

DNL/140/NSE/446/2018
January 18, 2018

Listing Department
National Stock Exchange of India Limited,
Exchange Plaza
Bandra Kurla Complex
Bandra (E)
MUMBAI – 400 051

Dear Sir,

Stock Symbol: DEEPAKNTR

Re : Un-audited Financial Results for the Quarter and Nine Months ended 31st December, 2017

We wish to inform you that the Board of Directors of the Company at their meeting held today i.e. 18th January, 2018 has considered and approved the Un-audited Financial Results for the Quarter and Nine Months ended 31st December, 2017.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we are sending herewith Un-audited Financial Results for the Quarter and Nine Months ended 31st December, 2017, duly signed by the Chairman and Managing Director of the Company.

Further, we also enclose herewith Limited Review Report of M/s Deloitte Haskins & Sells LLP; Statutory Auditors of the Company as required under Regulation 33 of the Listing Regulations.

The Board Meeting commenced at 2:00 P.M. and concluded at 5:00 P.M.

Please take the same on your record.

Thanking you,

Yours faithfully

For **DEEPAK NITRITE LIMITED**



ARVIND BAJPAI
Company Secretary

Encl: as above

DEEPAK NITRITE LIMITED

Registered Office : 9/10, Kunj Society, Alkapuri, Vadodara - 390 007

Web Site : www.deepaknitrite.com, Investors Relation Contact : investor@deepaknitrite.com

Corporate Identification Number: L24110GJ1970PLC001735, Tel. : +91-265-2334481/82, Fax: +91-265-2330994

STAND-ALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2017

Rs. in Lakhs

Sr. No.	Particulars	Quarter Ended			Nine Months Ended	
		31.12.2017 (Unaudited)	31.12.2016 (Unaudited)	30.09.2017 (Unaudited)	31.12.2017 (Unaudited)	31.12.2016 (Unaudited)
1	Income					
	(a) Revenue from operations	37,114.45	30,278.34	35,497.43	108,774.47	96,802.42
	(b) Other income	63.15	39.02	132.18	392.56	408.98
	Total Income	37,177.60	30,317.36	35,629.61	109,167.03	97,211.40
2	Expenses					
	(a) Cost of materials consumed	21,444.07	15,819.30	19,597.66	60,469.11	52,181.07
	(b) Changes in inventories of finished goods and Work-in-progress	428.90	324.74	486.86	516.32	(1,150.72)
	(c) Excise Duty	-	1,886.45	(1.08)	2,425.24	6,028.17
	(d) Employee benefits expense	3,461.62	3,074.44	3,299.02	9,906.98	9,094.93
	(e) Finance Costs	901.87	932.39	1,073.78	2,921.34	2,259.71
	(f) Depreciation and amortisation expense	1,297.04	1,187.14	1,326.41	3,857.24	3,589.49
	(g) Power & Fuel Expenses	3,000.84	1,923.83	2,977.06	8,854.16	7,430.05
	(h) Other expenses	3,571.56	4,147.30	3,894.02	11,098.40	12,497.13
	Total expenses	34,105.90	29,295.59	32,653.73	100,048.79	91,929.83
3	Profit before Exceptional Items and Tax (1 - 2)	3,071.70	1,021.77	2,975.88	9,118.24	5,281.57
4	Exceptional items (Refer Note 7)	-	-	-	-	7,077.18
5	Profit before Tax (3 + 4)	3,071.70	1,021.77	2,975.88	9,118.24	12,358.75
6	Tax Expense					
	(a) Current Tax	645.61	221.14	958.14	2,468.39	2,636.85
	(b) Deferred Tax	391.73	64.87	37.58	624.89	768.11
	(c) Prior Period Tax adjustment	-	-	(288.51)	(288.51)	-
	Total Tax Expenses	1,037.34	286.01	707.21	2,804.77	3,404.96
7	Net Profit for the period (5 - 6)	2,034.36	735.76	2,268.67	6,313.47	8,953.79
8	Other Comprehensive Income					
	Items that will not be reclassified to profit and loss					
	i. Equity Instruments through Other Comprehensive Income	-	-	-	-	-
	ii. Remeasurements of the defined benefit plans	(60.00)	(108.71)	2.50	(111.55)	(229.21)
	iii. Income tax related to items above	20.31	29.97	(0.81)	37.84	63.06
	Other Comprehensive Income (net of tax)	(39.69)	(78.74)	1.69	(73.71)	(166.15)
9	Total comprehensive income for the period (7 + 8)	1,994.67	657.02	2,270.36	6,239.76	8,787.64
10	Paid-up Equity Share Capital (Face Value of Rs. 2/- each)	2,614.23	2,325.76	2,614.23	2,614.23	2,325.76
11.i	Basic & Diluted Earning per share (before exceptional items) (of Rs. 2/- each) (not annualised) :	1.56	0.63	1.74	4.83	3.29
11.ii	Basic & Diluted Earning per share (after exceptional items) (of Rs. 2/- each) (not annualised) :	1.56	0.63	1.74	4.83	7.70



