

**DEEPAK NITRITE LIMITED**

DNL/140/158/2012

4th May, 2012

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra (East)
MUMBAI – 400 051

Dear Sir,

Re : Stock Symbol - DEEPAKNTR**Sub : Audited Financial Results for the year ended on 31st March, 2012.**

Pursuant to Clause 41 of the Listing Agreement, we send herewith Audited Financial Results of the Company for the financial year ended 31st March, 2012 along with the Audit Report submitted to the Board by the Statutory Auditors of the Company.

The aforesaid results were considered and approved by the Board of Directors at its meeting held today i.e. 4th May, 2012.

Thanking you,

Yours faithfully

For **DEEPAK NITRITE LIMITED**


SANJAY UPADHYAY
SR. VICE PRESIDENT (FINANCE) &
COMPANY SECRETARY

Encl : As above



DEEPAK NITRITE LIMITED

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

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

AUDITED FINANCIAL RESULTS						SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED							
FOR THE YEAR ENDED 31ST MARCH, 2012													
Sr. No.	Particulars	Quarter Ended			Year Ended		Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2012 (Unaudited)	31.12.2011 (Unaudited)	31.03.2011 (Unaudited)	31.03.2012 (Audited)	31.03.2011 (Audited)			31.03.2012 (Unaudited)	31.12.2011 (Unaudited)	31.03.2011 (Unaudited)	31.03.2012 (Audited)	31.03.2011 (Audited)
							1	Segment Revenue :					
1	Income from operations							a) Inorganic Intermediates	3779.39	3365.15	3075.39	13209.64	12211.03
	(a) Net Sales/Income from operations (Net of excise duty)	22352.78	20889.33	18978.92	77691.13	66108.13		b) Organic Intermediates *	13654.86	11719.53	11678.11	46097.92	38123.48
	(b) Other operating income	347.19	382.23	350.00	1298.06	1116.27		c) Fine & Speciality Chemicals	5760.34	6672.38	5531.06	22053.54	20495.86
	Total income from operations (net)	22699.97	21271.56	19328.92	78989.19	67224.40		d) Others			70.16		241.89
2	Expenses							Total	23194.59	21757.06	20354.72	81361.10	71072.26
	(a) Cost of materials consumed	14710.08	13275.43	11819.16	50833.23	39026.23		Less : Inter segment revenue	494.62	485.50	1025.80	2371.91	3847.86
	(b) Purchases of stock-in-trade	1219.52	1289.06	1633.25	4349.07	4750.68							
	(c) Changes in inventories of finished goods, Work-in-progress and stock-in-trade	(92.52)	391.26	(260.28)	(874.16)	960.05							
	(d) Employee benefits expense	1322.93	1237.95	1195.38	5057.55	4591.67		Net Sales/Income from operations	22699.97	21271.56	19328.92	78989.19	67224.40
	(e) Depreciation and amortisation expense	459.64	442.74	444.59	1778.58	1813.38		* Includes Trading turnover	1257.25	1328.92	1713.92	4483.24	4995.43
	(f) Power & Fuel	2054.15	2005.86	1750.87	7688.41	6516.30							
	(g) Other expenses	1562.51	1773.22	1585.19	6408.37	5679.78							
	Total expenses	21236.31	20415.52	18168.16	75241.05	63318.09							
3	Profit/(Loss) from Operations before other income, finance costs and Exceptional Items (1-2)	1463.66	856.04	1160.76	3748.14	3886.31							
4	Other Income	77.65	69.19	217.51	284.13	517.21							
5	Profit/(Loss) from ordinary activities before finance costs and Exceptional Items (3 + 4)	1541.31	925.23	1378.27	4032.27	4403.52							
6	Finance Costs	204.59	312.83	142.20	943.27	551.19	2	Segment Results before Tax & Interest:					
7	Profit/(Loss) from ordinary activities after finance costs but before Exceptional Items (5 + 6)	1336.72	612.40	1236.07	3089.00	3852.33		a) Inorganic Intermediates	698.53	429.39	510.22	1983.49	2283.16
8	Exceptional Items- Impairment (Provision) / Reversal	-	-	(156.64)	69.60	(156.64)		b) Organic Intermediates	896.24	834.39	899.10	2813.21	2195.21
9	Profit/(Loss) from ordinary activities before tax (7+8)	1336.72	612.40	1079.43	3158.60	3695.69		c) Fine & Speciality Chemicals	489.25	625.79	474.09	2027.47	2022.74
10	Tax Expense	379.10	152.11	297.98	850.32	1115.97		Total	2084.02	1889.56	1883.41	6824.17	6501.11
11	Net Profit/(Loss) from ordinary activities after tax (9+10)	957.62	460.29	781.45	2308.28	2579.72		Less: i) Interest	204.59	312.83	142.20	943.27	551.19
								ii) Other un-allocable expenditure	542.71	964.33	661.78	2722.30	2254.23
								Net of un-allocable income					
12	Extraordinary Items (net of tax expenses)	-	-	-	-	-		Total Profit Before Tax	1336.72	612.40	1079.43	3158.60	3695.69
13	Net Profit/(Loss) for the period (11+12)	957.62	460.29	781.45	2308.28	2579.72							
14	Paid-up equity share capital	1045.38	1045.38	1045.38	1045.38	1045.38	3	Capital Employed :					
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				24080.23	22581.75		a) Inorganic Intermediates	4597.03	4307.03	3462.91	4597.03	3462.91
16.i	Earnings per share (before extraordinary items) (Of Rs. 10/- each) (not annualised)							b) Organic Intermediates	15579.30	14152.96	14186.56	15579.30	14186.56
	a) Basic	9.15	4.40	7.47	22.06	24.65		c) Fine & Speciality Chemicals	11420.02	12942.53	10711.48	11420.02	10711.48
	b) Diluted	9.15	4.40	7.47	22.06	24.65		d) Other unallocable	21408.74	22083.77	2995.86	21408.74	2995.86
16.ii	Earnings per share (after extraordinary items) (Of Rs. 10/- each) (not annualised)							Total	53005.09	53486.29	31356.81	53005.09	31356.81
	a) Basic	9.15	4.40	7.47	22.06	24.65							
	b) Diluted	9.15	4.40	7.47	22.06	24.65							

