



NIRMA

Annual Report 2010-11





nirlife[®]
health is happiness...





BOARD OF DIRECTORS

Dr. K. K. Patel, Chairman
Shri Rakesh K. Patel, Vice Chairman
Shri Shrenikbhai K. Lalbhai
Shri Pankaj R. Patel
Shri Rajendra D. Shah
Shri A. P. Sarwan
Shri Chinubhai R. Shah
Shri Kaushikbhai N. Patel
Shri Kalpesh A. Patel, Executive Director
Shri Hiren K. Patel, Managing Director

COMPANY SECRETARY

Shri Paresh Sheth

AUDITORS

Hemanshu Shah & Co.
Chartered Accountants
Ahmedabad - 380 009

REGISTERED OFFICE

Nirma House
Ashram Road
Ahmedabad - 380 009

REGISTRARS AND

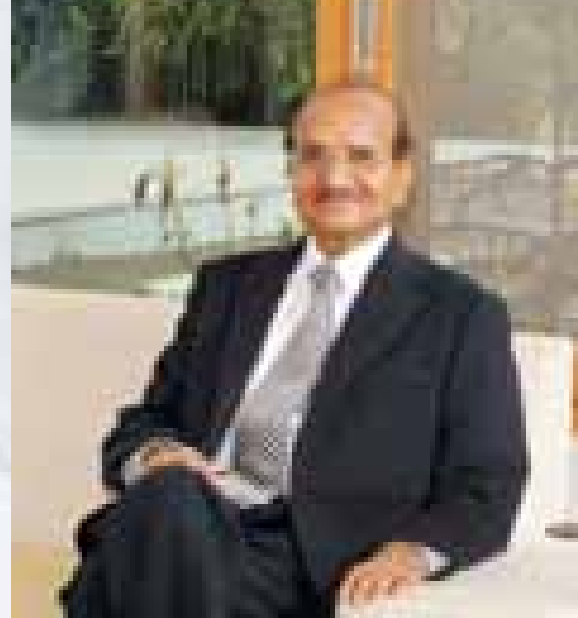
SHARE TRANSFER AGENT

Sharepro Services (India) Pvt. Limited
Mumbai - 400 072

CONTENTS

Directors' Report.....	02
Management Discussion and Analysis.....	09
Corporate Governance Report	14
Auditors' Report.....	23
Balance Sheet	28
Profit & Loss Account	29
Schedules forming part of Accounts.....	30
Cash Flow Statement	54
Statement pursuant to Section 212 of the Companies Act, 1956	55
Information on Subsidiaries	56
Auditors' Report on Consolidated Financial Statements	57
Consolidated Balance Sheet	58
Consolidated Profit & Loss Account	59
Schedules forming part of Consolidated Accounts.....	60
Consolidated Cash Flow Statement	80





Directors' Report

To,
The Members,

Your Directors are pleased to present the 31st Annual Report together with Audited Accounts of the Company for the year ended on March 31, 2011. The highlights of financial performance of your Company for the year 2010-11 are here below:

(Rs. in crore)

	Consolidated		Standalone	
	2010-11	2009-10	2010-11	2009-10
Sales	5008.72	4831.61	3504.06	3329.18
Operating Profit (EBITDA)	546.25	729.12	436.20	604.59
Less: (i) Interest and charges	49.20	51.99	31.48	31.72
(ii) Depreciation	363.70	337.48	314.33	287.56
Profit Before Exceptional Items and Tax	133.58	339.73	90.39	285.31
Less: (i) Exceptional Items	(15.04)	8.99	(15.04)	8.99
(ii) Tax Expenses	25.34	85.16	3.03	47.22
Profit for the year	123.28	245.58	102.40	229.10
Less: Depreciation provided/written back of earlier years	28.68	(3.74)	28.68	(8.84)
Previous Years Tax adjustments	(0.32)	(0.01)	(0.32)	Nil
Net Profit	94.92	249.33	74.04	237.94
Balance in Profit & Loss A/c. B/F	148.36	82.55	84.48	30.06
Balance available for Appropriation	243.28	331.88	158.52	268.00
Less: Transferred to General Reserve	Nil	100.00	Nil	100.00
Adjustment on account of amalgamation	(2.80)	Nil	Nil	Nil
Proposed Dividend on Equity Shares	Nil	71.61	Nil	71.61
Tax on dividend	Nil	11.91	Nil	11.91
Balance carried to Balance Sheet	246.08	148.36	158.52	84.48

DIVIDEND

Keeping in view the Company's enterprising spirit of exploring diverse business opportunities for growth, your directors desire to conserve financial resource of the Company and hence not recommended a dividend for the financial year 2010-11.

During the year, the Company has transferred Rs. 0.02 crore to Investor Education and Protection Fund, pursuant to provisions of Investor Education and Protection Fund Rules, 2001.

FINANCE

The Company believes in moderate gearing and maintains external debt at levels that can be serviced from operating cash flows. Sustained cash flows from core operations over the years has helped the Company in resorting to short-term borrowings to fund its Capex plans.

BUSINESS OVERVIEW

Fiscal year 2011 in general was showing overall mixed growth indicators. Inflation was in the headline exhibiting strong persistence in 2010-11. It reflected both supply shocks and gradual generalisation of price pressures. Real GDP growth in 2010-11 reverted to near trend growth rate, following two successive years of below trend growth.

Consolidated Operating Result

The year under review continued to be satisfactory for your Company, considering the present scenario. Your Company consistently maintained moderate growth on net sales which on consolidated basis stood at Rs. 4751.31 crore compared to Rs. 4620.38 crore in the previous year. The consolidated revenue mainly derived from Soaps and Surfactants, Processed Minerals and Pharma. Your Company achieved Earning before Interest, Taxes, Depreciation and Amortisation (EBITDA) of Rs. 546.25 crore, declined by 25.08% from Rs. 729.12 crore of the previous year. The Net Profit on consolidated basis stood at Rs. 94.92 crore.

Standalone Operating Result

On Standalone basis, the net sale was increased to Rs. 3246.65 crore from Rs. 3117.95 crore of the previous year. The EBITDA has declined to Rs. 436.20 crore from Rs. 604.59 crore as compared to the previous year. The net profit was at Rs. 74.04 crore during the year under review compared to Rs. 237.94 crore of the previous year. The reduction in the net profit was mainly on account of increase in the cost of power & fuel, raw materials, higher depreciation and employee cost.

For detailed analysis of performance refer to Management Discussion and Analysis attached to this Report.

SCHEMES OF ARRANGEMENT

The Hon'ble High Court of Gujarat has sanctioned (i) the Scheme of Arrangement in the nature of demerger and transfer of Cement and Mining Division of Nirma Credit and Capital Private Limited with the Company vide its order dated March 14, 2011 and (ii) the Scheme of Arrangement in the nature of amalgamation of Nirma Consumer Care Limited, a Wholly Owned Subsidiary, with the Company vide its order dated March 30, 2011. The appointed date of both the Schemes was April 1, 2009. The effective date of both the Schemes was April 29, 2011 and May 4, 2011 respectively. The requisite effects of both the schemes have been given in the Accounts for the year under review.



SHARE CAPITAL

Your Company has not issued any shares during the year under review. Consequent upon the Amalgamation of Nirma Consumer Care Limited, a Wholly Owned Subsidiary, with the Company, the Authorised Share Capital of Rs. 50,00,000 of Nirma Consumer Care Limited has been added to the Authorised Share Capital of the Company in accordance with the terms of the Scheme from the effective date.

