

30th May, 2023

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

Dear Sir(s),

Sub: Outcome of Board meeting held on 30th May, 2023 - Financial results for the quarter and year ended March 31, 2023 and recommendation of dividend for the financial year ended March 31, 2023
Ref: Dai-ichi Karkaria Limited (Scrip Code 526821)

The Board of Directors of the Company, at its meeting held on 30th May, 2023, has inter alia:

1. Based on the recommendation of the Audit Committee, approved the Audited Standalone and Consolidated Financial results of the Company for the quarter and financial year ended March 31, 2023.
2. Recommended dividend of 40% i.e. Rs. 4/- per equity share for the financial year ended March 31, 2023 which shall be paid within 30 days from the date of declaration of dividend in the ensuing 63rd Annual General Meeting (AGM), subject to approval of shareholders. The date of AGM will be intimated in due course of time.

Accordingly, please find enclosed the following;

- a) Independent Auditors' report for Standalone and Consolidated Financial Results of the Company for the financial year ended March 31, 2023 in accordance Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.
- b) The report of Auditors is with unmodified opinion with respect to Audited Standalone and Consolidated financial results for the year ended March 31, 2023. The declaration to that effect is also enclosed herewith as **Annexure I**.
- c) Audited Standalone and Consolidated financial results of the company for the quarter and financial year ended March 31, 2023

The meeting of the Board of Directors commenced at 12:45 p.m. and concluded at 3:05 p.m.

For **DAI-ICHI KARKARIA LIMITED**

Ankit Shah
Company Secretary and Compliance officer

Encl: as above

Annexure - I

30th May, 2023

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, 2023.

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 – 400063, India
Telephone: +91 (22) 6257 1000
Fax: +91 (22) 6257 1010

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 2023, 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 profit and other comprehensive income and other financial information for the year ended 31 March 2023.

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

Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8161) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Page 1 of 3

Independent Auditor's Report (Continued)

Dai-Ichi Karkaria Limited

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 are 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

Independent Auditor's Report (Continued)

Dai-Ichi Karkaria Limited

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.

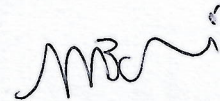
Other Matter

- a. The standalone annual financial results include the results for the quarter ended 31 March 2023 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



Farhad Bamji

Partner

Membership No.: 105234

UDIN:23105234BGXDYE1901

Mumbai

30 May 2023

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 2023

(Rs. in lakhs)

	Quarter ended			Year ended	
	31-03-2023 Audited	31-12-2022 Unaudited	31-03-2022 Audited	31-03-2023 Audited	31-03-2022 Audited
1 Revenue from operations	4,246	4,888	3,127	18,394	12,184
2 Other income	132	200	91	644	608
3 Total Income (1+2)	4,378	5,088	3,218	19,038	12,792
4 Expenses					
(a) Cost of materials consumed	2,485	2,601	2,103	11,572	8,565
(b) Changes in inventories of finished goods and work-in-progress	90	454	127	277	355
(c) Employee benefits expenses	365	404	436	1,568	1,541
(d) Finance costs	106	63	23	304	149
(e) Depreciation and amortisation expense	216	185	174	745	680
(f) Other expenses	798	766	937	3,388	3,560
Total Expenses	4,060	4,473	3,800	17,854	14,850
5 Profit/(Loss) before exceptional items (3-4)	318	615	(582)	1,184	(2,058)
6 Exceptional items					
Profit on Sale of Property, plant and equipment (Refer Note 3)	-	-	-	742	-
Interim Insurance claim received (Refer Note 4)	-	285	400	285	400
7 Profit/(Loss) after exceptional item before tax (5-6)	318	900	(182)	2,211	(1,658)
8 Tax expense :					
(a) Current Tax	-	-	-	-	-
(b) Income tax adjustment of earlier years	(66)	-	-	(66)	-
(c) Deferred Tax	430	-	-	430	-
9 Profit/(Loss) for the period (7- 8)	(46)	900	(182)	1,847	(1,658)
10 Other Comprehensive Income/ (Expense)					
A a) Items that will not be reclassified to Profit and Loss	16	(3)	(24)	1	(30)
b) Income tax relating to items that will not be reclassified to Statement of profit & loss	-	-	(2)	-	-
11 Total Comprehensive income/(expense) for the period (9+10) (net of taxes)	(30)	897	(208)	1,848	(1,688)
12 Paid up equity share capital (face value of Rs.10/- per share)	745	745	745	745	745
13 Other equity				14,048	12,200
14 Earnings per equity share basic and diluted (of Rs.10/- each) (Not annualised)	(0.62)	12.07	(2.44)	24.79	(22.25)



