



26th October, 2023

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

Dear Sir(s),

Sub: Results Presentation for the period ended 30th September, 2023
Ref: Dai-ichi Karkaria Limited (Scrip Code 526821)

Please find enclosed herewith the Results Presentation of the Company for the quarter and half year ended 30th September, 2023, for your records and the same is being placed on the website of the Company i.e. <http://www.dai-ichiindia.com/investors>

For **DAI-ICHI KARKARIA LIMITED**

Ankit Shah
Company Secretary and Compliance officer

Encl: as above



DAI-ICHI
Specialty Chemicals



Dai-ichi Karkaria Ltd. Q2 FY 24 Results

About Us

Dai-ichi India commenced production in 1963, in technical collaboration with Dai-ichi Kogyo Seiyaku based in Japan.

We develop and manufacture high-performance speciality chemicals for various industrial applications.

We market innovative products, providing custom solutions tailored to our client's needs.

Sustainability and innovation are key factors in all our business operations.



Our Strengths

RESEARCH & DEVELOPMENT

We work towards creating products and processes that are clean, reflecting the integrity of our manufacturing process, with minimum use of hazardous chemicals and efficient chemical synthesis.

Customers have partnered with us to resolve specific performance issues, challenging our R&D team to find a cost-effective solution.

QUALITY CONTROL

Our batch-to-batch consistencies are maintained by rigorous, regular and complete testing at every stage.

We conform to all relevant health, safety, environmental, national and international standards.

INNOVATION & SUSTAINABILITY

We work with a focus on product design, process efficiency and environmental health & safety.



Our Milestones

1963

Commenced production in Pimpri, Pune, in technical collaboration with Dai-ichi Kogyo Seiyaku of Japan

1967

Developed the first demulsifier in India for ONGC

1980

Developed the first PPD in India

1981

Technical collaboration with Matsumoto Yushi-Seiyaku of Japan for sizing agents & Spin Finishes

1991

Established a JV with Baker Petrolite for the manufacture of oil field chemicals

1995

Dai-ichi Karkaria India went public, listed on BSE; Invested in flocculants plant in Kurkumbh; Set up a pharmaceutical facility in Hyderabad

2005

JV is created for pharma products with Inogen, in collaboration with GVK Biosciences

2008

Acquired 40% stake of Baker Production Services (UK), making it a wholly owned subsidiary of Dai-ichi

2009

Formed a JV with Champion Technologies (now ChampionX), specifically for the Indian oil field upstream chemical sector