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SEGMENT-WISE REVENUE, RESULTS, SEGMENT ASSETS AND SEGMENT LIABILITIES

Rs. in Lakhs

Sr. No.	Particulars	Quarter Ended			Nine Months Ended	
		31.12.2017 (Unaudited)	31.12.2016 (Unaudited)	30.09.2017 (Unaudited)	31.12.2017 (Unaudited)	31.12.2016 (Unaudited)
1	Segment Revenue (Revenue from operations):					
	a) Basic Chemicals	18,924.06	17,014.70	16,632.91	54,952.25	51,224.81
	b) Fine & Speciality Chemicals	12,238.94	8,404.76	11,285.51	34,205.46	27,595.68
	c) Performance Products	6,735.69	5,090.20	8,420.55	21,734.07	18,674.62
	d) Others un-allocable	-	113.03	138.31	153.54	420.75
	Total	37,898.69	30,622.69	36,477.28	111,045.32	97,915.86
	Less : Inter segment revenue	784.24	344.35	979.85	2,270.85	1,113.44
	Total Revenue from Operations	37,114.45	30,278.34	35,497.43	108,774.47	96,802.42
2	Segment Results before Tax & Interest:					
	a) Basic Chemicals	2,834.80	2,134.65	2,620.53	7,815.98	5,961.92
	b) Fine & Speciality Chemicals	2,708.93	1,834.81	2,620.58	8,472.72	6,780.32
	c) Performance Products	(129.18)	(603.67)	4.61	(525.14)	(1,322.24)
	Total	5,414.55	3,365.79	5,245.72	15,763.56	11,420.00
	Less: i) Interest	901.87	932.40	1,073.78	2,921.34	2,259.72
	ii) Other un-allocable expenditure (Net of un-allocable Income)	1,440.98	1,411.62	1,196.06	3,723.98	(3,198.47)
	Total Profit Before Tax	3,071.70	1,021.77	2,975.88	9,118.24	12,358.75
3	Segment Assets					
	a) Basic Chemicals	39,251.74	36,986.88	38,529.44	39,251.74	36,986.88
	b) Fine & Speciality Chemicals	42,689.61	32,923.16	40,289.85	42,689.61	32,923.16
	c) Performance Products	37,954.28	36,617.38	38,008.25	37,954.28	36,617.38
	d) Other un-allocable	44,481.65	22,434.56	44,106.75	44,481.65	22,434.56
	Total Segment Assets	164,377.28	128,961.98	160,934.29	164,377.28	128,961.98
4	Segment Liabilities					
	a) Basic Chemicals	10,420.88	9,618.59	7,288.54	10,420.88	9,618.59
	b) Fine & Speciality Chemicals	6,291.30	2,363.72	5,555.18	6,291.30	2,363.72
	c) Performance Products	6,161.81	4,607.20	6,177.68	6,161.81	4,607.20
	d) Other un-allocable	63,937.06	55,853.30	66,316.35	63,937.06	55,853.30
	Total Segment Liabilities	86,811.05	72,442.81	85,337.75	86,811.05	72,442.81