DAI - ICHI KARKARIA LIMITED
CIN: L24100MH1960PLC011681

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

Statement of Standalone Assets and Liabilities as at 31 March 2023

	(Rs. in lakhs)	
	Standalone	
	As at 31-03-2023 Audited	As at 31-03-2022 Audited
A - Assets		
1 - Non-current assets		
(a) Property, plant and equipment	12,798	9,384
(b) Capital work-in-progress	35	205
(c) Intangible assets	-	2
(d) Right to use assets	1,138	1,151
(e) Financial assets		
(i) Investment in subsidiary and joint venture	68	68
(ii) Other Investments	1	1
(iii) Other non-current financial assets	409	253
(f) Deferred tax assets (Net)	666	1,056
(g) Non current tax assets (Net)	556	434
(h) Other non-current assets	27	33
Total non-current assets	15,698	12,587
2 - Current assets		
(a) Inventories	1,917	2,281
(b) Financial Assets		
(i) Investments	15	16
(ii) Trade receivables	2,672	1,763
(iii) Cash and cash equivalents	572	183
(iv) Bank balances other than (iii) above	267	402
(v) Other financial assets	103	101
(c) Assets held for disposal	-	54
(d) Other current assets	1,300	1,996
Total current assets	6,846	6,796
Total assets	22,544	19,383
B - Equity and liabilities		
1 - Equity		
(a) Equity share capital	745	745
(b) Other equity	14,048	12,200
Equity attributable to equity holders of the Company	14,793	12,945
2 - Liabilities		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	1,725	407
(ii) Other financial liabilities	79	79
(b) Provisions	176	191
Total non-current liabilities	1,980	677
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	2,096	1,765
(ii) Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises	79	243
Total outstanding dues other than Micro Enterprises and Small Enterprises	2,733	2,734
(iii) Other financial liabilities	545	270
(b) Other Current liabilities	184	613
(c) Provisions	134	136
Total current liabilities	5,771	5,761
Total equity and liabilities	22,544	19,383



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 30 May 2023. The auditors have expressed an unmodified opinion on the audit report for the quarter and year ended 31 March 2023.
- 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) During quarter ended 30 September 2022, the Company has sold its properties situated at Pune for a total consideration of Rs 801 lakhs and has recognised a gain of Rs. 742 lakhs, as an exceptional item in the financial results.
- 4) 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 for FY 2020-21. 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 in FY 2021-22 and stock insurance claim of Rs 285 lakhs in December 2022. The balance claim is under assessment and the same would be accounted for when approved by the insurance company.
- 5) The Company has elected to exercise the option permitted under section 115BAA of Income Tax Act as per amendment notified in the Official Gazette. Accordingly Company has remeasured its deferred asset or liability basis the reduced tax rate prescribed in the said section. The deferred tax asset/liabilities are remeasured as on 31 March 2023 with respect to earlier years brought forward losses, insurance claim receivable and other timing difference components.
- 6) The Board of Directors at their meeting have recommended a dividend of Rs 4 per share (previous year Rs Nil per share) subject to approval of the members at the ensuing Annual General Meeting
- 7) The figure in respect of the quarter ended 31 March 2023 and 31 March 2022 are the balancing figures between the audited figures in respect of full financial year and year to date unaudited figures upto third quarter of respective years. Also the figures upto the end of third quarter had only been reviewed and not subject to audit.
- 8) The audit report has been filed with the stock exchanges and is available on the Company's website.
- 9) Figures are rounded off to the nearest lakh.