NOTES :

- 1 The Board of Directors has recommended a dividend of Rs.6/- (Rupees Six only) per share of Rs.10/- each for the year ended 31st March 2012.
- 2 Estimated mark to market gain of Rs.30.17 lacs on Forward / Derivative contracts related to forecast transactions will be recognised on actual settlement of these contracts
- 3 The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of the current financial year.
- 4 Previous period / year figures have been regrouped / reclassified, where necessary, to make them comparable with current quarter figures.
- 5 The Statutory Auditors of the Company have conducted Statutory Audit of the results for the year ended 31st March, 2012.
- 6 The above Audited financial results were reviewed by the Audit Committee and have been considered and approved by the Board of Directors at its meeting held on 4th May, 2012.
- 7 A Statement of Assets and Liability as required under Clause 41 (V) (b) of Listing Agreement :-

		(Rs. in Lacs)	
	Particulars	31.03.2012 Audited	31.03.2011 Audited
A	EQUITY AND LIABILITIES		
1	Shareholders Funds		
	(a) Share Capital	1045.38	1045.38
	(b) Reserves and Surplus	24232.37	22745.56
	Sub-total - Shareholders funds	25277.75	23790.94
2	Non-current liabilities		
	(a) Long-term borrowings	22147.61	3201.32
	(b) Deferred tax liabilities (net)	1680.29	1607.59
	(c) Other long-term liabilities	202.12	175.03
	(d) Long-term provisions	311.74	311.89
	Sub-total-Non-Current liabilities	24341.76	5295.83
3	Current Liabilities		
	(a) Short-term borrowings	2497.36	1362.35
	(b) Trade payables	13217.02	6470.54
	(c) Other current liabilities	4019.00	3778.52
	(d) Short-term provisions	802.83	823.10
	Sub-total-Current liabilities	20536.21	12434.51
	TOTAL-EQUITY AND LIABILITIES	70155.72	41521.28
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	28299.07	16994.44
	(b) Non-current investments	132.92	132.92
	(c) Deferred tax assets (net)	-	-
	(d) Long-term loans and advances	4585.44	2327.40
	(e) Other non-current assets	26.70	-
	Sub-total-Non-current assets	33044.13	19454.76
2	Current assets		
	(a) Current investments	-	-
	(b) Inventories	8543.63	5907.25
	(c) Trade receivables	15748.75	12798.38
	(d) Cash and cash equivalents	9353.77	587.45
	(e) Short-term loans and advances	3367.35	2741.15
	(f) Other current assets	98.09	32.29
	Sub-total-Current assets	37111.59	22066.52
	TOTAL - ASSETS	70155.72	41521.28

Head Office : Mumbai

- Tel : (022) 2200 0607 / 7318 / 6360
(022) 6631 5835 / 36
- Fax : (022) 2200 3476
- E-mail : info@bkkhareco.com
- 706 / 708, Sharda Chambers,
New Marine Lines, Mumbai 400 020

B. K. KHARE & CO.
CHARTERED ACCOUNTANTS

AUDITORS' REPORT**TO THE MEMBERS OF DEEPAK NITRITE LIMITED**

1. We have audited the attached Balance Sheet of DEEPAK NITRITE LIMITED as at 31st March 2012 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed with reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books.
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the said Balance Sheet, Profit Loss Account and Cash Flow Statement comply with, the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st

Branch Office : Pune

- Tel : (020) 64019743 / 25666932 / 32926341
- E-mail : pune@bkkhareco.com
- Hotel Swaroop, 4th Floor, Lane No. 10,
Prabhat Road, Erandwane, Pune - 411 004.