NOTES:

- The Company has adopted Indian Accounting Standards (Ind AS) from April 01, 2017 with transition date of April 01, 2016. The financial results have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial results for the quarter and nine months ended December 31, 2016 are Ind AS compliant.
- Reconciliation of Net Profit for the quarter and nine months ended December 31, 2016 as previously reported (referred to as 'Indian GAAP') vis-a-vis Ind AS is given below:

Particulars	Quarter ended 31.12.2016 (Rs. in Lakhs)	Nine months ended 31.12.2016 (Rs. in Lakhs)
Net Profit as per Previous Indian GAAP	801.09	9,128.17
Effect of Fair Valuation as Deemed Cost on depreciation for Plant & Machinery (Net of Tax)	(93.42)	(309.98)
Actuarial loss on gratuity recognized in Other Comprehensive Income (Net of Tax)	78.74	166.15
Others (Net of Tax)	(50.65)	(30.55)
Net profit before Other Comprehensive Income (OCI) as per Ind AS	735.76	8,953.79
Other Comprehensive income (OCI) (net of tax)	(78.74)	(166.15)
Total comprehensive income under Ind AS	657.02	8,787.64

- Out of issue proceeds of Rs. 15,000.00 Lakhs from the Qualified Institutions Placements, Rs. 356.87 Lakhs were utilised towards share issue expenses and Rs. 13,900.00 Lakhs has been utilised for the object stated in the offer document. Pending utilisation, Rs. 743.13 Lakhs have been invested in Liquid Mutual Funds.
- Board of Directors, at their meeting held on December 11, 2017 has approved raising of funds by way of Qualified Institutions Placement of equity shares in accordance with the provisions of Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time and other applicable laws, up to an amount not exceeding Rs. 15,000.00 Lakhs.



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- 5 According to the requirements of Ind AS and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, revenue for the corresponding previous quarters ended December 31, 2016 and for the nine months ended December 31, 2016 were reported inclusive of Excise Duty. The Government of India has implemented Goods and Service Tax ("GST") from July 1, 2017 replacing Excise Duty, Service Tax and various other indirect taxes. As per Ind AS 18, the revenue for the quarter ended December 31, 2017, is reported net of GST. Had the previously reported revenue shown net of excise duty, comparative revenue of the Company would have been as follow:

Particulars	Quarter Ended			Nine Months Ended	
	31.12.2017	31.12.2016	30.09.2017	31.12.2017	31.12.2016
Revenue from operations (Net of Excise duty)	37,114.45	28,391.89	35,498.51	106,349.23	90,774.25

- 6 With respect to fire incident in October 2016, the Company has lodged insurance claims, both for replacement value of the damaged facilities and loss of profits due to business interruption. The above financial results include Rs. 1,832.90 Lakhs (Net of loss on account of fire) against expected settlement under Fine & Speciality Chemicals Segment which was recognised during quarter ended June 30, 2017. Remaining balance shall be accounted upon final settlement of claims. The Company received Rs. 750.00 Lakhs as an interim payment against the above claims during quarter ended June 30, 2017.
- 7 The exceptional item for the nine months ended December 31, 2016 of Rs. 7,077.18 Lakhs pertains to profit on sale of land and surrender/ assignment of leasehold rights in land at Pune.
- 8 The above Unaudited financial results were reviewed by the Audit Committee and have been considered and approved by the Board of Directors at their meeting held on January 18, 2018.

For DEEPAK NITRITE LIMITED.

D. C. MEHTA
Chairman & Managing Director

Vadodara, January 18, 2018



INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

**TO THE BOARD OF DIRECTORS OF
DEEPAK NITRITE LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **DEEPAK NITRITE LIMITED** ("the Company"), for the Quarter and Nine months ended December 31, 2017 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Kartikeya Raval

Kartikeya Raval
Partner
(Membership No. 106189)

Ahmedabad, January 18, 2018