Place : Mumbai
Dated : 30 May 2023



For and on behalf of the Board

S. F. Vakil

S. F. Vakil

Chairperson and Wholetime Director



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 2023

(Rs. in lakhs)

	Year Ended 31-03-2023	Year Ended 31-03-2022
A. Cash Flow from Operating Activities:		
Profit/(Loss) after exceptional items before tax	2,211	(1,658)
<u>Adjustments for:</u>		
Depreciation and amortisation	745	680
Profit on sale of property, plant and equipments	(742)	(3)
Loss on sale of asset	20	-
Insurance claim receipt	-	400
Profit on sale of investments (net)	-	(2)
Net loss on Investments at fair value through profit and loss	2	-
Dividend income	-	(169)
Interest income	(25)	(29)
Interest expenses	303	149
Inventory assets written off during the year	104	35
Provision for non-moving inventories	1	12
Provision for doubtful debts	(1)	6
Bad Debts/Sundry balance written off	12	125
Liabilities no longer payable written back	(24)	(86)
Unrealised foreign currency gain on revaluation (net)	(11)	(8)
Subtotal of Adjustments	384	1,110
Operating Profit/(Loss) before working capital changes	2,595	(548)
(Increase)/Decrease in trade receivables	(818)	440
Decrease in loans, other financial assets and other assets	496	479
Decrease in inventories	259	119
(Decrease) in trade payable, other financial liabilities and other liabilities	(99)	(825)
Increase/(Decrease) in provisions	(45)	12
Subtotal of Adjustments	(207)	225
Cash generated from operations	2,388	(323)
Less: Income taxes paid	(69)	(19)
Net cash generated from/(used in) operating activities	2,319	(342)
B. Cash Flow from Investing Activities:		
Purchases of property, plant and equipment	(3,629)	(1,085)
Proceed from sale of property, plant and equipments (net of advance received)	326	5
Advance against asset held for sale	-	480
Proceeds from sale of investments	-	403
Interim payment received from insurance claim	-	(400)
Investment in fixed deposits with bank	18	(26)
Dividend received	-	169
Interest received	27	29
Net Cash (used in) from investing activities	(3,258)	(425)
C. Cash Flow from Financing Activities:		
Repayment towards non-current borrowings	-	(2)
(f) Deferred tax assets (Net)	1,318	407
(g) Non current tax assets (Net)	-	(251)
Proceeds from current borrowings	330	-
Dividends and corporate dividend tax paid	-	(224)
Interest paid	(303)	(149)
Net cash generated from/(used in) financing activities	1,345	(219)
D. Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	406	(986)
E. Cash and cash equivalents as at beginning of the year	183	1,159
(v) Other financial assets	(17)	10
F. Cash and cash equivalents as at end of the period/year (D+E)	572	183
(d) Other current assets		



h

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 – 400063, India
Telephone: +91 (22) 6257 1000
Fax: +91 (22) 6257 1010

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 2023, 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 report of other auditor on separate audited financial statements of the subsidiary, 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 - 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 profit and other comprehensive income and other financial information of the Group for the year ended 31 March 2023.

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 report of the other auditor 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 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 the respective Management and Board of Directors 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 the respective Management and Board of Directors 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 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, 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 statements 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 statements of such entities included in the consolidated annual financial results of which we are the independent auditors. For the other entity included in the consolidated annual financial results, which has been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the 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 reflects total assets (before consolidation adjustments) of Rs. 1.39 Lakhs as at 31 March 2023, total revenue (before consolidation adjustments) of Rs. Nil and total net (loss) after tax (before consolidation adjustments) of Rs. 0.26 Lakhs and net cash outflows (before consolidation adjustments) of Rs 0.26 Lakhs 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 2023 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)

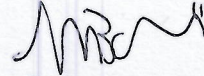
Dai-ichi Karkaria Limited

were subject to limited review by us.

For B S R & Co. LLP

Chartered Accountants

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



Farhad Bamji

Partner

Mumbai

30 May 2023

Membership No.: 105234

UDIN:23105234BGXDYF7973

DAI-ICHI KARKARIA LIMITED
CIN: L24100MH1960PLC011681

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 2023

(Rs. in lakhs)