2015

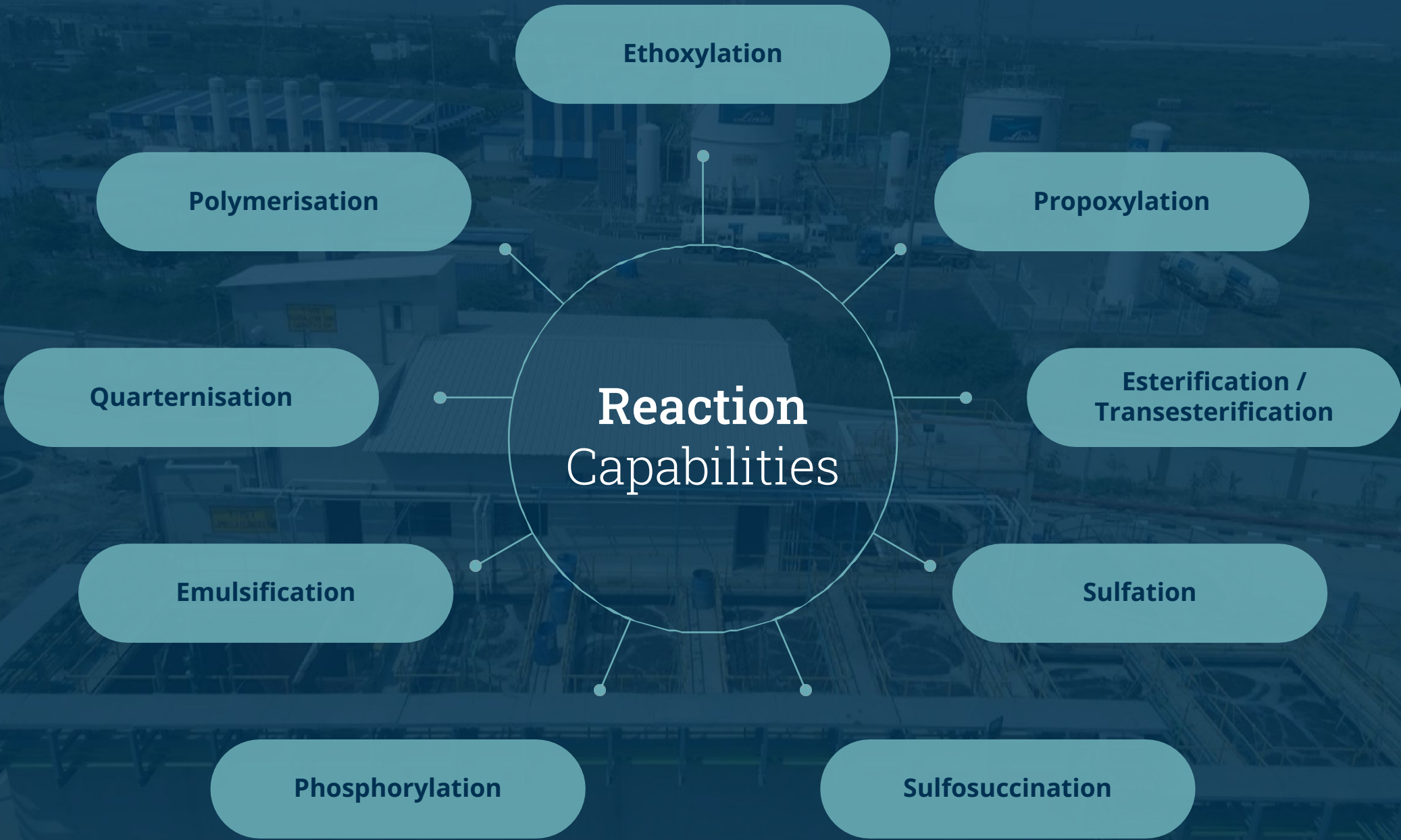
JV with GVK Biosciences concluded

2018

Commissioning of our new plant in Dahej, for the manufacture of Alkoxylates and Oilfield chemicals

2022

Oilfield plant commissioned December 2022 with enhanced capacities



Ethoxylation

Polymerisation

Propoxylation

Quarternisation

**Esterification /
Transesterification**

**Reaction
Capabilities**

Emulsification

Sulfation

Phosphorylation

Sulfosuccination

Industrial Segments Catered to



Agrochemicals



Construction
Chemicals



Home &
Personal Care



Oilfield
Chemicals



Paints, Pigments
& Coatings



Rayon Additives



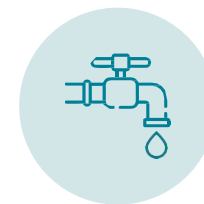
Sizing Chemicals



Textile
Auxiliaries



Flocculants for
Paper, Sugar &
Mining Industry



Water &
Environment



Q2 2023 Results

Message from the Managing Director

The overall performance of the specialty chemical industry over the last few quarters has been muted due to a slowdown in the global market coupled with the impact of Chinese dumping and inventory destocking. Despite these challenges being faced in FY 24, the industry expects a significant improvement in FY 25 and beyond.

Sales this quarter has seen a revenue growth of 26% over the previous quarter this year. This is due to an increase in domestic sales specifically in the Paints & Coatings and Agro sectors.

Compared to the corresponding quarter in 2022, the revenue has declined. However, the volumes dispatched in the current quarter remain the same as in Q2 2022. The lower revenue reflects the decrease in cost per kg of the final product, due to the significantly lower raw material costs compared to last year at the same time.

We expect to see the performance of the company improve in the second half of this year, as a result of an increase in offtake of our oilfield products, which are seasonal in nature.

From an operational perspective, this quarter we have enhanced our existing alkoxylation capacity by 600 tons per annum through debottlenecking exercises such as internal batch cycle time reduction, as well as optimization of existing processes. Through minor equipment modifications, we plan to add an additional 800 tons per annum within the next quarter. Our goal is to fill this additional capacity in the next six months, after which we will consider a further expansion of this plant through a capex investment.