DE-LISTING OF EQUITY SHARES

As you are aware, your Board of Directors had at their meeting held on October 9, 2010 decided to initiate the delisting of the equity shares of the Company from both the stock exchanges namely the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). On November 20, 2010, the resolution to effect the same was also passed by the requisite majority of the members. The Promoters-Acquirers acquired 13.65% of equity shares at a price of Rs. 260/- per equity share being the price determined under the Securities Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, making their total shareholdings to 90.82% of the paid-up equity of the Company.

Considering the application for the delisting, BSE and NSE issued a notice / circular on March 10, 2011 informing their members that the trading of the shares of the Company would be discontinued with effect from March 24, 2011 and delisting of equity shares with effect from March 31, 2011. However on March 30, 2011, the stock exchanges have issued circular keeping the delisting of the equity shares of the Company in abeyance till further instructions, pursuant to the directions from Securities and Exchange Board of India. The final approval is under process. Meantime, the Acquirers have issued the Announcement stating that the shareholders who have tendered their shares in Special Depository Escrow Account or submitted to the Registrar, under the 'Exit Offer', may request to the Registrar for their shares to be returned to them.

PROJECTS

In respect of the cement project of the Company at Mahuva, Dist. Bhavnagar, a special leave petition was filed before the Hon'ble Supreme Court against the order of the Hon'ble High Court of Gujarat allowing the construction at the site subject to certain conditions / safeguards. In response to the order of the Hon'ble Supreme Court, Expert Appraisal Committee (EAC) submitted its recommendations to the Ministry of Environment and Forest (MoEF) and pursuant thereto, MoEF issued Show-cause Notice dated May 11, 2011 as to why the Environmental Clearance granted earlier to the Project should not be cancelled. The Company has submitted its response to the Show-cause Notice and hearings have taken place before MoEF in the month of July 2011.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS

In accordance to Clause 49 of the Listing Agreement, a report on Corporate Governance and Management Discussion & Analysis are annexed as part of the Directors' Report.

DIRECTORS

Shri Kaushikbhai N. Patel and Shri Rakesh K. Patel, Directors of the Company are liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment. Your Directors recommend their re-appointment. Shri Atulya Prasad Sarwan, Director, retires by rotation at the forthcoming Annual General Meeting, has not offered himself for re-appointment. Your Board recommends that the vacancy that would be caused by retirement of Shri Atulya Prasad Sarwan, not be filled up at the forthcoming Annual General Meeting.

As per Section 274(1)(g) of the Companies Act, 1956, none of the directors of the Company are disqualified from being re-appointed as directors. Pursuant to the Clause 49 of the Listing Agreement, the detailed particulars of the directors seeking re-appointments have been provided in the notice of the forthcoming Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby stated that:

- (i) in the preparation of the annual accounts for the financial year ended March 31, 2011, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011 and of the profit of the Company for the year ended on that date;

- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the directors had prepared the annual accounts of the Company on going concern basis.

SUBSIDIARY COMPANIES

Karnavati Holdings Inc., Searles Valley Minerals Inc., Searles Valley Minerals Operations Inc., Searles Valley Residences LLC, Searles Domestic Water Company LLC, Searles Valley Minerals Europe, Trona Railway Company LLC and NATI LLC continue to be subsidiaries / step down entities of the Company. Your Company has, on April 1, 2011, incorporated a subsidiary in Mexico under the name "NIRLIFE MEXICO SA de CV".

Pursuant to the order of the Hon'ble High Court of Gujarat, dated March 30, 2011, Nirma Consumer Care Limited, a wholly owned subsidiary has been amalgamated with the Company.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements pursuant to Clause 41 of the Listing Agreement entered into with the stock exchanges and prepared in accordance with Accounting Standard prescribed by the Institute of Chartered Accountants of India, for the financial year ended March 31, 2011, is attached with this report. The Ministry of the Corporate Affairs vide Circular No. 51/12/2007-CL-III dated February 8, 2011 has granted General Exemption from complying with the provision of Section 212 of the Companies Act, 1956. The key financial information of the subsidiaries has been disclosed in a brief abstract forming part of this Annual Report.

PARTICULARS OF EMPLOYEES

The particulars of the employees are required to be given in the annexure to the Directors' Report pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time. However, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto as per the provisions of Section 219(1)(b)(iv) of the said Act. Member, who would like to have such particulars, may write to the Company Secretary at the Registered Office of the Company.

FIXED DEPOSITS

The Company has not accepted any Public Deposits during the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particular as per Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed hereto and forms part of this Report.

AUDITOR & AUDITOR'S REPORT

M/s. Hemanshu Shah & Co., Chartered Accountants, Ahmedabad, the Auditor, hold office until the conclusion of the forthcoming Annual General Meeting. They have confirmed that their re-appointment if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. Notes forming part of Accounts, which are specifically referred to by the Auditor in their report are self-explanatory and therefore, do not call for any further comments.

RE-APPOINTMENT OF COST AUDITOR

Pursuant to the direction of the Ministry of Corporate Affairs for appointment of Cost Auditor, your directors have re-appointed Bhalchandra C. Desai as the Cost Auditor of the Company for the year ending March 31, 2012.

INSURANCE

Assets of the Company are adequately insured.

ACKNOWLEDGEMENT

Your Directors take this opportunity to convey thanks to all stakeholders including government authorities for extending their continuous support and co-operation to the Company. Your Directors also appreciate the efforts made by the each of the employee of the Company for their continuous and dedicated efforts in achieving vision of the Company.

For and on behalf of the Board

Place : Ahmedabad
Date : July 29, 2011

Dr. K.K. Patel
Chairman

ANNEXURE TO DIRECTORS' REPORT

Information as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are set out as under :

A) Conservation of Energy

The energy conservation continued to be a priority area for the Company. All possible inbuilt measures have been taken for energy conservation at the time of installation of plants and equipments. The particulars with respect to conservation of energy as per Form A are given hereunder:

Form: A

A.	Power & Fuel Consumption	Current Year	Previous Year
1.	Electricity		
	a] Purchased Units	154148316	118353660
	Total amounts Rs.	950824470	748542807
	Av.Rate/Unit Rs.	6.17	6.32
	b] Own Generation	185651314	112207865
2.	Coal (MT)	382702.80	369052.45
	Total amounts Rs.	1409547095	1182345715
	Av.Rate/Unit Rs.	3683.14	3203.73
3.	Furnace Oil (KL)	24131.22	39471.59
	Total amounts Rs.	619231232	915614140
	Av.Rate/Unit Rs.	25661.00	23196.79
4.	Others (L.P.G.) (MT)	18.48	16.22
	Total amounts Rs.	977604	909267
	Av.Rate/Unit Rs.	52906.37	56061.86
5.	Light Diesel Oil (KL)	880.35	598.28
	Total amounts Rs.	41044174	24135097
	Av.Rate/Unit Rs.	46622.56	40340.80
6.	Lignite (MT)	491272.55	257858.19
	Total amounts Rs.	1170969650	566936891.92
	Av.Rate/Unit Rs.	2383.54	2198.64
7.	Natural Gas (MMBTU)	511221	-
	Total amounts Rs.	266308319	-
	Av.Rate/Unit Rs.	520.93	-
8.	D.O.C.(KG)		
	Purchased Units	783524	769415
	Total amounts Rs.	3765845	3925908
	Av. Rate/Unit Rs.	4.81	5.10

		Current Year					Previous Year				
		SAP	LAB	Soda Ash	Caustic Soda Lye	SSP	SAP	LAB	Soda Ash	Caustic Soda Lye	SSP
B.	Consumption per unit of production Standard (if any) #	-	-	-	-	-	-	-	-	-	-
	Product : *Sulphuric Acid / LAB / Soda Ash / Caustic Soda Lye / SSP	-	-	-	-	-	-	-	-	-	-
	Electricity Units	48.04	748.20	113.50	2835.89	0.18	51.68	742.25	165.55	2436.13	0.17
	Furnace Oil - kl/pmt	-	0.26	0.001	-	0.22	-	0.43	0.001	-	-
	Coal	-	-	0.695	-		-	-	0.818	-	-
	D.O.C	-	-	-	-		-	-	-	-	0.17
	Others (L.P.G.) mt/pmt	-	0.0002	-	-	-	-	0.0002	-	-	-
	Light Diesel Oil (KL)	-	0.0005	0.001	-	-	-	-	0.001	-	-
	Lignite / pmt	-	-	0.86	-	-	-	-	0.52	-	-
	Natural Gas / pmmbtu	-	5.88	-	-	-	-	-	-	-	-

Since in Pharma, the Company manufactures wide ranges of formulations and other products, each requires different compositions and mix, the compilation of consumption per unit of production is not feasible.

