)	(1,064)
Decrease/(Increase) in trade receivables	440	(349)
Decrease/(Increase) in loans, other financial assets and other assets	479	(88)
Decrease/(Increase) in inventories	119	(1,004)
(Decrease)/Increase in trade payable, other financial liabilities and other liabilities	(825)	1,109
Increase/(Decrease) in provisions	42	(6)
Subtotal of Adjustments	255	(338)
Cash generated from operations	(293)	(1,402)
Less: Income taxes paid (net of refund)	(19)	(752)
Net cash from (used in) operating activities	(312)	(2,154)
B Cash Flow from Investing Activities:		
Purchases of property, plant and equipment	(1,087)	(74)
Movement in earmarked accounts - unpaid dividend accounts	2	-
Proceed from sale of land	-	13,097
Sale of property, plant and equipment	5	10
Advance against asset held for sale	480	-
Proceeds from sale of investments	403	(300)
Interim payment received from insurance claim	(400)	-
Movement in bank deposits having maturity of more than 3 months	(26)	(100)
Dividend received	169	140
Interest received	29	191
Net Cash (used in)/generated from investing activities	(425)	12,964
C Cash Flow from Financing Activities:		
Repayment towards non-current borrowings	(2)	(2,035)
Proceeds from non-current borrowings (net)	407	-
Repayment of current borrowings (net)	(251)	(6,776)
Dividends and corporate dividend tax paid	(224)	-
Interest paid	(149)	(920)
Net cash (used in) financing activities	(219)	(9,731)
D Net (Decrease)/Increase in cash and cash equivalents (A+B+C)	(956)	1,079
E Cash and cash equivalents as at beginning of the year	1,159	79
Net Comprehensive (Expense)/Income	(30)	-
Add: Effect of exchange differences on cash and cash equivalents held in foreign currency	10	1
F Cash and cash equivalents as at end of the year (D+E)	183	1,159

DAI-ICHI KARKARIA LIMITED
CIN: L24100MH1960PLC011681
Regd. Off. Liberty Building, Sir V. T. marg, New Marine lines, Mumbai : 400 020

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 10th May 2022. The auditors have expressed an unmodified opinion on the audit report for the quarter and year ended 31 March 2022.
- 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) Pursuant to a fire incident on 22 November 2020 at Dahej factory situated at Plot no. D-2/20, GIDC, Tal. Vagra, Dist. Bharuch – 392130, Gujarat, certain property, plant and equipment and inventory were damaged. It also disrupted the production process and impacted the financial performance of the Company for the year ended 31 March 2021. As a result of the incident, the Company had recognised a loss of Rs. 4,932 lakhs (Rs. 4,326 lakhs towards property plant and equipment, Rs. 581 lakhs towards inventories and Rs. 25 lakhs towards other expenses) as an exceptional item in the standalone financial results. The Company's assets and inventories are covered under an Insurance policy and a claim has been lodged with the Insurance company for the losses suffered. The Company has received an interim payment towards insurance claim of Rs 400 lakhs. The balance claim is under survey and the same would be accounted for when approved by the insurance company.
- 4) During the previous year, the Company sold its Land Parcel situated at 105th Milestone, Mumbai-Pune Road, P.O. Kasarwadi, Pune – 411034 to Gera Developments Private Ltd., Pune for a consideration of Rs. 15,350 lakhs via the land sale conveyance deed executed on 5 March 2021. The Company received the sale consideration and recognised a gain of Rs. 13,147 lakhs (net of costs incurred in obtaining clearances from various departments and towards consultant fees for selling the land aggregating to Rs. 1,750 lakhs) as an exceptional item in the standalone financial results.
- 5) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 6) The Company has considered the impact of Covid-19 pandemic on its business operations and financial results based on its review of current indicators of future economic conditions. However, the impact assessment of this pandemic is a continuing process given the uncertainties associated with its nature and duration, and accordingly, the Company will continue to monitor any material changes to future economic conditions.
- 7) The figure in respect of the quarter ended 31 March 2022 and 31 March 2021 are the balancing figures between the audited figures in respect of full financial year and the published year to date figures upto third quarter ended 31 December 2021 and 31 December 2020 respectively.
- 8) Figures are rounded off to the nearest lakh.