In Q2, we received the remainder of our fire insurance claim, amounting to ₹20.57 Crores. The total amount received for the claim was ₹30.66 Crores. The insurance claim amount has been utilized to repay the term loan of ₹18.45 Crores, which was utilized towards the building of our new PPD plant. The balance funds will be used in our company's business operations. We are happy to finally close this chapter.

CRISIL Ratings Limited (CRISIL) has reviewed our company's credit rating and has provided their review letter, wherein our short term rating is re-affirmed as CRISIL A4+ and the long term rating has been upgraded to CRISIL BB+/Stable.

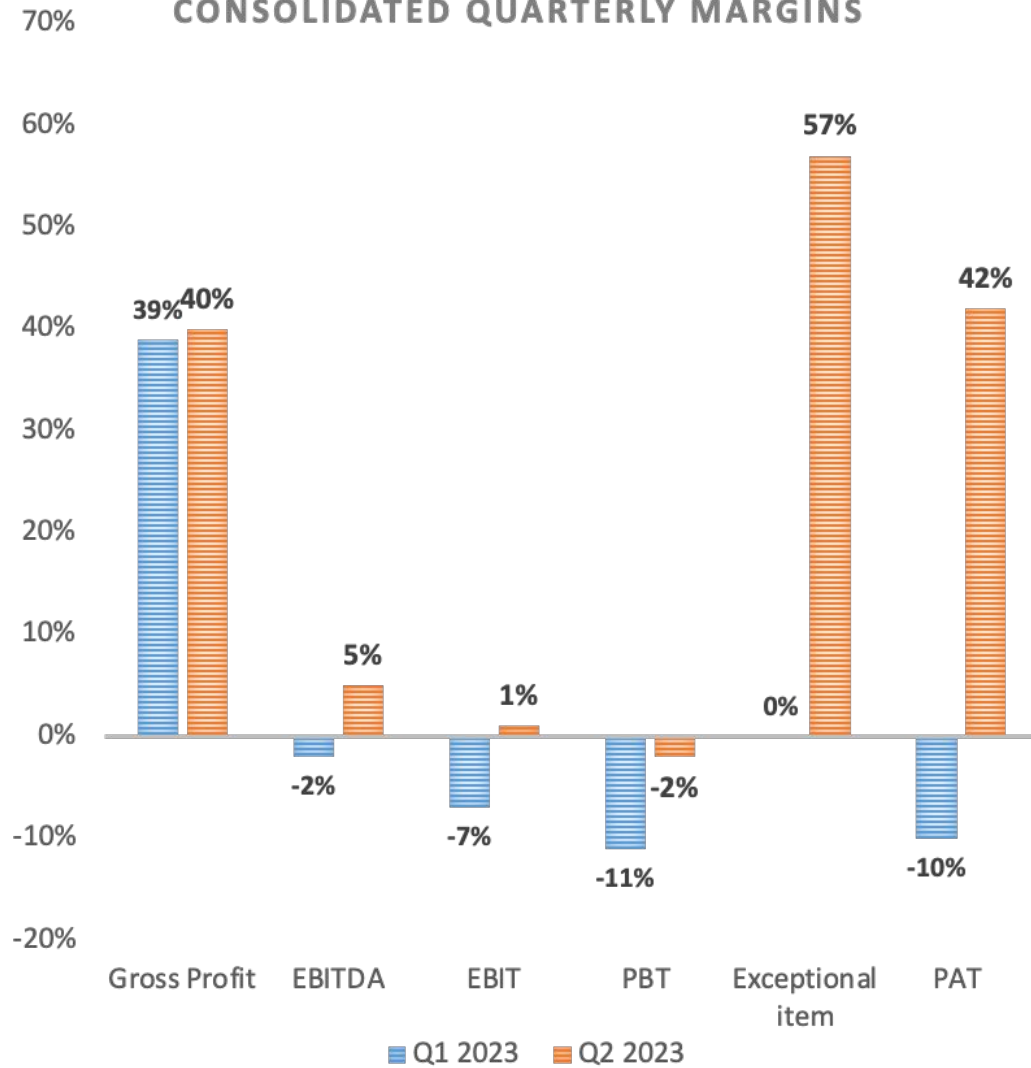
Our focus will remain on customer value creation through customization of products, investments in R&D to innovate products catering to a dynamic global market, with a growing need for sustainable and eco friendly products.