Branch Office : Bengaluru

- Tel : (080) 4110 5357 •
- E-mail : bkkhareb@vsnl.net •
- 101, Money Chambers, 1st Floor •
- # 6 K. H. Road, Shanthinagar, Bengaluru - 560027

March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

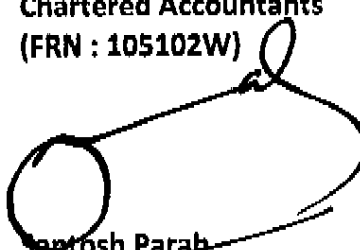
(f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012; and

(ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

(iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For B.K.KHARE & CO.
Chartered Accountants
(FRN : 105102W)



Santosh Parab
Partner

Membership No. 47942

Mumbai, Dated : 4th May 2012

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE:

i) FIXED ASSETS:

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Discrepancies noticed during the verification were not material and have been properly dealt with in the books of accounts.

(c) We are of the opinion that, Company has not disposed off substantial part of fixed assets during the year.

ii) INVENTORY: -

(a) Inventory has been physically verified during the year by the management at regular intervals. In our opinion, the frequency of verification is reasonable. In respect of stocks of raw materials lying with converters, the management has obtained confirmation certificates with regard to the respective closing stock.

(b) In our opinion, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion, the Company is maintaining proper records of inventory. Having regard to the size of the operations of the Company and the nature of stocks held, the discrepancies noticed on verification between physical stocks and book records been properly dealt with in the books of accounts.

iii) LOANS AND ADVANCES GRANTED / TAKEN FROM CERTAIN ENTITIES:

According to the information and explanations given to us, the Company has not taken or granted secured or unsecured loans from/to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

iv) INTERNAL CONTROL SYSTEM:

In our opinion, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed asset and with regard to the sale of goods and services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the internal control procedures.

v) CONTRACTS OR ARRANGEMENT REFERRED TO IN THIS SECTION 301 OF THE COMPANIES ACT, 1956 :

(a) Based on audit procedures applied by us, we are of the opinion that the contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

(b) In our opinion, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 and exceeding the value of Rs. 5,00,000/- in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

vi) PUBLIC DEPOSITS:

In our opinion, Company has complied with the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975, with regard to the deposits accepted from the public. We are further informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal intimating the contravention of the said provisions.

vii) INTERNAL AUDIT SYSTEM:

In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

viii) COST RECORDS:

We have broadly reviewed the books of accounts maintained by the Company in respect of products where pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We however have not made a detailed examination of the records with a view to determine whether they are accurate or complete.

ix) STATUTORY DUES:

(a) Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues applicable to it.

(b) There are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom duty, Excise duty and Cess which have not been deposited on account of dispute except in respect of (i) Sales Tax of Rs. 6.97 Lacs under the Central Sales Tax Act for F.Y. 2005-2006 which is pending before Commissioner of Sales Tax (Appeals), and Rs.11.65 Lacs under the

Works Contract Tax Act of Maharashtra pending before Commissioner of Works Contract Tax (Appeals) at CBD Belapur, Navi Mumbai, ii) Interest and penalty of Rs. 85.61 Lacs payable on differential Excise duty pending before CESTAT for the years from 2004-05 to 2009-10, Excise Duty alongwith interest and penalty of Rs.5.31 Lacs which is pending before CESAT for the years 2003-04 and 2005-06 and iii) Rs.99.36 lacs in respect of disputed liability relating to non utilisation of industrial plot within specified time frame.

x) ACCUMULATED LOSSES:-

The Company does not have accumulated losses as at the end of the year and the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xi) DUES TO FINANCIAL INSTITUTIONS, BANKS AND DEBENTURE HOLDERS:

Based on our audit procedures, we are of the opinion that the Company has not defaulted in the repayment of dues to Financial Institutions and Banks.

xii) SECURITY FOR LOANS & ADVANCES GRANTED:

Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) SPECIAL STATUTE:

The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/society are not applicable to the Company.

xiv) DEALINGS/TRADING IN SHARES, SECURITIES , DEBENTURES AND OTHER INVESTMENTS :

In our opinion Company is not dealing in or trading in shares, securities, debentures and other investments.

xv) GUARANTEES GIVEN:

Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

xvi) TERM LOANS:

According to the information and explanations given to us, the Company has not taken any Term Loan during the year.

xvii) UTILISATION OF FUNDS:

On an overall examination of the Balance Sheet and the Cash Flow of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

xviii) PREFERENTIAL ALLOTMENT OF SHARES:

Company has not made any preferential allotment of shares during the year.

xix) SECURITY FOR DEBENTURES ISSUED:

Company has not issued any debentures during the year.

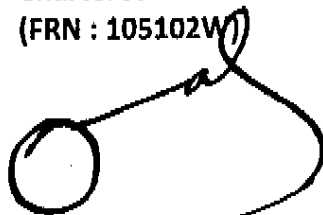
xx) PUBLIC ISSUE OF EQUITY SHARES:

During the year Company has not raised any money by public issue.

xxi) FRAUDS NOTICED:

During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For B.K.KHARE & CO.
Chartered Accountants
(FRN : 105102W)



Santosh Parab
Partner
Membership No. 47942

Mumbai, Dated : 4th May 2012