	Quarter ended			Year ended	
	31-03-2023 Audited	31-12-2022 Unaudited	31-03-2022 Audited	31-03-2023 Audited	31-03-2022 Audited
1 Revenue from operations	4,246	4,888	3,127	18,394	12,184
2 Other income	132	200	91	644	439
3 Total Income (1+2)	4,378	5,088	3,218	19,038	12,623
4 Expenses					
(a) Cost of materials consumed	2,485	2,601	2,103	11,572	8,565
(b) Changes in inventories of finished goods and work-in-progress	90	454	127	277	355
(c) Employee benefits expenses	365	404	436	1,568	1,541
(d) Finance costs	106	63	23	304	149
(e) Depreciation and amortisation expense	216	185	174	745	680
(f) Other expenses	798	766	937	3,388	3,560
Total Expenses	4,060	4,473	3,800	17,854	14,850
5 Profit/(Loss) before exceptional items (3-4)	318	615	(582)	1,184	(2,227)
6 Exceptional items					
Profit on Sale of Property, plant and equipments (Refer Note 3)	-	-	-	742	-
Interim Insurance claim received (Refer Note 4)	-	285	400	285	400
7 Profit/(Loss) after exceptional item before tax (5-6)	318	900	(182)	2,211	(1,827)
8 Tax expense :					
(a) Current Tax	-	-	-	-	-
(b) Income tax adjustment of earlier years	(66)	-	-	(66)	-
(c) Deferred Tax	430	-	-	430	-
9 Profit/(Loss) for the period (7- 8)	(46)	900	(182)	1,847	(1,827)
10 Share of Profit in Joint Ventures (net of tax)	103	18	44	160	24
11 Profit/(Loss) for the period (including Profit in Joint Venture) (9+10)	57	918	(138)	2,007	(1,803)
12 Profit/(Loss) attributable to non controlling interest	*	*	*	*	*
13 Profit/(Loss) after non controlling interest (11-12)	57	918	(138)	2,007	(1,803)
14 Other Comprehensive Income/ (Expense)					
A a) Items that will not be reclassified to Profit & Loss	16	(3)	(24)	1	(30)
b) Income tax relating to items that will not be reclassified to Statement of profit & loss	-	-	(2)	-	-
c) Share of profit/(loss) in joint ventures (net of tax)	(6)	(3)	1	(8)	1
15 Total Comprehensive income/(expense) for the period (13+14) (net of taxes)	67	912	(163)	2,000	(1,832)
16 Paid up equity share capital (face value of Rs.10/- per share)	745	745	745	745	745
17 Other equity				16,245	14,245
18 Earnings per equity share basic and diluted (of Rs.10/- each) (Not annualised)	0.76	12.32	(1.86)	26.94	(24.20)

* 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 - 400020

Statement of Consolidated Assets and Liabilities as at 31 March 2023

(Rs. in lakhs)

	Consolidated	
	As at 31-03-2023 Audited	As at 31-03-2022 Audited
A - Assets		
1 - Non-current assets		
(a) Property, plant and equipment	12,798	9,384
(b) Capital work-in-progress	35	205
(c) Intangible assets	-	2
(d) Right to use assets	1,138	1,151
(d) Financial assets		
(i) Investment in subsidiary and joint venture	2,265	2,113
(ii) Other Investments	1	1
(iii) Other non-current financial assets	409	253
(e) Deferred tax assets (Net)	666	1,056
(f) Non current tax assets (Net)	556	434
(g) Other non-current assets	27	33
Total non-current assets	17,895	14,632
2 - Current assets		
(a) Inventories	1,917	2,281
(b) Financial Assets		
(i) Investments	15	16
(ii) Trade receivables	2,672	1,763
(iii) Cash and cash equivalents	572	183
(iv) Bank balances other than (iii) above	267	402
(v) Other financial assets	103	101
(c) Assets held for disposal	-	54
(d) Other current assets	1,300	1,996
Total current assets	6,846	6,796
Total assets	24,741	21,428
B - Equity and liabilities		
1 - Equity		
(a) Equity share capital	745	745
(b) Other equity	16,245	14,245
Equity attributable to equity holders of the Company	16,990	14,990
2 - Liabilities		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	1,725	407
(ii) Other financial liabilities	79	79
(b) Provisions	176	191
Total non-current liabilities	1,980	677
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	2,096	1,765
(ii) Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises	79	243
Total outstanding dues other than Micro Enterprises and Small Enterprises	2,733	2,734
(iii) Other financial liabilities	545	270
(b) Other Current liabilities	184	613
(c) Provisions	134	136
Total current liabilities	5,771	5,761
Total equity and liabilities	24,741	21,428



