

May 11, 2021

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

Dear Sir/ Madam,

Sub: Corrigendum to the Audited Standalone and Consolidated Financial Results for quarter and year ended March 31, 2021 submitted on May 10, 2021.

Ref: Company Code No. 526821.

With reference to above mentioned subject, we would like to inform you that the Audited Financial Results for the quarter and year ended on 31st March, 2021, submitted on May 10, 2021, had inadvertent typographical errors as mentioned below;

- a. paragraph (b.) of the Opinion section of the audit report dated 10 May 2021 on the Standalone Annual Financial results of Dai-ichi Karkaria Limited for the year ended 31 March 2021 (herein after referred to as "results") inadvertently mentions 'net loss' and '31 March 2020' instead of '**net profit/(loss)**' and '**31 March 2021**' due to a typographical error.
- b. paragraph (c.) of the Opinion section of our audit report dated 10 May 2021 on the Consolidated Annual Financial results inadvertently mentions 'net loss' instead of '**net profit/(loss)**' due to a typographical error.
- c. In Consolidated Statement of Assets and Liabilities, the period of previous year should be read as **31-03-2020** instead of 31-03-2019.

We hereby enclosed clarification letter received from the Statutory letter for aforesaid point a & b, for your perusal. There are no other errors/ changes to the Audited Standalone and Consolidated Financial Results filed with the Stock Exchanges on May 10, 2021, other than mentioned above.

We sincerely regret the inconvenience cause in this regard.

You are requested to take the above on record.

For **DAI-ICHI KARKARIA LIMITED**

Ankit
Parimal
Shah

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Ankit Shah
Company Secretary & Compliance Officer

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
India

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To
Dai-ichi Karkari Limited

This is to inform you that paragraph (b.) of the Opinion section of our audit report dated 10 May 2021 on the Standalone Annual Financial results of Dai-ichi Karkaria Limited for the year ended 31 March 2021 (herein after referred to as "results") inadvertently mentions 'net loss' and '31 March 2020' instead of 'net profit/(loss)' and '31 March 2021' due to a typographical error.

Also, paragraph (b.) of the Opinion section of our audit report dated 10 May 2021 on the Consolidated Annual Financial results inadvertently mentions 'net loss' instead of 'net profit/(loss)' due to a typographical error.

We would request you to kindly intimate this to the authorities, as considered necessary. Other than the aforementioned, there are no changes in our audit reports on the said results.

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

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Balajirao Pothana
Partner

Membership No: 122632

Mumbai
11 May 2021

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-8181)
with effect from October 14, 2013

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

10th May, 2021

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

Dear Sir(s),

Sub: Outcome of Board meeting held on 10th May, 2021
Ref: Company Code No. 526821.

The Board of Directors of the Company, at its meeting held on 10th May, 2021, has inter alia:

1. Considered and approved the Audited Standalone and Consolidated Financial results of the Company for the quarter and year ended March 31, 2021.
2. Recommended dividend of 30% i.e. Rs. 3/- per equity share of Rs. 10/- each for the year ended March 31, 2021, which shall be paid within 30 days from the date of declaration of dividend in the ensuing Annual General Meeting (AGM), subject to approval of members. The date of AGM will be intimated in due course of time.

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, 2021 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, 2021. Declaration to that effect is also enclosed herewith.

The meeting of the Board of Directors commenced at 2:15 p.m. and concluded 8:45 p.m.

For **DAI-ICHI KARKARIA LIMITED**

Ankit Parimal
Shah

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Date: 2021.05.10
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Ankit Shah
Company Secretary and Compliance officer

Encl: as above

10th May, 2021

BSE Ltd.,
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, 2021.

Kindly take above declaration on your record.

Thanking you,

For **DAI-ICHI KARKARIA LIMITED**

SHAILESH JAYANTILAL CHAUHAN
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CHAUHAN
Date: 2021.05.10
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Shailesh Chauhan
Chief Financial Officer

B S R & Co. LLP

Chartered Accountants

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Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai - 400 063

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Independent Auditors' Report

To the Board of Directors of Dai-Ichi Karkaria Limited

Report on the audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying standalone annual financial results of Dai-Ichi Karkaria Limited (hereinafter referred to as the "Company") for the year ended 31 March 2021 ('Standalone annual financial results'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information for the year ended 31 March 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the Standalone annual financial results.