* Sulphuric acid includes Oleum

B) Technology Absorption

Form: B

Technology Absorption, Adaptation and Innovation

Efforts, in brief, made towards technology absorption, adaptation and innovation

The Company has adopted the latest technology in its production process. Technology and equipments are partly imported. The technology for manufacturing of LAB, based on Solid Bed Alkylation process, also known as DETAL technology of UOP, USA. The plant is producing efficiently to its full capacity.

Benefits derived as a result of the above efforts

- Avoids usage of hazardous Hydro Fluoric (HF) Acid
- Improves product quality
- Improves solubility and preferred for liquid detergents also
- Higher biodegradability

Imported Technology

The Soda Ash Plant Light and Dense based on AKZO's Dry Liming Technology has been absorbed. The Plant is producing to its maximum rated capacity and sometimes even exceeded the rated capacity. The efforts are on to further improve overall balancing so as to achieve on consistent basis more than rated capacity.

The Iodized Vacuum salt Plant based on AKZO's Technology has also performed well. The quality is excellent and plant is performing.

The Caustic Soda Plant based on M/s. Uhde's Technology has also delivered to its full capacity and good quality product is served to market.

After having realized the rated capacity and absorbing various technologies efforts are on to debottleneck systems to increase the output more than rated.

Research & Development (R & D)

Specific areas in which R & D carried out by the Company

The Company is having well established R & D laboratory and quality control laboratory with number of sophisticated instruments for testing and analysis. The Company is carrying out R & D in the areas of quality control and to enhance the quality of the product and to assess the technology upgradation from time to time.

Benefits derived as a result of the above R & D

Product improvement to meet with global requirements and international standards, focus on cost reduction, better quality control due to technological upgradation.

Future plan of action

To continue monitoring the effluent prior to discharge on regular basis and to make technological upgradation more faster.

Expenditure on R & D

No specific expenditure incurred on R & D.

C) Foreign Exchange Earnings and Outgo

Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and export plans

Your Company always takes necessary initiatives for increase exports as and when the exports opportunities arise.

Total foreign exchange used and earned.

The required information in respect of foreign exchange earnings and outgo has been given in the Note in Schedule 19 forming part of Accounts.

MANAGEMENT DISCUSSION AND ANALYSIS

CAUTIONARY STATEMENT

Some of the statements in the report describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. The forward looking statements have as their basis certain assumptions and expectations about behaviour or outcome of future events and / or economic variables. The Company's operations may be affected by these economic conditions, demand / supply scenarios, price conditions, market conditions in which the Company operates, changes in the Government Policies, changes in fiscal laws and other incidental factors. The Company therefore does not guarantee that these future events and / or economic variable will materialise in the same way they are assumed or projected. Actual performance of the Company could thus differ materially when compared with projection made in the "forward looking statements".

ECONOMY & MARKET TREND

The inflationary situation in the economy continues to be a cause of concern in FY 2010-11. Increasing International oil prices, likely decontrol of diesel prices, high global food prices and higher minimum support price for the upcoming agriculture season are some of the factors that constitute the upside risks to inflation. Sectors like manufacturing and mining have witnessed considerable erosion of growth momentum over the last year. While consumption demand is still holding, a sharp decline in the growth of investments is seen.

The intensifying trends in interest rates, raw materials cost and fuel prices, likely to slow down the economic scenario in Asian economies. However, the momentum gained in export activities during the second half of the year under review show some promising outlook.

COMPANY'S PRODUCTS

The Company has diversified portfolio of Soaps and Surfactants, Healthcare and Processed Minerals.

Your Company is one of the leading fast-moving consumer and chemical companies in India. "Nirma and Nima" brands are household names and have been accredited several times as one of the best Indian brands. "Nirma" has created the market for itself and even been adjudged as one of the Super brands of India.

Soaps and Surfactants business include Soaps & Detergents as well as key chemicals and packaging required in their manufacture. As a part of backward integration strategy, the Company has, in stages, set up manufacturing facilities for Synthetic Soda Ash, Normal Paraffin, Linear Alkyl Benzene (LAB), Linear Alkyl Benzene Sulphonate, Sulfuric Acid, Industrial Salt, Alpha Olefin Sulphonate, Glycerin, Fatty Acid and Packing. The Company also operates one of the largest solar salt works of Asia.

The Healthcare Plant spreads across approx. 550 acres, located at Sachana near Ahmedabad. The plant is currently equipped with approx. capacity of 325 mn Large Volume Parenterals, 1.5 Billion Small Volume Parenterals and 1.5 billion units of medical devices. The Company has successfully completed new facilities for formulation manufacturing and is in the process of approvals, validation and then commercial production. The facilities are planned with size and scale to cater to domestic as well as international markets.

India's Soda Ash consumption is increasing @ 5% growth rate against a 2% global growth rate. In various perspectives, the aggregate domestic volumes are insignificant compared to China, Europe and the USA. This is evident by the fact that Solvay's global capacity is almost double than the size of entire Indian capacity. However, India's soda ash market is attracting global players, making scale essential for local producers to remain competitive. After acquisition of US-based natural soda ash facility in the later part of 2007, the Company has reached to top seven global producers of the commodity. The Company's USA based subsidiaries Searles Valley Minerals Inc. and Searles Valley Minerals Operations Inc. (SVM), are engaged in processing of Soda Ash, Boron & Sodium Sulphate from Trona deposits in the western USA. Trona is an evaporate mineral and is of primary importance in the soda ash market as a competitor to synthetically produced material. Advanced solution mining and crystallization techniques of SVM yield approximately two million tons of consolidated minerals each year.

Currently the manufacturing facilities of the Company are located at Mandali in Dist. Mehsana, Moraiya in Dist. Ahmedabad, Alindra in Dist. Vadodara, Kalatalav in Dist. Bhavnagar, Sachana in Dist. Ahmedabad and Searles Valley, Ridgcrest in the USA for Subsidiary.

OVERVIEW OF SALES

Soaps and Surfactants

The sector is volume driven and characterised by low margins. The products are branded and backed by aggressive marketing, heavy advertising, slick packaging and robust distribution network. Also, raw material prices play a vital role in determining the pricing of the finished product. Keys to success for this segment are brand building, extensive distribution network and control over raw materials. Your Company has established over the years strong brand name, loyal distribution channels and millions of satisfied customers. The Company continues to provide the best quality products at a fair and competitive price through nation-spread distribution network. The rural markets are the main growth drivers. According to the survey, the size of the rural India would become bigger than the total consumer market in some of the countries like South Korea or Canada in another twenty years.

The turnover of Soaps & Detergents for the FY 2010-11 has declined marginally to Rs. 1626 crore from Rs. 1787 crore of previous year. During the year under review, sales from the Soaps & Detergents accounted for 32% of the gross sales on consolidated basis and 46% of gross sales on standalone basis.

