



DNL/138/BSE/938/2017
November 10, 2017

Department of Corporate Services
BSE Ltd.
Phiroje Jeejeebhoy Towers
Dalal Street
MUMBAI – 400 001

Dear Sir,

Scrip Code: 506401

Re : Un-audited Financial Results for the Quarter and Half year ended 30th September, 2017

We wish to inform you that the Board of Directors of the Company at their meeting held today i.e. 10th November, 2017 has considered and approved the Un-audited Financial Results for the Quarter and Half year ended 30th September, 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 Half year ended 30th September, 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 12:00 P.M. and concluded at 4:00 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 HALF YEAR ENDED 30TH SEPTEMBER 2017

Rs. in Lakhs

| Sr. No. | Particulars | Quarter Ended | | | Half Year Ended | |
|---------|---|---------------------------|------------------------------|---------------------------|---------------------------|------------------------------|
| | | 30.09.2017 (Unaudited) | 30.09.2016 (Refer Note 3) | 30.06.2017 (Unaudited) | 30.09.2017 (Unaudited) | 30.09.2016 (Refer Note 3) |
| 1 | Income | | | | | |
| | (a) Revenue from operations | 35,497.43 | 32,585.29 | 36,162.59 | 71,660.02 | 66,524.08 |
| | (b) Other income | 132.18 | 119.66 | 197.23 | 329.41 | 369.96 |
| | Total Income | 35,629.61 | 32,704.95 | 36,359.82 | 71,989.43 | 66,894.04 |
| 2 | Expenses | | | | | |
| | (a) Cost of materials consumed | -19,597.66 | 17,348.36 | 19,427.38 | 39,025.04 | 36,361.77 |
| | (b) Changes in inventories of finished goods and Work-in-progress | 486.86 | (511.85) | (399.44) | 87.42 | (1,475.46) |
| | (c) Excise Duty | (1.08) | 1,993.92 | 2,426.32 | 2,425.24 | 4,141.72 |
| | (d) Employee benefits expense | 3,299.02 | 2,894.65 | 3,146.34 | 6,445.36 | 6,020.48 |
| | (e) Finance Costs | 1,073.78 | 489.97 | 945.69 | 2,019.47 | 1,327.32 |
| | (f) Depreciation and amortisation expense | 1,326.41 | 1,172.96 | 1,233.79 | 2,560.20 | 2,402.35 |
| | (g) Power & Fuel Expenses | 2,977.06 | 2,830.07 | 2,876.26 | 5,853.32 | 5,506.22 |
| | (h) Other expenses | 3,894.02 | 4,398.65 | 3,632.82 | 7,526.84 | 8,349.83 |
| | Total expenses | 32,653.73 | 30,616.73 | 33,289.16 | 65,942.89 | 62,634.23 |
| 3 | Profit before Exceptional Items and Tax (1 ± 2) | 2,975.88 | 2,088.22 | 3,070.66 | 6,046.54 | 4,259.81 |
| 4 | Exceptional items (Refer Note 8) | - | - | - | - | 7,077.18 |
| 5 | Profit before Tax (3 ± 4) | 2,975.88 | 2,088.22 | 3,070.66 | 6,046.54 | 11,336.99 |
| 6 | Tax Expense | | | | | |
| | (a) Current Tax | 958.14 | 429.71 | 864.64 | 1,822.78 | 2,415.71 |
| | (b) Deferred Tax | 37.58 | 178.78 | 195.58 | 233.16 | 703.24 |
| | (c) Prior Period Tax adjustment | (288.51) | - | - | (288.51) | - |
| | Total Tax Expenses | 707.21 | 608.49 | 1,060.22 | 1,767.43 | 3,118.95 |
| 7 | Net Profit for the period (5±6) | 2,268.67 | 1,479.73 | 2,010.44 | 4,279.11 | 8,218.04 |
| 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 | 2.50 | (40.83) | (54.05) | (51.55) | (120.50) |
| | iii. Income tax related to items above | (0.81) | 5.52 | 18.34 | 17.53 | 33.09 |
| | Other Comprehensive Income (net of tax) | 1.69 | (35.31) | (35.71) | (34.02) | (87.41) |
| 9 | Total comprehensive income for the period (7±8) | 2,270.36 | 1,444.42 | 1,974.73 | 4,245.09 | 8,130.63 |
| 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) : | 1.74 | 1.24 | 1.51 | 3.25 | 2.53 |
| 11.ii | Basic & Diluted Earning per share (after exceptional items) (of Rs. 2/- each) (not annualised) : | 1.74 | 1.24 | 1.51 | 3.25 | 6.99 |