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

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

Independent Auditors' Report (Continued)

Dai-Ichi Karkaria Limited

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

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

Independent Auditors' Report (*Continued*)

Dai-Ichi Karkaria Limited

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The standalone annual financial results include the results for the quarter ended 31 March 2021 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

BALAJIRAO BALAJIRAO
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Balajirao Pothana
Partner

Membership No: 122632
UDIN: 21122632AAAAAN6927

Mumbai
10 May 2021

Statement of Standalone Audited Financial Results for the Quarter and Year ended 31 March 2021

(Rs. In lakhs)

	Quarter ended			Year Ended	
	31-03-2021 Audited (Refer note 8)	31-12-2020 Unaudited	31-03-2020 Audited (Refer note 8)	31-03-2021 Audited	31-03-2020 Audited
1 Revenue from operations	3,198	2,325	2,637	9,742	10,717
2 Other income	278	71	157	629	384
3 Total Income (1+2)	3,476	2,396	2,794	10,371	11,101
4 Expenses					
(a) Cost of materials consumed	2,791	1,322	1,930	7,011	7,448
(b) Changes in inventories of finished goods and work-in-progress	(610)	308	(148)	(277)	(297)
(c) Employee benefits expenses	404	373	443	1,476	1,615
3 (d) Finance costs	177	235	247	920	1,024
(e) Depreciation and amortisation expense	164	215	238	851	946
(f) Other expenses	1,236	615	747	2,887	2,459
Total Expenses	4,162	3,068	3,457	12,868	13,195
5 (Loss) before exceptional items (3-4)	(686)	(672)	(663)	(2,497)	(2,094)
6 Exceptional items					
Loss by Fire (Refer note 5)	-	4,932	-	4,932	-
Profit on sale of Land (Net) (Refer note 4)	(13,147)	-	-	(13,147)	-
Cost for settlement of litigations (Refer note 3)	-	-	-	-	(400)
7 Profit / (Loss) after exceptional items before tax (5-6)	12,461	(5,604)	(663)	5,718	(2,494)
8 Tax (benefit) :					
(a) Current Tax	770	-	-	770	-
(a) Deferred Tax	(31)	-	-	(31)	-
9 Profit / (Loss) for the period (7-8)	11,722	(5,604)	(663)	4,979	(2,494)
10 Other Comprehensive Income/ (Expense)					
A a) Items that will not be reclassified to Profit & Loss	31	(3)	(2)	22	(13)
b) Income Tax relating to items that will not be reclassified to Profit & Loss	(6)	-	-	(6)	-
11 Total Comprehensive Income for the period (9+10) (net of taxes)	11,747	(5,607)	(665)	4,995	(2,507)
12 Paid up Equity Share Capital (Face Value of Rs.10/- per share)	745	745	745	745	745
13 Earnings per Equity Share basic and diluted (of Rs.10/- each) (Not annualised)	157.34	(75.23)	(8.90)	66.83	(33.47)

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Statement of Assets and Liabilities as at 31 March, 2021

(Rs. In lakhs)