Place : Mumbai
Dated : 10th May 2022

For and on behalf of the Board
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Firoze Vakil
Date: 2022.05.10
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S. F. Vakil
Chairperson & Managing Director

B S R & Co. LLP

Chartered Accountants

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Nesco IT Park 4, Nesco Center,
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Independent Auditor's 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") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), and its joint venture for the year ended 31 March 2022, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (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:
 1. Dai-Ichi Gosei Chemicals (India) Limited - Subsidiary
 2. ChampionX Dai-Ichi India Private Limited (*formerly known as Nalco Champion Dai-Ichi India Limited*) - 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 loss and other financial information of the Group for the year ended 31 March 2022.

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.

Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

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

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit/ 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

Registered Office:

Independent Auditor's Report (Continued)

Dai-Ichi Karkaria Limited

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 Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the respective Management and the Board of Directors of the companies included in the Group and of its 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/entity/ LLP/partnership firm 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated annual financial results made by the Management and Board of Directors.
- 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,

Independent Auditor's Report (Continued)

Dai-Ichi Karkaria Limited

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 results/financial information of such entity/entities included in the consolidated annual financial results of which we are the independent auditor/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/audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in sub paragraph (a) of the "Other Matters" paragraph 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 Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

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. 164,372 as at 31 March 2022, total revenue (before consolidation adjustments) of Rs. 2,879 and total net loss after tax (before consolidation adjustments) of Rs. 66,815 and net cash outflows (before consolidation adjustments) of Rs 66,815 for the year ended on that date, as considered in the consolidated annual financial results, which has been audited by its independent auditor. The independent auditor's report on financial statements of this entity has been furnished to us by the management.

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 and the procedures performed by us are as stated in paragraph above.

Our opinion on the consolidated annual financial results is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

- b. The consolidated annual financial results include the results for the quarter ended 31 March 2022 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

B S R & Co. LLP

Independent Auditor's Report (Continued)

Dai-Ichi Karkaria Limited

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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Farhad Bamji

Partner

Mumbai

10 May 2022

Membership No.: 105234

UDIN:22105234AITFLI2116

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

Statement of Consolidated Audited Financial Results for the Quarter and Year ended 31 March 2022

(Rs. In lakhs)

	Quarter ended			Year ended	
	31-03-2022 Audited (Refer Note 7)	31-12-2021 Unaudited	31-03-2021 Audited (Refer Note 7)	31-03-2022 Audited	31-03-2021 Audited
1 Revenue from operations	3,127	3,015	3,198	12,184	9,742
2 Other income	91	138	143	439	494
3 Total Income (1+2)	3,218	3,153	3,341	12,623	10,236
4 Expenses					
(a) Cost of materials consumed	2,103	2,213	2,791	8,565	7,011
(b) Changes in inventories of finished goods and work-in-progress	127	59	(610)	355	(277)
(c) Employee benefits expenses	436	359	404	1,541	1,476
(d) Finance costs	23	76	177	149	920
(e) Depreciation and amortisation expense	174	171	164	680	851
(f) Other expenses	937	793	1,236	3,560	2,887
Total Expenses	3,800	3,671	4,162	14,850	12,868
5 (Loss) before exceptional items (3-4)	(582)	(518)	(821)	(2,227)	(2,632)
6 Exceptional items					
Loss by fire (Refer Note 3)	-	-	13,147	-	(4,932)
Interim payment received from insurance claim (Refer Note 3)	400	-	-	400	-
Profit on sale of land (Net) (Refer Note 4)	-	-	-	-	13,147
7 (Loss)/Profit after exceptional item before tax (5-6)	(182)	(518)	12,326	(1,827)	5,583
8 Tax expenses :					
(a) Current Tax	-	-	770	-	770
(b) Deferred Tax	-	-	(31)	-	(31)
9 (Loss)/Profit for the period (7-8)	(182)	(518)	11,587	(1,827)	4,844
10 Share of Profit of Joint Venture	44	26	82	24	224
11 Net (Loss)/Profit after tax after share of profit of Joint venture	(138)	(492)	11,669	(1,803)	5,068
12 Profit/(Loss) attributable to non controlling interest	*	*	*	*	*
13 (Loss)/Profit after non controlling Interest (11-12)	(138)	(492)	11,669	(1,803)	5,068
14 Other Comprehensive Income/ (Expense)					
A a) Items that will not be reclassified to Profit & Loss	(24)	(2)	31	(30)	22
b) Income Tax relating to items that will not be reclassified to Profit & Loss	(2)	1	(6)	-	(6)
c) Share of Profit in Joint Ventures (Net of Tax)	1	-	(1)	1	(2)
15 Total Comprehensive Income/(Expense) for the period (13+14) (net of taxes)	(163)	(493)	11,693	(1,832)	5,082
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)	(1.86)	(6.61)	156.64	(24.20)	68.03