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 at their respective meetings held on 30 May 2023. The auditors have expressed an unmodified opinion on the audit report for the quarter and year ended 31 March 2023.
- 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) During quarter ended 30 September 2022, the Holding Company has sold its properties situated at Pune for a total consideration of Rs 801 lakhs and has recognised a gain of Rs. 742 lakhs, as an exceptional item in the financial results.
- 4) 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 Holding Company for the year ended 31 March 2021. As a result of the incident, the Holding 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 for FY 2020-21. The Holding 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 Holding Company has received an interim payment towards insurance claim of Rs 400 lakhs in FY 2021-22 and stock insurance claim of Rs 285 lakhs in December 2022. The balance claim is under assessment and the same would be accounted for when approved by the insurance company.
- 5) The Holding Company has elected to exercise the option permitted under section 115BAA of Income Tax Act as per amendment notified in the Official Gazette. Accordingly Holding Company has remeasured its deferred asset or liability basis the reduced tax rate prescribed in the said section. The deferred tax asset/liabilities are remeasured as on 31 March 2023 with respect to earlier years brought forward losses, insurance claim receivable and other timing difference components.
- 6) The Board of Directors of the Holding Company at their meeting have recommended a dividend of Rs 4 per share (previous year Rs Nil per share) subject to approval of the members at the ensuing Annual General Meeting
- 7) The figure in respect of the quarter ended 31 March 2023 and 31 March 2022 are the balancing figures between the audited figures in respect of full financial year and year to date unaudited figures upto third quarter of respective years. Also the figures upto the end of third quarter had only been reviewed and not subject to audit.
- 8) The audit report has been filed with the stock exchanges and is available on the Holding Company's website.
- 9) Figures are rounded off to the nearest lakh.

Place : Mumbai
Dated : 30 May 2023



For and on behalf of the Board

S. F. Vakil

S. F. Vakil

Chairperson and Wholetime Director



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 2023

(Rs. in lakhs)

	Year Ended 31-03-2023	Year Ended 31-03-2022
A. Cash Flow from Operating Activities:		
Profit/(Loss) after exceptional items before tax (including Joint Venture share)	2,371	(1,803)
<u>Adjustments for:</u>		
Depreciation and amortisation	745	680
Loss on sale of asset	(742)	(3)
Cost of asset sold	20	-
Interim payment received from insurance claim	-	400
Profit on sale of investments (net)	-	(2)
Net loss on Investments at fair value through profit and loss	2	-
Interest income	(25)	(29)
Interest expenses	303	149
Inventory assets written off during the year	104	35
Provision for non-moving inventories	1	12
Provision for doubtful debts	(1)	6
Bad Debts/Sundry balance written off	12	125
Liabilities no longer payable written back	(24)	(86)
Share of (Profit)/Loss in joint venture	(160)	(24)
Unrealised foreign currency gain on revaluation (net)	(11)	(8)
Subtotal of Adjustments	224	1,255
Operating (Loss) before working capital changes	2,595	(548)
Decrease in trade receivables	(818)	440
Decrease in loans, other financial assets and other assets	496	479
Decrease in inventories	259	119
(Decrease) in trade payable, other financial liabilities and other liabilities	(99)	(825)
Increase/(Decrease) in provisions	(45)	12
Subtotal of Adjustments	(207)	225
Cash generated from operations	2,388	(323)
Less: Income taxes paid (net of refund)	(69)	(19)
Net cash generated from/(used in) operating activities	2,319	(342)
B. Cash Flow from Investing Activities:		
Purchases of property, plant and equipment	(3,629)	(1,085)
Proceed from sale of property, plant and equipments (net of advance received)	326	5
Advance against asset held for sale	-	480
Proceeds from sale of investments	-	572
Interim payment received from insurance claim	-	(400)
Investment in fixed deposits with bank	18	(26)
Dividend received	-	-
Interest received	27	29
Net Cash (used in) from investing activities	(3,258)	(425)
C. Cash Flow from Financing Activities:		
Repayment towards non-current borrowings	-	(2)
Proceeds from non-current borrowings	1,318	407
Repayment of current borrowings	-	(251)
Proceeds from current borrowings	330	-
Dividends and corporate dividend tax paid	-	(224)
Interest paid	(303)	(149)
Net cash generated from/(used in) financing activities	1,345	(219)
D. Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	406	(986)
E. Cash and cash equivalents as at beginning of the year	183	1,159
Add: Effect of exchange differences on cash and cash equivalents held in foreign currency	(17)	10
F. Cash and cash equivalents as at end of the period/year (D+E)	572	183

* Represents amount less than Rs. 1 lakh