Particulars	Standalone	
	As at 31-03-2021 Audited	As at 31-03-2020 Audited
A - Assets		
1 - Non-current assets		
(a) Property, plant and equipment	10,455	15,328
(b) Capital work-in-progress	49	267
(c) Intangible assets	6	11
(d) Financial assets		
(i) Investments in Subsidiary & Joint Venture	68	70
(ii) Other Investments	1	1
(iii) Other non-current financial assets	281	275
(e) Deferred Tax assets (Net)	1,056	1,076
(f) Non Current Tax assets (Net)	414	387
(g) Other non-current assets	85	130
Total non-current assets	12,415	17,545
2 - Current assets		
(a) Inventories	2,447	2,040
(b) Financial Assets		
(i) Investments	416	104
(ii) Trade receivables	2,377	2,042
(iii) Cash and cash equivalents	1,159	79
(iv) Bank balances other than (iii) above	379	279
(v) Other Financial assets	159	135
(C) Assets held for disposal	54	505
(d) Other Current Assets	2,307	2,203
Total current assets	9,298	7,387
Total assets	21,713	24,932
B - Equity & liabilities		
1 - Equity		
(a) Equity share capital	745	745
(b) Other equity	14,112	9,118
Equity attributable to equity holders of the Company	14,857	9,863
2 - Liabilities		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	2	6,778
(ii) Other financial liabilities	62	57
(b) Provisions	155	165
(c) Other non-current liabilities	18	25
Total non-current liabilities	237	7,025
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	2,005	2,357
(ii) Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises	127	78
Total outstanding dues other than Micro Enterprises and Small Enterprises	3,754	2,782
(iii) Other financial liabilities	483	2,087
(b) Provisions	131	149
(c) Other Current liabilities	119	591
Total current liabilities	6,619	8,044
Total equity and liabilities	21,713	24,932

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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 2021

(Rs. In lakhs)

	Year Ended	
	31-03-2021 Audited	31-03-2020 Audited
A. Cash Flow from Operating Activities:		
Profit / (Loss) after exceptional items before tax	5,718	(2,494)
<u>Adjustments for:</u>		
Depreciation and amortisation	851	946
Loss of Property plant and equipment by fire	4,326	-
Loss of inventories by fire	581	-
Profit on sales of Land (net)	(13,147)	-
Loss / (Profit) on sale of investments (net)	-	34
Profit on sales of Property, plant and equipment	(1)	(8)
Sundry Balance written back	-	108
Inventory assets written off during the year	10	54
Net loss on Investments at fair value through profit and loss	-	10
Profit on sale of investments	(1)	-
Provision for impairment of investment in subsidiary	2	-
Provision for non-moving inventories	5	-
Provision for doubtful trade receivables	14	-
Profit on revaluation of investments	(11)	-
Dividend income	(140)	(6)
Interest income	(191)	(22)
Interest expenses	920	1,024
Unrealised foreign currency loss on revaluation (net)	-	(36)
Subtotal of Adjustments	(6,782)	2,105
Operating loss before working capital changes	(1,064)	(389)
Changes in working capital:		
Adjustments for increase/decrease in:		
(Increase) in trade receivables	(349)	(349)
(Increase) / decrease other financial assets and other assets	(88)	417
(Increase) in inventories	(1,004)	(389)
Increase in trade payable, other financial liabilities and other liabilities	1,109	714
(Decrease) / Increase in provisions	(6)	43
Subtotal of Adjustments	(338)	435
Cash generated from operations	(1,402)	46
Less: Income taxes (paid) / refund	(752)	50
Net cash (used in) / from operating activities	(2,154)	96
B Cash Flow from Investing Activities:		
Purchases of property, plant and equipment	(74)	(711)
Proceeds from Sale of property, plant and equipment	10	8
Proceeds from Sale of land	13,097	500
(Investment) / Proceeds from current investments	(300)	265
Movement in bank deposits having maturity of more than 3 month	(100)	(9)
Dividend received	140	6
Interest received	191	28
Net Cash from investing activities	12,964	87
C Cash Flow from Financing Activities:		
Repayment towards non-current borrowings	(2,035)	(1,565)
Proceeds from non-current borrowings	-	1,052
(Repayment) / Proceeds from current borrowings (net)	(6,776)	952
Dividends and corporate dividend tax paid	-	-
Interest paid	(920)	(1,024)
Net cash (used in) financing activities	(9,731)	(586)
D Net Decrease in cash and cash equivalents (A+B+C)	1,079	(403)
E Cash and cash equivalents as at beginning of the year	79	494
Net Comprehensive Expense	-	(13)
F Cash and cash equivalents as at end of the year (D+E)	1,159	79

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Notes :