| Statement of Consolidated Unaudited Financial Results for the Quarter and Half year ended 30 September 2023 | | | | | (Rs in lakhs) | |
|---|---------------|--------------|--------------|-----------------|---------------|--|
| Particulars | Quarter ended | | | Half year ended | | |
| | 30-09-2023 | 30-09-2022 | 30-06-2023 | 30-09-2023 | 30-09-2022 | |
| Revenue from operations | 3,505 | 5432 | 2786 | 6,291 | 9,260 | |
| Cost of materials consumed & Changes in inventory | (2,117) | (3,498) | (1,705) | (3,822) | (6,219) | |
| Gross Profit | 1,388 | 1,934 | 1,081 | 2,469 | 3,041 | |
| Gross Profit % | 40% | 36% | 39% | 39% | 33% | |
| Employee benefits expenses | 488 | 394 | 464 | 952 | 799 | |
| Other expenses | 737 | 1,006 | 675 | 1,412 | 1,823 | |
| Operating earning before interest, tax, depreciation (EBITA) | 163 | 534 | -58 | 105 | 419 | |
| EBITDA Margin | 5% | 10% | -2% | 2% | 5% | |
| Other Income | (89) | (186) | (98) | (187) | (313) | |
| Depreciation and amortisation expense | 230 | 173 | 229 | 459 | 344 | |
| Earning before interest and tax (EBIT) | 22 | 547 | (189) | (167) | 388 | |
| EBIT Margin | 1% | 10% | -7% | -3% | 4% | |
| Finance costs | 97 | 68 | 118 | 215 | 135 | |
| Profit/(Loss) before exceptional items | (75) | 479 | (307) | (382) | 253 | |
| PBT Margin | -2% | 9% | -11% | -6% | 3% | |
| Exceptional item (Insurance Claim receipt) | 2,058 | - | - | 2,058 | - | |
| Exceptional item (Profit on sale of property) | - | 742 | - | - | 742 | |
| Profit/(Loss) after exceptional item before tax | 1,983 | 1,221 | -307 | 1,676 | 995 | |
| Deferred Tax | 501 | - | (15) | 486 | - | |
| Profit/(Loss) for the period | 1,482 | 1,221 | (292) | 1,190 | 995 | |
| Net Profit Margin after tax | 42% | 22% | -10% | 16% | 15% | |
| Share of Profit/(Loss) in Joint Ventures | (22) | 7 | 2 | (20) | 40 | |
| Profit/(Loss) after non controlling interest | 1,460 | 1,228 | (290) | 1,170 | 1,035 | |
| Other Comprehensive Income | (2) | (5) | - | (2) | (11) | |
| Total Comprehensive income/(expense) for the period | 1,458 | 1,223 | (290) | 1,168 | 1,024 | |