* Represents amount less than Rs. 1 lakh

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Regd. Off. Liberty Building, Sir V. T. Marg, New Marine lines, Mumbai - 400020

Statement of Assets and Liabilities as at 31 March, 2022

(Rs. In lakhs)

Particulars	Consolidated	
	As at 31-03-2022	As at 31-03-2021
	Audited	Audited
	Amount (Rs.)	Amount (Rs.)
A - Assets		
1 - Non-current assets		
(a) Property, plant and equipment	10,535	10,455
(b) Capital work-in-progress	205	49
(c) Intangible assets	2	6
(d) Financial assets		
(i) Investment in subsidiary and joint venture	2,113	2,258
(ii) Other investments	1	1
(iii) Other non-current financial assets	253	281
(e) Deferred Tax assets (Net)	1,056	1,056
(f) Non current tax assets (Net)	434	414
(g) Other non-current assets	33	85
Total non-current assets	14,632	14,605
2 - Current assets		
(a) Inventories	2,281	2,447
(b) Financial Assets		
(i) Investments	16	416
(ii) Trade receivables	1,763	2,377
(iii) Cash and cash equivalents	183	1,159
(iv) Bank balances other than (iii) above	402	379
(v) Other Financial assets	101	159
(c) Assets held for disposal	54	54
(d) Other current assets	1,996	2,307
Total current assets	6,796	9,298
Total assets	21,428	23,903
B - Equity & liabilities		
1 - Equity		
(a) Equity share capital	745	745
(b) Other equity	14,245	16,302
Equity attributable to equity holders of the company	14,990	17,047
2 - Liabilities		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	407	2
(ii) Other financial liabilities	79	80
(b) Provisions	191	155
Total non-current liabilities	677	237
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,765	2,016
(ii) Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises	243	127
Total outstanding dues other than Micro Enterprises and Small Enterprises	2,734	3,754
(iii) Other financial liabilities	270	479
(b) Other current liabilities	613	112
(c) Provisions	136	131
Total current liabilities	5,761	6,619
Total equity and liabilities	21,428	23,903

* Represents amount less than Rs. 1 lakh

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 2022

(Rs. in lakhs)

Particulars	Year Ended	
	31-03-2022 Audited	31-03-2021 Audited
A. Cash Flow from Operating Activities:		
(Loss)/Profit after exceptional items before tax (including joint venture share)	(1,803)	5,807
Adjustments for:		
Depreciation and amortisation	680	851
Profit on sale of land	-	(13,147)
Loss of Property, plant and equipment affected by fire	-	4,326
Loss of inventories by fire	-	581
Interim payment received from insurance claim	400	-
Loss/(Profit) on sale of investments (net)	(2)	(1)
Profit on sales of property, plant and equipment	(3)	(1)
Net loss on investments at fair value through profit and loss	-	-
Dividend income	-	(5)
Provision for impairment of investment in subsidiary	-	2
Interest income	(29)	(191)
Interest expenses	149	920
Inventory assets written off during the year	35	10
Provision for non-moving inventories	12	5
Provision for doubtful trade receivables	6	14
Profit on revaluation of investments	-	(11)
Liabilities no longer payable written back	(86)	-
Bad debts written off	125	-
Share of (Profit) /Loss in joint venture	(24)	(224)
Unrealised foreign currency loss/(gain) on revaluation (net)	(8)	-
Subtotal of Adjustments	1,255	(6,871)
Operating (Loss) before working capital changes	(548)	(1,064)
Changes in working capital:		
Decrease/(Increase) in trade receivables	440	(349)
Decrease/(Increase) in loans, other financial assets and other assets	479	(88)
Decrease/(Increase) in inventories	119	(1,004)
(Decrease)/Increase in trade payable, other financial liabilities and other liabilities	(825)	1,109
Increase/(Decrease) in provisions	42	(6)
Subtotal of Adjustments	255	(338)
Net Cash (used in)/generated from investing activities	(293)	(1,402)
Less: Income taxes paid (net of refund)	(19)	(752)
Net cash from (used in) operating activities	(312)	(2,154)
B. Cash Flow from Investing Activities:		
Purchases of property, plant and equipment	(1,087)	(74)
Sale of property, plant and equipment	5	10
Proceed from sale of land	-	13,097
Advance against asset held for sale	480	-
Movement in earmarked accounts - unpaid dividend accounts	2	-
Proceeds from sale of current investments	572	(300)
Interim payment received from insurance claim	(400)	-
Movement in bank deposits having maturity of more than 3 months	(26)	(100)
Dividend received	-	140
Interest received	29	191
Net Cash (used in)/generated from investing activities	(425)	12,964
C. Cash Flow from Financing Activities:		
Repayment towards non-current borrowings	(2)	(2,035)
Proceeds from non-current borrowings (net)	407	-
Repayment of current borrowings (net)	(251)	(6,776)
Dividends and corporate dividend tax paid	(224)	-
Interest paid	(149)	(920)
Net cash (used in) financing activities	(219)	(9,731)
D. Net (Decrease)/Increase in cash and cash equivalents (A+B+C)	(956)	1,079
E. Cash and cash equivalents as at beginning of the year	1,159	79
Net Comprehensive (Expense)/Income	(30)	-
Add: Effect of exchange differences on cash and cash equivalents	10	1
F. Cash and cash equivalents as at end of the year (D+E)	183	1,159