- 1) The above standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 10 May 2021. The auditors have expressed an un-modified opinion on the audit report for the quarter and year ended 31 March 2021.
- 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) 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 was paid to HKS and certain workers and the same is disclosed as an exceptional item for the year ended 31 March 2020. All the litigations from High Court and Industrial Court are withdrawn. The Company had moved the equipment, stock and other property from the Kasarwadi Plant.
- 4) 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) 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 has 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's claim is under survey and the same would be accounted for when the claim is approved by the Insurance Company.
- 6) 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.
- 7) The Board of Directors have recommended dividend of Rs. 3 per Equity Share of Face Value of Rs. 10 each for the financial year ended 31 March 2021, subject to approval of the Shareholders at the ensuing Annual General meeting of the Company.
- 8) The figures in respect of the quarter ended 31 March 2021 and 31 March 2020 are the balancing figures between the Audited figures in respect of full financial year and the published year to date figures up to third quarter ended 31 December 2020 and 31 December 2019 respectively.
- 9) Figures are rounded off to the nearest lakh.

Place : Mumbai
Dated : 10 May 2021

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

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Date: 2021.05.10
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Independent Auditors' Report

To the Board of Directors of Dai-Ichi Karkaria Limited

Report on the audit of the consolidated annual financial results

Opinion

We have audited the accompanying consolidated annual financial results of Dai-Ichi Karkaria Limited (hereinafter referred to as the "Holding Company"), its subsidiary (Holding Company and its subsidiary together referred to as "the Group") and its joint venture for the year ended 31 March 2021 ("the Statement" or "consolidated annual financial results"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiary and joint venture, the aforesaid consolidated annual financial results:

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

Name of the entity	Relationship
Dai-Ichi Gosei Chemicals (India) Limited	Subsidiary
ChampionX Dai-Ichi India Private Limited (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 income and other financial information of the Group for the year ended 31 March 2021.

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.

Registered Office:

Independent Auditors' Report (Continued)

Dai-Ichi Karkaria Limited

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

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

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net loss and other comprehensive income and other financial information of the Group including its joint venture in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the respective Management and Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditors' Report (*Continued*)

Dai-Ichi Karkaria Limited

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

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of consolidated financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated annual financial results made by the Management and Board of Directors of the Holding Company.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its joint venture to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Independent Auditors' Report (*Continued*)

Dai-Ichi Karkaria Limited

Other Matters

- (a) The consolidated annual financial results include the audited financial results of one subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 231,187 as at 31 March 2021, total revenue (before consolidation adjustments) of Rs. 10,220 and total net loss after tax (before consolidation adjustments) of Rs. 3,006 and net cash outflows of Rs. 3,006 for the year ended on that date, as considered in the consolidated annual financial results, which has been audited by its respective independent auditors. The independent auditors' reports on financial statements of this entity has been furnished to us by the management and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on the report of such auditor.
- (b) The consolidated annual financial results include the results for the quarter ended 31 March 2021 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

BALAJIRAO
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Balajirao Pothana
Partner

Membership No: 122632
UDIN: 21122632AAAAAR7903

Mumbai
10 May 2021

Statement of Consolidated Audited Financial Results for the Quarter and Year ended 31 March 2021

(Rs. In lakhs)