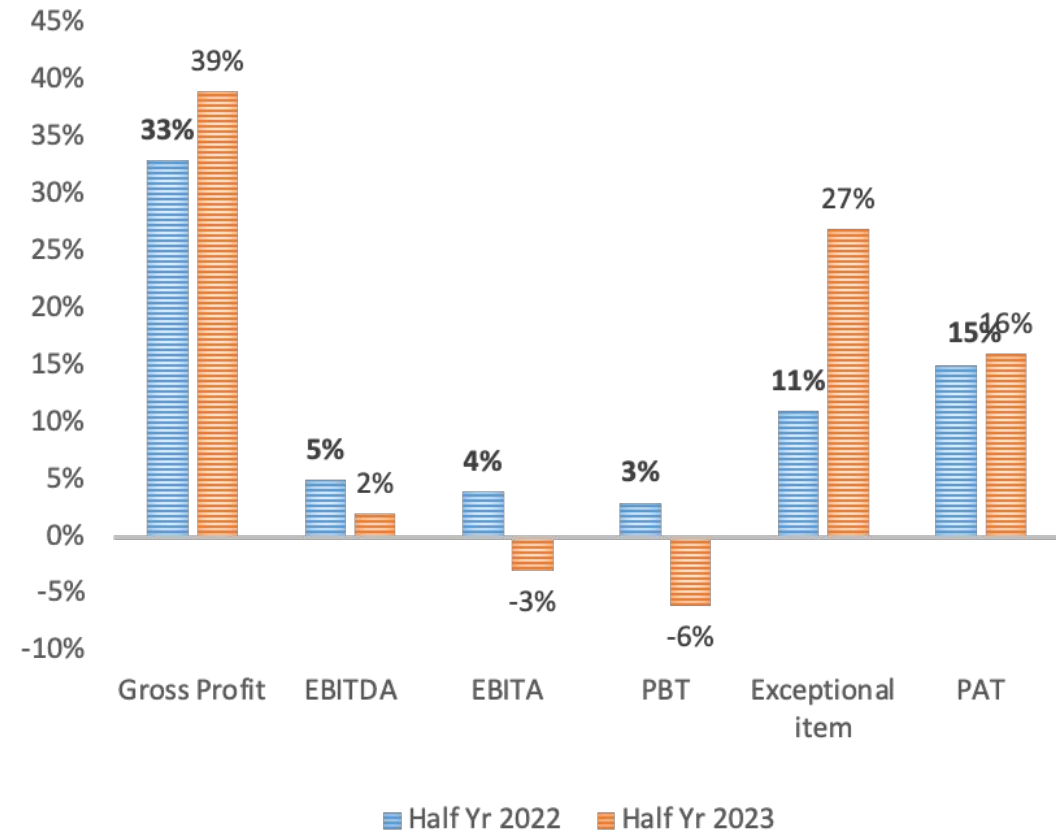
| Statement of Consolidated Assets and Liabilities as at 30 September 2023 | | | | | |
|--|---------------|---------------|--------------------------------------|---------------|---------------|
| | | | (Rs. in | | |
| Particulars | 30-09-2023 | 31-03-2023 | Particulars | 30-09-2023 | 31-03-2023 |
| Assets | | | B - Equity and liabilities | | |
| 1 - Non-current assets | | | 1 - Equity | | |
| (a) Property, plant and equipment | 12,445 | 12,798 | (a) Equity share capital | 745 | 745 |
| (b) Capital work-in-progress | 173 | 35 | (b) Other equity | 17,118 | 16,245 |
| (c) Right to use assets | 1,131 | 1,138 | Equity attributable to equity | 17,863 | 16,990 |
| | | | | | |
| (d) Financial assets | | | | | |
| (i) Investment in subsidiary & joint | 1,996 | 2,265 | 2 - Liabilities | | |
| (ii) Other Investments | 1 | 1 | Non-current liabilities | | |
| (iii) Other non-current financial assets | 532 | 409 | (a) Financial Liabilities | | |
| | | | (i) Borrowings | 169 | 1,725 |
| (e) Deferred tax assets (Net) | 180 | 666 | (ii) Other financial liabilities | - | 79 |
| (f) Non current tax assets (Net) | 592 | 556 | (b) Provisions | 169 | 176 |
| (g) Other non-current assets | 22 | 27 | Total non-current liabilities | 338 | 1,980 |
| Total non-current assets | 17,072 | 17,895 | | | |
| | | | | | |
| Current assets | | | Current liabilities | | |
| | | | (a) Financial liabilities | | |
| (a) Inventories | 2,136 | 1,917 | (i) Borrowings | 3,633 | 2,096 |
| (b) Financial Assets | | | (ii) Trade payables | 2,294 | 2,812 |
| (i) Investments | 22 | 15 | (iii) Other financial liabilities | 939 | 545 |
| (ii) Trade receivables | 2,253 | 2,672 | | | |
| (iii) Cash and cash equivalents | 2,076 | 572 | (b) Other Current liabilities | 60 | 184 |
| (iv) Bank balances other than (ii) above | 652 | 267 | | | |
| (v) Other financial assets | 102 | 103 | (c) Provisions | 130 | 134 |
| (c) Other current assets | 944 | 1,300 | | | |
| Total current assets | 8,185 | 6,846 | Total current liabilities | 7,056 | 5,771 |
| | | | | | |
| Total assets | 25,257 | 24,741 | Total equity and liabilities | 25,257 | 24,741 |
| | | | | | |

