

5TH February, 2020

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

Dear Sir/ Madam,

Sub: **Unaudited Financial Results for quarter and nine months ended 31st December, 2019**

At the meeting of the Board of Directors of the Company held today i.e. Wednesday, 5th February, 2020, has inter-alia approved Standalone and Consolidated Unaudited Financial Results of the Company for the quarter and nine months ended 31st December, 2019. Pursuant to Regulation 33(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the following;

1. Un-audited Financial Results (Consolidated and Standalone) for the quarter and nine months ended 31st December, 2019; and
2. Limited Review Reports by the Statutory Auditors of the Company on the aforesaid Un-audited Financial Results.

We are also arranging to publish the above financial results in the newspapers, as per Regulation 47(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We would like to inform you that the said Meeting commenced at 12:30 p.m. and concluded at 4:10 p.m.

Kindly take the above on record.

Yours faithfully,
For **DAI-ICHI KARKARIA LIMITED**



Kavita Thadeshwar
Company Secretary

Encl: as above

B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
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Limited review report on Unaudited Quarterly and Year to Date Standalone Financial Results of Dai-Ichi Karkaria Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To Board of Directors of Dai-Ichi Karkaria Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Dai-Ichi Karkaria Limited for the quarter ended 31 December 2019 and year to date results for the period from 1 April 2019 to 31 December 2019 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B S R & Co. LLP
Chartered Accountants

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



Balajirao Pothana
Partner

Membership No: 122632

UDIN: 20122632AAAAAA5951

Mumbai
5 February 2020

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

Statement of Standalone Unaudited Financial Results for the Quarter and nine months ended 31 December 2019

(Rs. In lakhs)

	Quarter ended			Nine Months Ended		Year ended
	31-12-2019 Unaudited	30-09-2019 Unaudited	31-12-2018 Unaudited	31-12-2019 Unaudited	31-12-2018 Unaudited	31-03-2019 Audited
1 Revenue from operations	3,039	2,720	2,411	8,080	7,258	9,235
2 Other income	55	139	29	227	271	324
3 Total Income (1+2)	3,094	2,859	2,440	8,307	7,529	9,559
4 Expenses						
(a) Cost of materials consumed	1,991	1,951	1,578	5,518	4,829	6,237
(b) Changes in inventories of finished goods and work-in-progress	45	(174)	102	(149)	166	111
(c) Employee benefits expenses	396	387	407	1,172	1,275	1,653
(d) Finance costs	262	256	237	777	479	724
(e) Depreciation and amortisation expense	234	253	229	708	576	813
(f) Other expenses	601	622	599	1,712	1,754	2,315
Total Expenses	3,529	3,295	3,152	9,738	9,079	11,853
5 (Loss) before exceptional item (3-4)	(435)	(436)	(712)	(1,431)	(1,550)	(2,294)
6 Exceptional item						
Retrenchment compensation	-	-	-	-	-	(142)
Cost for settlement of litigations (Refer note 4)	(35)	(365)	-	(400)	-	-
7 (Loss) after exceptional item before tax (5-6)	(470)	(801)	(712)	(1,831)	(1,550)	(2,436)
8 Tax (benefit) :						
(a) Deferred Tax	-	-	(224)	-	(481)	(1,173)
9 (Loss) for the period (7-8)	(470)	(801)	(488)	(1,831)	(1,069)	(1,263)
10 Other Comprehensive Income/ (Expense)						
A a) Items that will not be reclassified to Profit & Loss	(5)	(3)	-	(11)	-	(43)
b) Income Tax relating to items that will not be reclassified to Profit & Loss	-	-	-	-	-	12
11 Total Comprehensive Income for the period (9+10) (net of taxes)	(475)	(804)	(488)	(1,842)	(1,069)	(1,294)
12 Paid up Equity Share Capital (Face Value of Rs. 10/- per share)	745	745	745	745	745	745
13 Earnings per Equity Share basic and diluted (of Rs. 10/- each) (Not annualised)	(6.31)	(10.75)	(6.55)	(24.57)	(14.34)	(16.95)

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As per our Review Report dated 5 Feb 20

SIGNED FOR IDENTIFICATION
BY

For B S R & Co. LLP

DAI-ICHI KARKARIA LIMITED

CIN: L24100MH1960PLC011681

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

Notes :

- 1) The above unaudited standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 5 February 2020. The figures for the quarter and nine months ended 31 December 2019 have been subjected to limited review by the statutory auditors. The auditors have expressed a unmodified opinion on the limited review report for the quarter and nine months ended 31 December 2019.
- 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 had closed down its Kasarwadi Plant situated at 105th Milestone, Mumbai - Pune Road, P.O. Kasarwadi, Pune - 411034 on 25 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 has paid Rs. 142 Lakhs as retrenchment compensation to the eligible workers.
The operations of the current quarter and nine months and the corresponding quarter and nine months ended 31 December 2018 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 Company has entered into a Memorandum of Understanding (MOU) on 24 December, 2019 with Gera Developments Private Limited, Pune, for sale of its Land Parcel of its undertaking situated at 105th Milestone, Mumbai-Pune Road, P.O. Kasarwadi, Pune – 411034 for an amount of Rs. 15,825 lakhs (Rupees One Hundred Fifty Eight Cores and Twenty Five Lakhs Only.)
- 6) The Government of India, on 20 September 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 reduced rates as per the provisions/conditions defined in the said section. The company is in process of evaluating the impact of this ordinance.
- 7) Figures are rounded off to the nearest lakh.