	Quarter ended			Year ended	
	31-03-2021 Audited (Refer Note 8)	31-12-2020 Unaudited	31-03-2020 Audited (Refer Note 8)	31-03-2021 Audited	31-03-2020 Audited
1 Revenue from operations	3,198	2,325	2,637	9,742	10,717
2 Other income	143	71	157	494	384
3 Total Income (1+2)	3,341	2,396	2,794	10,236	11,101
4 Expenses					
(a) Cost of materials consumed	2,791	1,322	1,930	7,011	7,448
(b) Changes in inventories of finished goods and work-in-progress	(610)	308	(148)	(277)	(297)
(c) Employee benefits expenses	404	373	443	1,476	1,615
(d) Finance costs	177	235	247	920	1,024
(e) Depreciation and amortisation expense	164	215	238	851	946
(f) Other expenses	1,236	615	747	2,887	2,459
Total Expenses	4,161	3,068	3,456	12,868	13,195
5 (Loss) before exceptional items (3-4)	(820)	(672)	(662)	(2,632)	(2,094)
6 Exceptional items					
Profit on sale of Land (Net) (Refer note 4)	(13,147)	-	-	(13,147)	-
Loss by Fire (Refer note 5)	-	4,932	-	4,932	-
Cost for settlement of litigations (Refer note 3)	-	-	-	-	(400)
7 Profit / (Loss) after exceptional item before tax (5-6)	12,327	(5,604)	(662)	5,583	(2,494)
8 Tax (benefit) :					
(a) Current Tax	770	-	-	770	-
(a) Deferred Tax	(31)	-	-	(31)	-
9 Profit / (Loss) for the period (7-8)	11,588	(5,604)	(662)	4,844	(2,494)
10 Share of Profit of Joint Venture	82	22	81	224	202
11 Net Profit / (Loss) after tax after share of profit of Joint venture (9+10)	11,670	(5,582)	(581)	5,068	(2,292)
12 Profit attributable to non controlling interest	* -	* -	* -	* -	* -
13 Profit / (Loss) after non controlling Interest (11-12)	11,670	(5,582)	(581)	5,068	(2,292)
14 Other Comprehensive Income/ (Expense)					
A a) Items that will not be reclassified to Profit & Loss	31	(3)	(2)	22	(13)
b) Income Tax relating to items that will not be reclassified to Profit & Loss	(6)	-	-	(6)	-
c) Share of Profit in Joint Ventures (Net of Tax)	(1)	-	* 1	(2)	(1)
15 Total Comprehensive Income for the period (13+14) (net of taxes)	11,693	(5,585)	(582)	5,082	(2,306)
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)	156.64	(74.93)	(7.80)	68.03	(30.75)

* Represents amount less than Rs 1 lakh

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DAI - ICHI KARKARIA LIMITED
CIN: L24100MH1960PLC011681
Regd. Off. Liberty Building, Sir V. T. Marg, New Marine lines, Mumbai - 400020
Statement of Assets and Liabilities as at 31 March, 2021

(Rs. In lakhs)

Particulars	Consolidated	
	As at 31-03-2021	As at 31-03-2019
A - Assets		
1 - Non-current assets		
(a) Property, plant and equipment	10,455	15,328
(b) Capital work-in-progress	49	267
(c) Intangible assets	6	11
(d) Financial assets		
(i) Investments in Subsidiary & Joint Venture	2,257	2,170
(ii) Other Investments	1	1
(iii) Other non-current financial assets	281	275
(f) Deferred Tax assets (Net)	1,056	1,076
(g) Non Current Tax assets (Net)	414	387
(h) Other non-current assets	85	130
Total non-current assets	14,604	19,645
2 - Current assets		
(a) Inventories	2,447	2,040
(b) Financial Assets		
(i) Investments	416	104
(ii) Trade receivables	2,377	2,042
(iii) Cash and cash equivalents	1,159	80
(iv) Bank balances other than (iii) above	379	281
(v) Other Financial assets	159	135
(c) Assets held for disposal	54	505
(d) Other Current Assets	2,307	2,203
Total current assets	9,298	7,390
Total assets	23,903	27,034
B - Equity & liabilities		
1 - Equity		
(a) Equity share capital	745	745
(b) Other equity	16,302	11,220
Equity attributable to equity holders of the Company	17,047	11,965
Non-controlling Interest	* -	* -
2 - Liabilities		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	2	6,778
(ii) Other financial liabilities	62	57
(b) Provisions	155	165
(c) Other non-current liabilities	18	25
Total non-current liabilities	237	7,025
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	2,005	2,357
(ii) Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises	127	78
Total outstanding dues other than Micro Enterprises and Small Enterprises	3,754	2,782
(iii) Other financial liabilities	483	2,087
(b) Provisions	131	149
(c) Other Current liabilities	119	592
Total current liabilities	6,619	8,045
Total equity and liabilities	23,903	27,034

* Represents amount less than Rs 1 lakh

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DAI-ICHI KARKARIA LIMITED
CIN: L24100MH1960PLC011681

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

Statement of Consolidated cash flow for the Year ended 31 March 2021

(Rs. In lakhs)