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

Rs. in Lakhs

| Sr. No. | Particulars | Quarter Ended | | | Half Year Ended | |
|---------|---|---------------------------|------------------------------|---------------------------|---------------------------|------------------------------|
| | | 30.09.2017 (Unaudited) | 30.09.2016 (Refer Note 3) | 30.06.2017 (Unaudited) | 30.09.2017 (Unaudited) | 30.09.2016 (Refer Note 3) |
| 1 | Segment Revenue (Revenue from operations): | | | | | |
| | a) Basic Chemicals | 16,632.91 | 16,998.64 | 19,395.28 | 36,028.19 | 34,210.11 |
| | b) Fine & Speciality Chemicals | 11,285.51 | 9,034.77 | 10,681.01 | 21,966.52 | 19,190.92 |
| | c) Performance Products | 8,420.55 | 6,847.72 | 6,577.83 | 14,998.38 | 13,584.42 |
| | d) Others un-allocable | 138.31 | 138.07 | 15.23 | 153.54 | 307.72 |
| | Total | 36,477.28 | 33,019.20 | 36,669.35 | 73,146.63 | 67,293.17 |
| | Less : Inter segment revenue | 979.85 | 433.91 | 506.76 | 1,486.61 | 769.09 |
| | Total Revenue from Operations | 35,497.43 | 32,585.29 | 36,162.59 | 71,660.02 | 66,524.08 |
| 2 | Segment Results before Tax & Interest: | | | | | |
| | a) Basic Chemicals | 2,620.53 | 2,119.97 | 2,360.64 | 4,981.17 | 3,827.27 |
| | b) Fine & Speciality Chemicals | 2,620.58 | 2,216.28 | 3,143.22 | 5,763.80 | 4,945.51 |
| | c) Performance Products | 4.61 | (438.05) | (400.57) | (395.96) | (718.57) |
| | Total | 5,245.72 | 3,898.20 | 5,103.29 | 10,349.01 | 8,054.21 |
| | Less: i) Interest | 1,073.78 | 489.97 | 945.69 | 2,019.47 | 1,327.32 |
| | ii) Other un-allocable expenditure (Net of un-allocable Income) | 1,196.06 | 1,320.01 | 1,086.94 | 2,283.00 | (4,610.10) |
| | Total Profit Before Tax | 2,975.88 | 2,088.22 | 3,070.66 | 6,046.54 | 11,336.99 |
| 3 | Segment Assets | | | | | |
| | a) Basic Chemicals | 38,529.44 | 31,578.98 | 39,185.61 | 38,529.44 | 31,578.98 |
| | b) Fine & Speciality Chemicals | 40,289.85 | 32,625.38 | 37,142.79 | 40,289.85 | 32,625.38 |
| | c) Performance Products | 38,008.25 | 40,108.43 | 34,674.31 | 38,008.25 | 40,108.43 |
| | d) Other un-allocable | 44,106.75 | 22,223.11 | 46,004.43 | 44,106.75 | 22,223.11 |
| | Total Segment Assets | 160,934.29 | 126,535.90 | 157,007.14 | 160,934.29 | 126,535.90 |
| 4 | Segment Liabilities | | | | | |
| | a) Basic Chemicals | 7,288.54 | 7,460.09 | 8,162.93 | 7,288.54 | 7,460.09 |
| | b) Fine & Speciality Chemicals | 5,555.18 | 3,239.09 | 4,524.98 | 5,555.18 | 3,239.09 |
| | c) Performance Products | 6,177.68 | 5,542.85 | 6,045.01 | 6,177.68 | 5,542.85 |
| | d) Other un-allocable | 6,692.78 | 6,807.60 | 7,022.46 | 6,692.78 | 6,807.60 |
| | Total Segment Liabilities | 25,714.18 | 23,049.63 | 25,755.38 | 25,714.18 | 23,049.63 |

NOTES:

- The Company has adopted Indian Accounting Standards (Ind AS) from 1st April 2017 with transition date of 1st April 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 half year ended 30th September 2016 are Ind AS compliant.
- Reconciliation of Net Profit for the quarter and half year ended 30th September 2016 as previously reported (referred to as 'Indian GAAP') vis-a-vis Ind AS is given below:

| Particulars | Quarter ended 30.09.2016 (Rs. in Lakhs) | Half Year ended 30.09.2016 (Rs. in Lakhs) |
|--|---|---|
| Net Profit as per Previous Indian GAAP | 1,541.22 | 8,327.08 |
| Effect of Fair Valuation as Deemed Cost on depreciation for Plant & Machinery (Net of Tax) | (100.21) | (216.56) |
| Actuarial loss on gratuity recognized in Other Comprehensive Income (Net of Tax) | 33.65 | 85.75 |
| Others (Net of Tax) | 3.41 | 20.11 |
| Net profit before Other Comprehensive Income (OCI) as per Ind AS | 1,478.07 | 8,216.38 |
| Other Comprehensive income (OCI) (net of tax) | (33.65) | (85.75) |
| Total comprehensive income under Ind AS | 1,444.42 | 8,130.63 |