For and on behalf of the Board



S. F. Vakil

Chairperson & Managing Director

Place : Mumbai

Dated : 5 February 2020

As per our Review Report dated 5 Feb 20

SIGNED FOR IDENTIFICATION
BY



For B S R & Co. LLP

B S R & Co. LLP

Chartered Accountants

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

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Limited review report on Unaudited Quarterly and Year to Date Consolidated Financial Results of Dai-Ichi Karkaria Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To Board of Directors of Dai-Ichi Karkaria Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Dai-Ichi Karkaria Limited ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), and its share of the net profit after tax and total comprehensive income of its joint venture for the quarter ended 31 December 2019 and year to date results for the period from 1 April 2019 to 31 December 2019 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended 31 December 2018 and the corresponding period from 1 April 2018 to 31 December 2018, as reported in these financial results have been approved by the Parent's Board of Directors, but have not been subjected to review, since the requirement of submission of quarterly consolidated financial results has become mandatory only from 1 April 2019.
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Dai-Ichi Karkaria Limited

Limited Review Report on Unaudited Quarterly Consolidated Financial Results of Dai-Ichi Karkaria Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

4. The Statement includes the results of the following entities:
 - Dai-Ichi Gosei Chemicals (India) Limited – Subsidiary
 - ChampionX Dai-Ichi India Private Limited (*formerly known as Nalco Champion Dai-Ichi India Private Limited*) – Joint venture
5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **BSR & Co. LLP**

Chartered Accountants

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



Balajirao Pothana

Partner

Membership No: 122632

UDIN: 20122632AAAAAB6931

Mumbai
5 February 2020

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

Statement of Consolidated Unaudited Financial Results for the Quarter and nine months ended 31 December 2019

(Rs. In lakhs)

	Quarter ended			Nine Months Ended		Year ended
	31-12-2019 Unaudited	30-09-2019 Unaudited	31-12-2018 Unaudited (Refer Note No 1 below)	31-12-2019 Unaudited	31-12-2018 Unaudited (Refer Note No 1 below)	31-03-2019 Audited
1 Revenue from operations	3,039	2,720	2,411	8,080	7,258	9,235
2 Other income	55	139	29	227	271	324
3 Total Income (1+2)	3,094	2,859	2,440	8,307	7,529	9,559
4 Expenses						
(a) Cost of materials consumed	1,991	1,951	1,578	5,518	4,829	6,237
(b) Changes in inventories of finished goods and work-in-progress	45	(174)	102	(149)	166	111
(c) Employee benefits expenses	396	387	407	1,172	1,275	1,653
(d) Finance costs	262	256	237	777	479	724
(e) Depreciation and amortisation expense	234	253	229	708	576	813
(f) Other expenses	601	622	599	1,712	1,754	2,315
Total Expenses	3,529	3,295	3,152	9,738	9,079	11,853
5 (Loss) before exceptional item (3-4)	(435)	(436)	(712)	(1,431)	(1,550)	(2,294)
6 Exceptional item						
Retrenchment compensation	-	-	-	-	-	(142)
Cost for settlement of litigations (Refer note 4)	(35)	(365)	-	(400)	-	-
7 (Loss) after exceptional item before tax (5-6)	(470)	(801)	(712)	(1,831)	(1,550)	(2,436)
8 Tax (benefit) :						
(b) Deferred Tax	-	-	(224)	-	(481)	(1,173)
9 (Loss) for the period (7-8)	(470)	(801)	(488)	(1,831)	(1,069)	(1,263)
10 Share of Profit of Joint Venture	90	17	(22)	121	(94)	2
11 Net (Loss) after tax after share of profit of Joint venture (9+10)	(380)	(784)	(510)	(1,710)	(1,163)	(1,261)
12 Profit attributable to non controlling interest	* -	* -	* -	* -	* -	* -
13 (Loss) after non controlling Interest (11-12)	(380)	(784)	(510)	(1,710)	(1,163)	(1,261)
14 Other Comprehensive Income/ (Expense)						
A a) Items that will not be reclassified to Profit & Loss	(5)	(3)	-	(11)	-	(43)
b) Income Tax relating to items that will not be reclassified to Profit & Loss	-	-	-	-	-	12
c) Share of Profit in Joint Ventures (Net of Tax)	(1)	* -	* -	(2)	(2)	(2)
15 Total Comprehensive Income for the period (13+14) (net of taxes)	(386)	(787)	(510)	(1,723)	(1,165)	(1,294)
16 Paid up Equity Share Capital (Face Value of Rs.10/- per share)	745	745	745	745	745	745
17 Earnings per Equity Share basic and diluted (of Rs.10/- each) (Not annualised)	(5.10)	(10.52)	(6.85)	(22.95)	(15.61)	(16.93)

* Represents amount less than Rs 1 lakh

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As per our Review Report dated 5 Feb 20

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For B S R & Co. LLP

Notes :

- 1) The above unaudited 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 5 February 2020. The figures for the quarter and nine months ended 31 December 2019 have been subjected to limited review by the statutory auditors. The auditors have expressed a unmodified opinion on the limited review report for the quarter and nine months ended 31 December 2019. The figures for the corresponding quarter and nine months ended 31 December 2018 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.
- 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 had closed down its Kasarwadi Plant situated at 105th Milestone, Mumbai - Pune Road, P.O. Kasarwadi, Pune - 411034 on 25 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 has paid Rs. 142 Lakhs as retrenchment compensation to the eligible workers. The operations of the current quarter and nine months and the corresponding quarter and nine months ended 31 December 2018 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.
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- 7) Figures are rounded off to the nearest lakh.

For and on behalf of the Board



S. F. Vakil

Chairperson & Managing Director

Place : Mumbai

Dated : 5 February 2020

As per our Review Report dated 5 Feb 20

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For P S R & Co. LLP