* Represents amount less than Rs. 1 lakh

DAI-ICHI KARKARIA LIMITED

CIN: L24100MH1960PLC011681

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

Notes :

- 1) The above consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors of Dai-Ichi Karkaria Limited ("The Holding Company")/"Group") at their respective meetings held on 10 May 2022. The auditors have expressed an unmodified opinion on the audit report for the quarter and year ended 31 March 2022.
- 2) The Group's management, pursuant to 'Ind AS 108 – Operating Segments' has concluded that the Group has only one reportable segment which is Specialty Chemicals. Accordingly, no separate disclosures of segment information have been made.
- 3) Pursuant to a fire incident on 22 November 2020 at Dahej factory situated at Plot no. D-2/20, GIDC, Tal. Vagra, Dist. Bharuch – 392130, Gujarat, certain property, plant and equipment and inventory were damaged. It also disrupted the production process and impacted the financial performance of the Company for the year ended 31 March 2021. As a result of the incident, the Company had recognised a loss of Rs. 4,932 lakhs (Rs. 4,326 lakhs towards property plant and equipment, Rs. 581 lakhs towards inventories and Rs. 25 lakhs towards other expenses) as an exceptional item in the standalone financial results. The Company's assets and inventories are covered under an Insurance policy and a claim has been lodged with the Insurance company for the losses suffered. The Company has received an interim payment towards insurance claim of Rs 400 lakhs. The balance claim is under survey and the same would be accounted for when approved by the insurance company.
- 4) During the previous year, the Holding Company sold its Land Parcel situated at 105th Milestone, Mumbai-Pune Road, P.O. Kasarwadi, Pune – 411034 to Gera Developments Private Ltd., Pune for a consideration of Rs. 15,350 lakhs via the land sale conveyance deed executed on 5 March 2021. The Holding Company received the sale consideration and recognised a gain of Rs. 13,147 lakhs (net of costs incurred in obtaining clearances from various departments and towards consultant fees for selling the land aggregating to Rs. 1,750 lakhs) as an exceptional item in the consolidated financial results.
- 5) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 6) The Group has considered the impact of Covid-19 pandemic on its business operations and financial results based on its review of current indicators of future economic conditions. However, the impact assessment of this pandemic is a continuing process given the uncertainties associated with its nature and duration, and accordingly, the Group will continue to monitor any material changes to future economic conditions.
- 7) The figure in respect of the quarter ended 31 March 2022 and 31 March 2021 are the balancing figures between the audited figures in respect of full financial year and the published year to date figures upto third quarter ended 31 December 2021 and 31 December 2020 respectively.
- 8) Figures are rounded off to the nearest lakh.

Place : Mumbai
Dated : 10th May 2022

For and on behalf of the Board
Shernaz
Firoze Vakil
S. F. Vakil
Chairperson & Managing Director

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