Sales of Soda Ash & Linear Alkyl Benzene at Rs. 1038 crore from Indian operation accounted for 30% of the gross sales on standalone basis. The Company had started manufacturing and marketing of Caustic Soda since last year, surging exposure in commodity chemicals. The sale of Caustic soda was at Rs. 89.07 crore in of FY 2010-11.

Healthcare

Pharma business continues to be impacted by increased raw material prices and stiff competition. Despite this, the Company achieved gross sales of Rs. 329 crore, up from Rs. 230 crore for the previous year. The Company sold 1825 lac units of infusion and 4029 lac units of injectable. By offering complete pharmaceutical product range and taking advantage of credibility of "Nirlife" brand from its business over last 4 years of time, the Company will be able to make diversification into promising markets of pharmaceutical domain successfully. The Company has also parallelly established independent distribution network and sales team to handle market of this new division products.

Processed Minerals

Processed Minerals manufactured in the USA-based production facilities are marketed mainly in USA, Latin America and Europe, with marginal volumes coming from Japan, China & Gulf countries. The products find application in manufacture of container glass, flat glass, detergent, agricultural and fire retardant industries.

Like most sectors, Processed Minerals markets have also been impacted by the worldwide recession. Globally, the glass industry only, consumes about half of the global production of soda ash, and has been impacted by deterioration in the infrastructure and automobile sectors. For processed minerals, the markets are tied to the GDP growth rates, standard of living and the need to conserve energy. For the Boron products, the weakness in the US housing sector has been partially counterweighted by the energy conservation legislation in the European Union, awareness to increase crop yield from Boron deficiency in Asian countries, Chinese incentives to purchase luxury items in the rural areas and new applications such as TFT glass, solar panel parts etc.

The Company continues taking measures like looking to alternative markets, reallocation of labours, implementation of maintenance programs etc. to counter the recessionary pressure in US market. Sales from this segment for the year converted into INR stood at Rs. 1522 crore which was 30% of consolidated gross sales of the Company.

OVERVIEW OF COST & EARNINGS

The total operating expenses, including interest, during the year was Rs. 2890 crore for FY 11 as against Rs. 2571 crore for the previous year. As a percentage of gross sales, it was 82% as against 77% for the previous year. Material consumption at Rs. 1465 crore during the year was 42% of gross sales. Earnings before Interest, Depreciation and Tax at Rs. 436 crore decreased by 28% as compared to Rs. 605 crore of the previous year. The depreciation was Rs. 314 crore for the year as against Rs. 288 crore in the previous year.

The net profit was at Rs. 74 crore as against Rs. 238 crore of the previous year. Debtors at Rs. 316 crore are marginally higher than Rs. 269 crore in previous year. The total debt to tangible net worth ratio of the Company is 0.61. The Earning per Share stood at Rs. 4.65.

On consolidated basis, the Company achieved Gross Sales of Rs. 5009 crore. The Earning before Interest, Depreciation and Tax was Rs. 546 crore, declined by 25% over the previous year. The Net Profit was at Rs. 95 crore during the year. The consolidated Earning per Share stood at Rs. 5.96.

The Company's strong financial risk profile is marked by a comfortable capital structure with high net worth, with healthy cash accruals. The Company had a net worth over Rs. 2468.84 crore as of March 31, 2011.

INTERNAL CONTROL SYSTEM

The Company has Internal Control System commensurate with the nature and size of the business to ensure safeguarding of assets, reliable financial reporting system & compliance with applicable rules and regulations.

RISK MANAGEMENT

Risk in varying degrees and form is integral to any business. The Company and its Subsidiaries are primarily exposed to risk related to sources as well as rate of key raw materials not manufactured internally, Exchange Rate, Interest Rate and Information Technology.

Through planned and timely backward integration, the Company has partially mitigated risk arising from sourcing and cost of its key raw materials, such as Soda Ash, LAB, Sulphuric Acid, Fatty Acid, Packaging Materials and Industrial Salt. The Company would have been exposed to vagaries of market forces had it not installed these manufacturing facilities in time. However, the significant risk of price movement still continues in respect of Kerosene, HDPE Granule, Non-Edible Oils, Coal and Coke.

The Company has entered into Interest Rate Swap for all the ECBs. The Exchange Rate position in respect of these loans has not been hedged as the Company believes that the Rupee in long term will revert in the vicinity of draw down rates. Short Term Borrowing is mainly in Rupee and does not pose any major risk in terms of movement of Interest Rate.

The Company's internal IT Team has deployed enterprise wide financial information system software. The in-house management of IT infrastructure provides greater degree of flexibility to users and stability to the management reporting system.

The Company's exposure to risk related to execution of Project remains from Cement Project. The Company has highly experienced in-house project team which has implemented all the major projects undertaken by the Company in last ten years. To further mitigate the risk, the Company has sourced best of the suppliers, consultants and contractors, having requisite experience, for both the projects. However, the Company continues to be exposed to project risk emanating out short supply of labour, natural factors such as heavy rains and other force majeure events. The Company has adequate insurance coverage for various risks to its assets.

HUMAN RESOURCES

The management believes that the employees working at various locations and levels are performing vital role to achieve success of the Company. They continuously play the significant role to deliver the credible performance year after year. The management and employees of the Company are committed towards maintaining of harmonious industrial relations. The Company provides safe and secure work environment for each and every employee. It conducts periodic communication exercises to keep its employees apprised of their performance.

The Company also strongly believes in providing amicable and healthy working environment to its human assets. The Company provides under umbrella of welfare and social security scheme, natural and accidental life insurance and medical insurance for employees and their family, interest subsidies on housing and vehicle loans. Manufacturing facilities of the Company are supported with canteens for providing hygienic food and other modern facilities including crèches for female employees.

ENVIRONMENT AND SAFETY

Your Company remains compliant with Health, Safety & Environment obligations as applicable for plant operations. The Company has obtained requisite environmental consents / approvals for its various production units from the respective competent authorities and is conscious of its responsibility towards creating, maintaining and ensuring a safe & clean environment for sustainable development.

The Company has adopted well proven Eco-friendly and Energy Efficient Process Technologies. The Company has engaged external reputed agencies for regular monitoring of Ambient Air Quality, Stack Emissions, Effluent discharge, Noise etc. inline with statutory & regulatory guidelines. The Company is committed to comply with relevant laws and regulations as well as take any additional measures considered necessary. Apart from the environment monitoring, the Company has made efforts towards water resource conservation by developing Rain Water Harvesting Ponds & wells, Roof-Top Rain Water Harvesting and reuse of treated effluent wherever

possible towards endeavour to achieve Zero-Discharge. The Company is working towards better efficiency to reduce the energy, water and other natural resources consumption per unit output. The Company has developed greenbelt / plantation in plant facilities for improvement of environment.

The Company has also implemented ON-SITE & OFF-SITE Emergency Plans for efficient management, in case of accident / incident to minimize losses to human lives and property, both in and around the plant facilities. To keep employees updated on environmental & safety measures, various training programs, in-house Mock-Drills, celebration of Safety Weeks & various safety related awareness activities are conducted on regular basis. The Company has also won many safety Awards at various level.

FUTURE OUTLOOK

Soaps and Surfactants

The FMCG Companies have been reeling under input cost pressures since many quarters, consequently almost all the Companies were forced to increase the prices although the price hike insufficient to cover the escalated cost.

The Soaps and Detergents industry continued to record moderate value growth during the financial year. Going forward the growth will continue to be moderate or could even decline as most of the current growth was cost driven increase. Volume growth for Soaps and Detergents will continue to be marginal in view of high level of penetration in India. Much will also depend on the pan India sufficiency of rains. Though the Company has been losing market share over the past few years because of intense competition, the Company's strong brand and high sales penetration will help it maintain its position as a leading detergent manufacturer in the country.