	Year Ended	
	31-03-2021 Audited	31-03-2020 Audited
A. Cash Flow from Operating Activities:		
Profit / (Loss) after exceptional items before tax	5,807	(2,292)
<u>Adjustments for:</u>		
Depreciation and amortisation	851	946
Loss of Property plant and equipment by fire	4,326	-
Loss of inventories by fire	581	-
Profit on sales of Land (net)	(13,147)	-
Loss / (Profit) on sale of investments (net)	-	34
Profit on sales of Property, plant and equipment	(1)	(8)
Sundry Balance written back	-	108
Inventory assets written off during the year	10	54
Net loss on Investments at fair value through profit and loss	-	10
Profit on sale of investments	(1)	-
Provision for impairment of investment in subsidiary	2	-
Provision for non-moving inventories	5	-
Provision for doubtful trade receivables	14	-
Profit on revaluation of investments	(11)	-
Dividend income	(5)	(6)
Interest income	(191)	(22)
Interest expenses	920	1,024
Share of profit in joint venture	(224)	(202)
Unrealised foreign currency loss on revaluation (net)	-	(36)
Subtotal of Adjustments	(6,871)	1,902
Operating loss before working capital changes	(1,064)	(390)
Changes in working capital:		
Adjustments for increase/decrease in:		
(Increase) / Decrease in trade receivables	(349)	(349)
(Increase) other financial assets and other assets	(88)	417
(Increase) in inventories	(1,004)	(389)
Increase in trade payable, other financial liabilities and other liabilities	1,109	714
Increase in provisions	(6)	43
Subtotal of Adjustments	(338)	435
Cash generated from operations	(1,402)	45
Less: Income taxes (paid) / refund	(752)	50
Net cash (used in) /from operating activities	(2,154)	96
B Cash Flow from Investing Activities:		
Purchases of property, plant and equipment	(74)	(711)
Proceeds from Sale of property, plant and equipment	10	8
Proceeds from Sale of land	13,097	500
(Investment) / Proceeds from current investments	(300)	265
Movement in bank deposits having maturity of more than 3 months	(100)	(9)
Dividend received	140	6
Interest received	191	28
Net Cash from/(used in) investing activities	12,964	87
C Cash Flow from Financing Activities:		
Repayment towards non-current borrowings	(2,035)	(1,565)
Proceeds from non-current borrowings	-	1,052
(Repayment) / Proceeds from current borrowings (net)	(6,776)	952
Interest paid	(920)	(1,024)
Net cash from/(used in) financing activities	(9,731)	(586)
D Net Decrease in cash and cash equivalents (A+B+C)	1,079	(403)
E Cash and cash equivalents as at beginning of the year	79	494
Net Comprehensive (Expense)/Income	-	(13)
F Cash and cash equivalents as at end of the year (D+E)	1,159	79

Notes :

- 1) The above consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors Dai-ichi Karkaria Limited ("The Company" or "the Holding Company") at their respective meetings held on 10 May 2021. The auditors have expressed an un-modified opinion on the audit report for the quarter and year ended 31 March 2021.
- 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) 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 Holding 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 Holding 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 was paid to HKS and certain workers and the same is disclosed as an exceptional item for the year ended 31 March 2020. All the litigations from High Court and Industrial Court are withdrawn. The Holding Company had moved the equipment, stock and other property from the Kasarwadi Plant.
- 4) 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) 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 has 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 consolidated financial results. 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's claim is under survey and the same would be accounted for when the claim is approved by the Insurance Company.
- 6) 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.
- 7) The Board of Directors have recommended dividend of Rs. 3 per Equity Share of Face Value of Rs. 10 each for the financial year ended 31 March 2021, subject to approval of the Shareholders at the ensuing Annual General meeting of the Holding Company.
- 8) The figures in respect of the quarter ended 31 March 2021 and 31 March 2020 are the balancing figures between the Audited figures in respect of full financial year and the published year to date figures up to third quarter ended 31 December 2020 and 31 December 2019 respectively.
- 9) Figures are rounded off to the nearest lakh.

Place : Mumbai
Dated : 10 May 2021

For and on behalf of the Board

Shernaz

Firoze Vakil

S. F. Vakil

Chairperson & Managing Director

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