Margin Comparisons

CONSOLIDATED QUARTERLY MARGINS

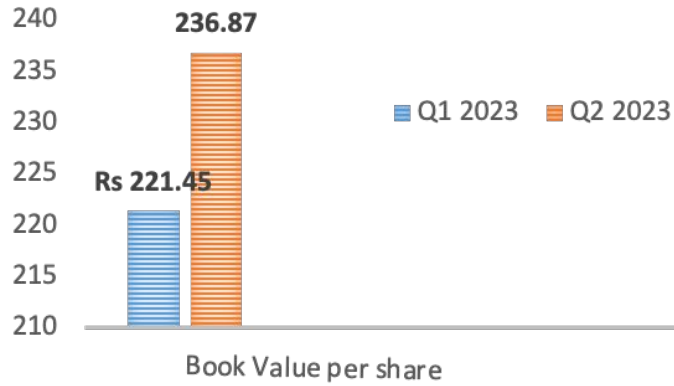


CONSOLIDATED HALF YEARLY MARGINS

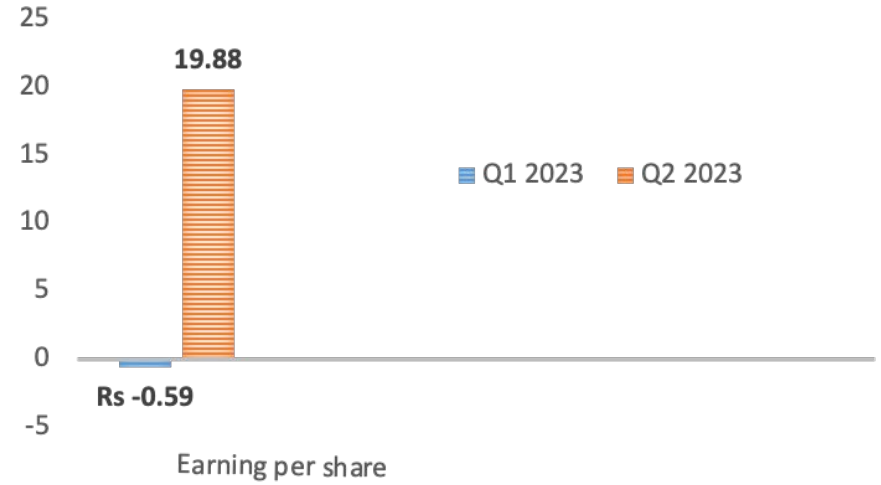


Key Ratios

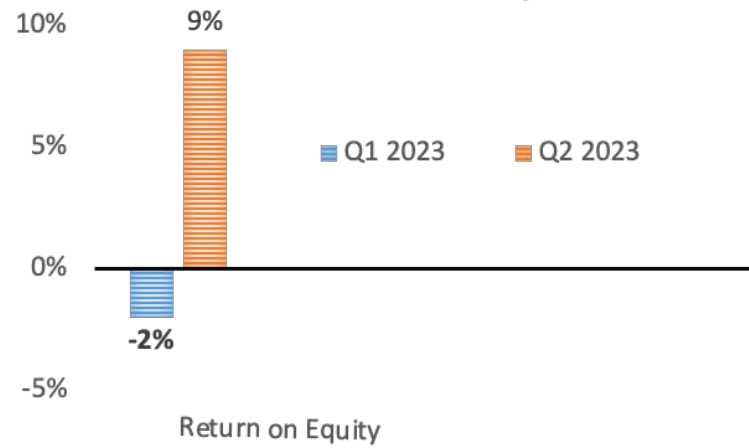
BOOK VALUE PER SHARE



EARNING PER SHARE



RETURN ON EQUITY



Disclaimer

Dai-ichi Karkaria Limited may, from time to time, make written and oral forward looking statements, in addition to statements contained in the company's filings with BSE Limited and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Dai-ichi Karkaria Limited.

All information contained in this presentation may be forward-looking statements that involve risks and uncertainties. The Company undertakes no obligation to update or revise any forward-looking statements publicly, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements. This presentation should be read in conjunction with the financial statements issued from time to time.



DAI-ICHI
Specialty Chemicals

Thank You!

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