Soda Ash industry is characterized by high logistic costs, energy intensive, high capital investments & cyclicality akin to commodity product. Hence key to success lies in better integration, conservative financial policies, export focus and cost conscious business practices. Demand-supply situation in China, business plan of American Natural Soda Ash Corporation, demand from glass & detergent industry and crude oil prices are the major determinants of international Soda Ash prices. Demand for Soda Ash both on the emerging and developed markets is demonstrating significant growth indexes. The levels are gradually moving towards the pre-recession levels. As previously experienced, the demand for flat glass and detergents will remain the leading end-use application segment of Soda Ash and will perform as key market driver in the developing countries. It is estimated that the world market of Soda Ash will outpace some other inorganic chemicals market increases and will exceed 45 Mn metric tons by 2015.

Healthcare

India is the one of the largest market worldwide and is one of the largest exporting countries in pharmaceutical domain due to edge over others. The growth prospects in pharmaceutical market are very promising and the sector is growing at more than double digit in the domestic market.

The Company has always focused on selection of best and proven technologies for all the products that it undertakes to manufacture. The emphasis is always on quality and to clearly establish itself as a quality supplier. The Company has, as of date, complete coverage across the country and worldwide and well acceptance of "Nirlife" brand products.

The Company has from beginning focused on development as an independent activity, and has set up one complete independent unit for formulation and development of products. This initiative helps in creating inherent strength with respect to development, which will be very useful when company will undertake business in regulated markets. With completion of pharmaceutical formulation facility, the Company has unique set up worldwide having Parental Products, Medical Devices and Pharmaceutical Formulations under one roof.

Processed Minerals

Glass and infrastructure sectors including construction industries have recently stabilized and are poised for recovery. Full recovery is anticipated to be accelerated in developing economies while demand in developed countries will lag by as much as two years.

Soda Ash market is expected to recover as the global economy recovers strength. However, the pricing is not expected to improve due to significant overcapacity in China and a new facility in Turkey. As the US housing industry recovers, boron markets are expected to have even stronger growth. Demand for boron-based minerals, considered a leading indicator of economic activity, has stabilized and is increasing.

The Company also has the ability to export into a variety of end-uses and countries in order to optimize its customer portfolio. Demand is wide-spread geographically and the customer base is highly fragmented. In addition, substantial portion of the market is sold on a spot basis. These dynamics provide greater flexibility and allow the Company to quickly realize the gains associated with a recovery of economy.

US based soda ash production is well positioned from a cost perspective to compete in world markets. To maintain profitability for soda ash, the Company is addressing cost position through new technology and process de-bottlenecking. The boron products profitability is being addressed through a combination of factors involving improvement of process efficiencies to yield more tons and the marketing of the products to specific end-use applications yielding higher realizations.

Projects

The Company has successfully completed the projects-in-hand and is exploring various business opportunities. In respect of the Cement project of the Company at Mahuva, Dist. Bhavnagar, a special leave petition was filed before the Hon'ble Supreme Court against the order of the Hon'ble High Court of Gujarat allowing the construction at the site subject to certain conditions / safeguards. In response to the order of the Hon'ble Supreme Court, Expert Appraisal Committee (EAC) submitted its recommendations to the Ministry of Environment and Forest (MoEF) and pursuant thereto, MoEF issued Show-cause Notice dated May 11, 2011 as to why the Environmental Clearance granted earlier to the Project should not be cancelled. The Company has submitted its response to the Show-cause Notice and hearings have taken place before MoEF.

CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes in the norms for achieving high standard of Corporate Governance for enhancing value of stakeholders. The Company has aimed at developing and implementing such a good practices which help the Company in discharging social responsibility, compliance of law and adherence to ethical standards.

2. BOARD OF DIRECTORS

- i) The Board of Directors consists of 10 Directors with a Non-Executive Chairman. Out of the 10 Directors, 8 are Non-Executive and of which 6 are Independent Directors. The composition of the Board is in conformity with the Clause 49 of the Listing Agreement entered into with the Stock Exchanges.
- ii) The Independent Directors of the Company are experienced, competent and renowned persons from their respective fields. The Independent Directors take active part in the Board and Committee meetings which adds value in the decision making process of the Company.
- iii) The names and categories of Directors of the Company, their attendance at Board Meetings & at the last Annual General Meeting held during the year and the number of Directorship and Committee Chairmanship / Membership held by them in other Companies as on 31st March 2011 are given below. The Directorship does not include alternate directorship, directorship of private limited companies, Section 25 companies and companies incorporated outside India. Chairmanship / Membership of Board Committees includes only Audit and Shareholders’ / Investors’ Grievance Committees.

Name of the Director	Category	Attendance Particulars			Number of Directorship and Committee position in other Public Limited Companies		
		Number of Board Meetings		Last AGM	Directorship	Committee	
		Held	Attended			Membership	Chairmanship
Dr. K. K. Patel	Chairman Non-Executive/ Promoter	6	6	Yes	-	-	-
Shri Rakesh K. Patel	Vice Chairman Non-Executive / Promoter	6	5	Yes	-	-	-
Shri Shrenikbhai K. Lalbhai	Non-Executive / Independent	6	4	Yes	1	-	-
Shri Pankaj R. Patel	Non-Executive / Independent	6	5	Yes	10	1	3
Shri Rajendra D. Shah	Non-Executive / Independent	6	6	Yes	1	-	-
Shri A. P. Sarwan	Non-Executive / Independent	6	5	No	-	-	-
Shri Chinubhai R. Shah	Non-Executive / Independent	6	5	Yes	13	5	4
Shri Kaushikbhai N. Patel	Non-Executive / Independent	6	6	Yes	1	-	-
Shri Kalpesh A. Patel	Executive Director	6	6	Yes	1	-	1
Shri Hiren K. Patel	Managing Director / Promoter	6	6	Yes	1	-	-

- iv) The Meetings of Board of Directors of the Company are held at the Registered Office of the Company. Notice of each Board Meeting is given well in advance in writing to each director. The Board normally meets at least once in every quarter inter alia to review the Quarterly Financial Results.
- v) The information as required under Annexure IA to the Clause 49 of the Listing Agreement had been made available to the Board.
- vi) The Meetings of the Board of Directors of the Company were held six times on 31st May 2010, 9th July 2010, 31st July 2010, 9th October 2010, 29th October 2010 and 9th February 2011. The maximum gap between two meetings was less than four months.