- The Ind AS compliant financial results pertaining to the quarter and half year ended 30th September 2016 have not been subjected to Audit/Limited Review.
- During the current quarter, the Company has further invested Rs. 7,500.00 Lakhs in its wholly owned subsidiary Deepak Phenolics Limited.
- Out of issue proceeds of Rs. 15,000.00 Lakhs from the Qualified Institutions Placements, Rs. 356.77 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.



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- 6 According to the requirements of Ind AS and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, revenue for the corresponding previous quarters ended 30th June 2017 and 30th September 2016, for the half year ended 30th September 2016 were reported inclusive of Excise Duty. The Government of India has implemented Goods and Service Tax ("GST") from 1st July 2017 replacing Excise Duty, Service Tax and various other indirect taxes. As per Ind AS 18, the revenue for the quarter ended 30th September 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 | | | Half Year Ended | |
|--|---------------|------------|------------|-----------------|------------|
| | 30.09.2017 | 30.09.2016 | 30.06.2017 | 30.09.2017 | 30.09.2016 |
| Revenue from operations (Net of Excise duty) | 35,498.51 | 30,591.37 | 33,736.27 | 69,234.78 | 62,382.36 |

Rs. in Lakhs

- 7 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 30th June 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 30th June 2017.
- 8 The exceptional item for the half year ended 30th September 2016 of Rs. 7,077.18 Lakhs pertains to profit on sale of land and surrender/ assignment of leasehold rights in land at Pune.
- 9 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 10th November 2017.
- 10 Statement of Assets and Liabilities

| Particulars | Rs. in Lakhs |
|--------------------------------------|---|
| | Standalone Results As at 30.09.2017 (Unaudited) |
| A) ASSETS | |
| I Non-current assets | |
| Property, Plant and Equipment | 56,778.92 |
| Capital Work-in-Progress | 3,210.39 |
| Other Intangible assets | 494.16 |
| Financial Assets: | |
| Investments | 34,393.68 |
| Loans | 1,218.01 |
| Other Non-Current Assets | 132.50 |
| Total Non-Current Assets | 96,227.66 |
| II Current assets | |
| Inventories | 14,137.14 |
| Financial Assets: | |
| Investments | 1,020.13 |
| Trade Receivables | 36,996.01 |
| Cash and Cash Equivalents | 129.53 |
| Other Financial Assets | 5,834.07 |
| Other Current Assets | 6,589.75 |
| Total Current Assets | 64,706.63 |
| TOTAL ASSETS | 160,934.29 |
| B) EQUITY AND LIABILITIES | |
| I EQUITY | |
| Equity Share Capital | 2,614.23 |
| Other Equity | 72,982.31 |
| Total Equity | 75,596.54 |
| II LIABILITIES | |
| 1 Non-current liabilities | |
| Financial Liabilities: | |
| Borrowings | 9,162.46 |
| Provisions | 760.41 |
| Deferred Tax Liabilities (Net) | 4,341.79 |
| Total Non-Current Liabilities | 14,264.66 |
| 2 Current liabilities | |
| Financial Liabilities: | |
| Borrowings | 39,743.57 |
| Trade Payables | 18,349.22 |
| Other Financial Liabilities | 11,268.06 |
| Provisions | 510.42 |
| Current Tax Liabilities (Net) | 205.78 |
| Other Current Liabilities | 996.54 |
| Total Current Liabilities | 71,073.09 |
| Total Liabilities | 85,337.75 |
| TOTAL EQUITY AND LIABILITIES | 160,934.29 |

For DEEPAK NITRITE LIMITED.

D. C. Mehta

D. C. MEHTA

Chairman & Managing Director

Vadodara, November 10, 2017



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 half year ended September 30, 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.
4. As stated in Note 3 of the Statement, we have not performed a review or audit of the figures relating to the corresponding quarter and half year ended September 30, 2016 including the reconciliation of net profit for the quarter and half year ended September 30, 2016 between the previous GAAP and the Indian Accounting Standards ("Ind AS").



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

Kartikeya Raval

Kartikeya Raval
Partner
(Membership No. 106189)

Vadodara, November 10, 2017