3. AUDIT COMMITTEE

- (i) The Audit Committee of the Directors of the Company has been constituted pursuant to Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.
- (ii) The terms of reference of Audit Committee are as under:
 - a) to overview the Company's financial reporting process and disclosure of financial information
 - b) to review with management Quarterly / Annual Financial Results prior to it being submitted to the Board for the approval.
 - c) to recommend to the Board for appointment or re-appointment of the statutory auditor, fixation of audit fees and approval for payment of fees for other services rendered by the statutory auditor.
 - d) to review the adequacy of internal control function and systems, its structure, reporting process, audit coverage and frequency of internal audits.
 - e) to review the findings of any internal investigation if any, in matters relating to suspected fraud or irregularity or failure in internal control systems of material nature and report the same to the Board.
 - f) to review the internal audit reports and reports of the statutory auditor and ensures that adequate follow-up action is taken by the management on observations and recommendations made by the respective auditors.
 - g) to review the Management Discussion and Analysis Report, Statement of significant related party transactions and financial statement and investments made by the Company.
 - h) to look into such matters as mandated under the Listing Agreement as and when applicable.
- (iii) It is the Committee's prerogative to invite Senior Executives whom it considers appropriate to be present at the meetings. Senior Management and auditors are invited to participate in the meetings of the Committee. The Board of Directors at the sequent Board Meeting notes the Minutes of the Audit Committee meeting.
- (iv) The Chairman of the Committee was present at the previous Annual General Meeting held on 16th August 2010.
- (v) The Audit Committee consists of 3 Non-Executive Directors. During the year under review, the Committee met four times on 8th May 2010, 29th May 2010, 31st July 2010, 29th October 2010 and 8th February 2011. The composition of Audit Committee and particular of meeting attended by the members is as under:

Name of the Member	Category	Status	Number of Meetings	
			Held	Attended
Shri Rajendra D. Shah	Non Executive / Independent	Chairman	5	5
Shri Kaushikbhai N. Patel	Non Executive / Independent	Member	5	5
Shri Rakesh K. Patel	Non Executive / Promoter	Member	5	4

4. REMUNERATION COMMITTEE

- (i) The Remuneration Committee was constituted, even though non-mandatory requirement as per the Listing Agreement.
- (ii) The Committee consists of 3 Non-Executive Directors namely Shri Rajendra D. Shah, Chairman, Shri Kaushikbhai N. Patel and Shri Rakesh K. Patel as Members.
- (iii) The terms of reference include recommendation to the Board, the overall policy on remuneration and other terms of employment of Executive and Non-Executive Directors of the Company within the overall ceiling fixed by the Members of the Company.
- (iv) The payment of remuneration to Managing Director and Executive Director is by way of salary, perquisites and allowances as approved by the Board and the Members of the Company. The Non-Executive Directors do not draw any remuneration from the Company other than the sitting fees as may be determined by the Board.
- (v) The Aggregate value of salary and perquisites paid for the year ended 31st March 2011 to Shri Hiren K. Patel as the Managing Director is Rs. 60.70 lac and Shri Kalpesh A. Patel as the Executive Director is Rs. 67.11 lac.
- (vi) The Company has paid the sitting fees to the Non-Executive Directors for the year ended 31st March 2011 as under:-

Dr. K. K. Patel Rs. 60000/-, Shri Rakesh K. Patel Rs. 50000/-, Shri Shrenikbhai K. Lalbhai Rs. 40000/-, Shri Pankaj R. Patel Rs. 50000/-, Shri Rajendra D. Shah Rs. 60000/-, Shri A. P. Sarwan Rs. 50000/-, Shri Chinubhai R. Shah Rs. 50000/-, Shri Kaushikbhai N. Patel Rs. 60000/-.

5 SHAREHOLDERS' GRIEVANCE COMMITTEE

- (i) The Company has constituted a Shareholders' Grievance Committee of the Directors consists of three Directors viz. Shri Rajendra D. Shah, Shri Rakesh K. Patel and Shri Kalpesh A. Patel.
- (ii) For the purpose of avoiding frequent meeting of Shareholders' Grievance Committee, the Board of Directors has delegated power for transfer of share and other related matters by authorising severally any member of Shareholders' Grievance Committee or Company Secretary of the Company.
- (iii) The terms of reference of Shareholders' Grievance Committee are as under:
 - a) to redress the investors' grievances / complaints viz. non-receipt of transferred shares, non-receipt of dividend etc.
 - b) to look after transfer and transmission of shares, sub-division, consolidation, issue of duplicate share certificate etc.
 - c) to ensure proper & timely attendance & redressal of investors' queries and grievances.
- (iv) The Committee ensures that communications received from the shareholders pertaining to non-receipt of dividend warrants, transfer of physical shares / change of address / bank mandates / revalidation of dividend warrant / split / consolidation / remat, etc. have been answered and redressed to the satisfaction of the shareholders. There were no investors' grievance remaining unattended and pending as on 31st March, 2011.
- (v) Shri Paresh Sheth, Company Secretary is designated as a Compliance Officer.
- (vi) During the year under review, Company had received 53 complaints from the investors, which were resolved satisfactorily. There was no pending complaint at the end of the financial year. The Company has also forwarded 13 complaints to Core Healthcare Limited (CHL) / Official Liquidator, which were related to the data of shareholders of CHL on account of non-availability of data with the Company.

6 OTHER COMMITTEE

In addition to above referred Committees, the Board of Directors has also constituted the non-mandatory Committees like Investment Committee to look into various business viz. to borrow, make investments, loans, provide guarantees / securities within the limits prescribed by the Board, operational powers of banking account, depository account, etc. Further, the Committee of Directors was constituted to resolve any issues pertaining to Scheme of Demerger.

7 GENERAL BODY MEETINGS

(a) General Meetings

Year	Date of Meeting	Venue of Meeting	Time of Meeting	No. of Special Resolution
2007-08	29.09.2008	Tagore Hall, Near Sanskar Kendra, Paldi, Ahmedabad	11.00 A.M.	NIL
2008-09	29.09.2009	Tagore Hall, Near Sanskar Kendra, Paldi, Ahmedabad	11.00 A.M.	NIL
2009-10	16.08.2010	Tagore Hall, Near Sanskar Kendra, Paldi, Ahmedabad	11.00 A.M.	NIL
2009-10	16.08.2010*	Tagore Hall, Near Sanskar Kendra, Paldi, Ahmedabad	11.30 A.M.	-

* Court convened meeting for the approval of the Scheme of Arrangement in nature of demerger and transfer of cement & mining division of Nirma Credit and Capital Pvt. Ltd. to the Company

(b) Postal Ballot

During the year under review, the Company had passed the Special Resolution as contained in the Notice dated 9th October 2010 sent to the Shareholders pursuant to the provision of Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001. Shri Manoj Hurkat, Partner, M/s. Mehta Hurkat & Associates, Practicing Company Secretaries, Ahmedabad, was appointed as the Scrutiniser for the Postal Ballot Process.

Description	Type of Resolution	Votes in favour	Votes against	No. of times valid votes in favour of the resolution compared to the total valid votes against it
Voluntary Delisting of equity shares from Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd.	Special Resolution	2299572	159384	14.42

Procedure for Postal Ballot

The procedure prescribed under Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, has been followed for the Postal Ballot conducted during the year for the resolution mentioned above. The results of the Postal Ballot were announced by the Chairman of the Company at the Registered Office of the Company on 20th November 2010 and advertised in the Times of India and Jai Hind newspapers on 23rd November 2010.

8 DISCLOSURES

- (a) During the year under review, there were no materially significant related party transactions with the promoters, the management or their relatives or subsidiaries etc. that have a potential conflict with the interest of the Company at large. Transaction with related parties entered into by the Company in the ordinary course of business, were placed before the Audit Committee.

Details of related party transactions as required by Accounting Standards (AS-18) are included in the Notes to the Accounts.

- (b) The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters relating to Capital Markets during the last three years. The Stock Exchanges, SEBI or Statutory Authorities relating to the above, have imposed no penalties or strictures on the Company.
- (c) The Company has laid down the procedures to apprise the Board of Directors regarding the key risk assessment and risk mitigation mechanism.
- (d) The Board has laid down a Code of Conduct for the Management of the Company. The Code of Conduct is available on the website of the Company: www.nirma.co.in
- (e) Non-Mandatory Requirements

The Company has adopted the Non-Mandatory Requirements as regards the provisions relating to the Remuneration Committee and other Committees. The Company affirms that no employee has been denied to access to the Audit Committee. As regards the non-mandatory requirement, the Board has taken cognizance of the same and shall consider for adopting the same as and when necessary.

(f) MANAGING DIRECTOR CERTIFICATION

(i) Declaration regarding Code of Conduct

As required by Clause 49(I)(D)(ii) of the Listing Agreement, I hereby declare that all Board members and senior management personnel have affirmed the compliance with the Code of Conduct as adopted by the Company.

Place : Ahmedabad
Date : July 29, 2011

Hiren K. Patel
Managing Director

(ii) Declaration regarding Clause 49 (V) of the Listing Agreement:

The requisite certification as required to be given under Clause 49 (V) of the Listing Agreement was placed before the Board of Directors of the Company.

9 MEANS OF COMMUNICATION

1. Quarterly & Annual Results are published in prominent daily newspapers. The financial results and Annual Reports are also displayed on the website of the Company.
2. Management Discussion and Analysis report forms part of this Annual Report of the Company.
3. Annual General Meeting is a platform for communication with the members, in which the Chairman formulates performance and business plans of the Company. The Chairman also responds to the specific queries of the shareholders.

10 GENERAL SHAREHOLDERS' INFORMATION

(1)	Annual General Meeting	31 st Annual General Meeting	
	Date and Time	Monday, 26.09.2011 at 11.00 a.m.	
	Venue	Tagore Hall, Near Sanskar Kendra, Paldi, Ahmedabad - 380 007	
(2)	Financial Year	12 months ended on 31 st March, 2011	
(3)	Dates of Book Closure	17.09.2011 to 26.09.2011 (both days inclusive)	
(4)	a. Listing at Stock Exchanges	(i)	Bombay Stock Exchange Ltd. (BSE) 1 st Floor, New Trading Ring, Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

		(ii)	National Stock Exchange of India Ltd. (NSE) "Exchange Plaza", C-1, Block G, Bandra - Kurla Complex, Bandra (East) Mumbai - 400 051
			Delisting of equity shares from BSE & NSE has been kept in abeyance till further instructions pursuant to the circular dated March 30, 2011 issued by the Stock Exchanges.
	b. Depository	(i)	National Securities Depository Ltd. 4 th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
		(ii)	Central Depository Services (India) Ltd. 28 th Floor, P. J. Towers, Dalal Street, Fort, Mumbai - 400 023
	c. ISIN		INE091A01029
(5)	Equity Stock Code • Bombay Stock Exchange Ltd. • National Stock Exchange of India Ltd.		500308 NIRMA
(6)	Registrars and Share Transfer Agent		M/s. Sharepro Services (India) Pvt. Limited 13 AB, Samhita Warehousing Complex, 2 nd Floor, Near Sakinaka Telephone Exchange, Andheri - Kurla Road, Sakinaka Mumbai - 400 072 Tel. No. 022-67720300 / 67720400 Fax No. 022-28591568 / 28508927 Email: sharepro@shareproservices.com
(7)	Dematerialization of shares and Liquidity		99.64% of existing equity shares has been dematerialized.
(8)	Plant locations	1	Block No. 16/B, Ahmedabad Mehsana Highway, P.O. Mandali, Dist. Mehsana - Pin.382 732, Gujarat
		2	Village: Moraiya, Post Chacharwadi Vasna, Near Modern Denim Bavla Road, Taluka: Sanand, Dist. Ahmedabad - 382 213, Gujarat
		3	Alindra Detergent Complex, P. O. Alindra, Tal. Savli, Dist. Baroda - 391 775, Gujarat
		4	Bhavnagar Chemical Complex, P. O. Kalatalav, Dist. Bhavnagar - 364 313, Gujarat
		5	Wind Farm Project at Survey No. 691, Village Dhank, Taluka Upleta, Dist. Rajkot, Gujarat
		6	Nirlife Pharma Complex, Survey No. 358-369, Village Sachana, Taluka Viramgam, Dist. Ahmedabad - 382 150, Gujarat
(9)	Investor Correspondence		Registrars and Share Transfer Agent at Mumbai or Secretarial Department at Registered Office
	Compliance Officer		Shri Paresh Sheth, Company Secretary

(10)	Listing Fees	The Company has paid the Listing Fees for the year 2010-11
(11)	Financial Calendar (tentative)	
	Financial Year	1 st April 2011 to 31 st March 2012
	Results for the Quarter ending	
	30 th June 2011	Within 45 days from end of June 2011
	30 th September 2011	Within 45 days from end of September 2011
	31 st December 2011	Within 45 days from end of December 2011
	Annual Results for financial year ended March 31, 2012 (Audited)	Within 60 days from the close of financial year
	Annual General Meeting 2011-12	In accordance with Section 166 of the Companies Act, 1956

(A) MARKET PRICE DATA

High and Low share prices during each month in the last financial year on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited are as under:

Month & Year	BOMBAY STOCK EXCHANGE		NATIONAL STOCK EXCHANGE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 10	215.60	176.40	215.80	176.00
May, 10	209.90	176.05	207.95	175.35
June, 10	195.35	175.25	195.50	175.35
July, 10	210.70	186.00	210.80	186.10
August, 10	207.85	195.05	207.45	195.00
September, 10	241.30	197.55	241.80	197.85
October, 10	264.85	215.10	260.00	214.55
November, 10	236.00	214.30	269.40	220.05
December, 10	234.50	215.00	237.00	211.45
January, 11	256.00	229.00	254.75	225.00
February, 11	258.70	246.15	264.80	251.00
March, 11*	258.00	236.15	257.95	251.00

*Upto 23rd March 2011 only, since trading of the shares has been discontinued w.e.f. 24th March 2011

(B) SHAREHOLDING PATTERN AS ON 31.03.2011

	Category	No. of Shares held	Percentage of Shareholding
1	Indian Promoters' holding	144533701	90.82
2	Non-Promoters' holding		
	a. Mutual Funds	30196	0.02
	b. Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-Government Institutions)	30181	0.01
	c. FIIs	888023	0.56
	d. NRIs/OCBs	82041	0.06
	e. Private Corporate Bodies	953890	0.60
	f. Indian Public	12624250	7.93
	TOTAL	159142282	100
3	a. No. of shares held in physical mode	568015	0.36
	b. No. of shares held in Demat mode	158574267	99.64
	TOTAL	159142282	100

(C) DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2011

HOLDINGS	SHAREHOLDERS		SHARES	
	NUMBER	% to Total	NUMBER	% to Total
LESS THAN 500	42032	95.68	1541162	0.97
500 – 1000	1479	3.37	1003130	0.63
1001 – 2000	152	0.35	222003	0.14
2001 – 3000	153	0.35	374823	0.24
3001 – 4000	13	0.03	45099	0.03
4001 – 5000	14	0.03	64392	0.04
5001 – 10000	29	0.06	201382	0.12
10001 – 99,99,999	58	0.13	155690291	97.83
Total	43930	100.00	159142282	100.00

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
Nirma Limited
Ahmedabad

We have examined the compliance of the conditions of Corporate Governance by Nirma Limited ("the Company") for the year ended 31st March 2011 as stipulated in Clause 49 of the Listing Agreement executed with the Stock Exchanges, where the securities of the said Company are listed.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Hemanshu Shah & Co.
Chartered Accountants
Firm Registration No. 122439W

Place : Ahmedabad
Date : July 29, 2011

H.C. SHAH
Proprietor
Membership No. 36441

AUDITORS' REPORT

To
The Members
Nirma Limited
Ahmedabad

1. We have audited the attached Balances Sheet of the Nirma Limited, as at 31st March, 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. 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 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 of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Refer note no 7 of Notes to Accounts in Schedule 19 regarding the scheme of Demerged undertaking. The Company has taken over Demerged undertaking of Core Healthcare Ltd. (CHL) under the composite scheme of Arrangement sanctioned by the Hon'ble High Court of Gujarat by order dated 1st March, 2007. The appointed date for this purpose was 1st December, 2004 and the effective date is 7th March, 2007. Three parties have filed appeal against this order before the Division Bench of Hon'ble High Court of Gujarat and their appeal, which has been admitted, is pending. The Company has given effect to the above scheme subject to the decision in appeal before the Hon'ble High Court.
5. Further to our comments in the Annexure referred to in paragraph (3) & (4) 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, the Company has kept proper books of account, as required by law, so far as appears from our examination of the 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 Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of the written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified as on 31st March, 2011 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 Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (ii) In the case of Profit and Loss Account, of the Profit for the year ended on that date; and
 - (iii) In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

For Hemanshu Shah & Co.
Chartered Accountants
Firm Registration No. 122439W

Place : Ahmedabad
Date : May 30, 2011

H. C. Shah
Proprietor
Membership No. 36441

ANNEXURE TO AUDITORS' REPORT

Referred to paragraph (3) thereof

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
(b) As explained to us, the fixed assets have been physically verified by the management during the year in phased periodical manner, which in our opinion, is reasonable, having regard to the size of the Company and nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on verification.
(c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of Company is not affected.
2. (a) The inventories other than that of with third parties have been physically verified by the management at reasonable intervals. There is a process of obtaining confirmation in respect of inventory with the third parties.
(b) In our opinion and according to the information and explanations given to us the procedures for physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) In our opinion, the Company has maintained proper records of inventories. The discrepancies between the physical stocks and the book stocks are not material and have been properly dealt with in the books of account.
3. In respect of loans, secured or unsecured, granted or taken by the Company to and from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 :
(a) The Company has not given loans to any party or company covered under Section 301 of the Companies Act, 1956 during the year. Accordingly para 4 (iii) (b) to para 4 (iii) (d) of the order are not applicable.
(e) During the year, the Company has taken loan from three parties amounting to Rs. 215.02 crores. The maximum amount involved during the year was Rs. 227.12 crores and the year-end balance of such loan taken was Rs.82.80 crores. Further during the year, Company has also taken unsecured loan from one company amounting to Rs.46.55 crores. The maximum amount involved during the year was Rs.52.65 crores and the year-end balance was Rs.3.59 crores.
(f) In our opinion and according to information and explanations given to us, the rate of interest, wherever applicable and other terms and condition are not prima facie prejudicial to the interest of the Company.
(g) The principal amounts are repayable on demand and there is no repayment schedule. The interest is payable on demand.
4. In our opinion and according to the information and explanations given to us, there is an internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and also for the sale of goods & services. During the course of our audit, no major weaknesses have been noticed in the internal control system.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
(a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs.5,00,000/- (Rupees Five Lacs only) or more in respect of any party.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. The Company has a system of internal audit, which in our opinion, is commensurate with the size of the Company and nature of its business.

8. The Central Government has prescribed the maintenance of cost records under section 209(1)d of the Companies Act, 1956 in respect of certain manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made the detailed examination of the same.
9. (a) According to the records, information and explanations provided to us, the Company is generally regular in depositing with appropriate authorities undisputed amount of provident fund, employees' state insurance, income-tax, sales-tax, service tax and any other statutory dues applicable to it and no undisputed amounts payable were outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable.
- (b) Following are the details of disputed Income Tax, Wealth Tax, Sales Tax, Excise Duty, Custom Duty and Stamp Duty that have not been paid to the concerned authorities.

SR. NO.	NAME OF THE STATUTE	NATURE OF THE DUES	FORUM WHERE DISPUTE IS PENDING	UNPAID AMOUNT (Rs. In Crores)
1.	Income Tax Act, 1961	Income Tax	Commissioner Of Income Tax (Appeals)	451.49
			Assessing Officer	0.52
2.	Central Excise Act, 1944	Excise Duty and Service Tax	Tribunal	1.23
			Commissioner of Excise (Appeals)	0.01
			High Court	0.19
3.	Central Sales Tax Act and Sales Tax Act of various states	Central Sales Tax and Sales Tax	High Court	0.48
			Tribunal	4.00
			Appellate Board	0.52
			Commissioner	0.59
			Joint Commissioner	30.45
			Deputy Commissioner	0.28
4.	Wealth Tax Act, 1957	Wealth Tax	Assessing Officer	Rs. 5,440
5.	Customs Duty Act, 1962	Customs Duty	High Court	0.64
			Supreme Court*	20.00
			Tribunal	0.20
6.	The Bombay Stamp Act, 1958	Stamp Duty	High Court	3.17

*Stay granted by Hon'ble Supreme Court.

In the absence of information as mentioned in Note 8 of Schedule 19 of the accounts information in this Para pertaining to earlier period and out standing as on 31st March, 2011 in respect of Demerged undertaking of CHL received by the company are not adequately disclosed.

10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, the Company has not defaulted in repayment of the dues to any bank.
12. Based on our examination and according to the information and explanations given to us, the Company has granted loan on the basis of security by way of pledge of share. We are of the opinion that adequate documentation and records are maintained in this regard.
13. The Company is not a chit or nidhi or mutual benefit fund/society and clause (xiii) of the order is not applicable.

14. The Company has maintained proper records of the transaction and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.
15. In our opinion and according to the information and explanations given to us, the terms and conditions of the corporate guarantee given by the Company, for various term loans taken by wholly owned foreign subsidiaries, are not prejudicial to the interest of the Company.
16. In our opinion and according to the information and explanations given to us, term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company and after placing reliance on the reasonable assumptions made by the Company for classification of long term and short term usages of funds, we are of the opinion that prima facie as at the close of the year, no Short term funds have been utilized for long term investments.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
19. The Company has issued short term privately placed secured debentures. The said debentures have been repaid before the time permissible for creating the security. Hence there is no need to create the security.
20. The Company has not raised any money by public issue during the year.
21. Based upon the audit procedures performed and information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

For Hemanshu Shah & Co.
Chartered Accountants
Firm Registration No. 122439W

Place : Ahmedabad
Date : May 30, 2011

H. C. Shah
Proprietor
Membership No. 36441

BALANCE SHEET AS AT 31ST MARCH, 2011

Rs. in crores

		Schedule	As at 31.03.2011	As at 31.03.2010
I	SOURCES OF FUNDS			
	Shareholders' Funds			
	Share capital	1	79.57	79.57
	Reserves and surplus	2	2752.40	2675.89
			2831.97	2755.46
	Loan Funds			
	Secured loans	3	875.03	751.97
	Unsecured loans	4	115.36	235.31
			990.39	987.28
			3822.36	3742.74
II	APPLICATION OF FUNDS			
	Fixed Assets	5		
	Gross block		4537.65	4298.43
	Less : Depreciation		2723.74	2382.32
	Net block		1813.91	1916.11
	Add : Capital work-in-progress		179.78	279.24
			1993.69	2195.35
	Investments	6	541.52	535.73
	Current Assets, Loans & Advances			
	Inventories	7	734.81	592.15
	Sundry debtors	8	316.24	269.28
	Cash and bank balances	9	63.93	92.29
	Loans and advances	10	849.87	782.87
			1964.85	1736.59
	Less : Current Liabilities and Provisions	11		
	Current liabilities		311.45	249.07
	Provisions		75.91	172.95
			387.36	422.02
	Net Current Assets		1577.49	1314.57
	Deferred tax liabilities (Net)	12	290.34	302.91
			1287.15	1011.66
			3822.36	3742.74
	Notes forming part of accounts	19		

As per our report of even date

For Hemanshu Shah & Co.
Chartered Accountants
Firm Registration No. 122439W

H. C. SHAH
Proprietor
Membership No.36441

Place : Ahmedabad
Date : May 30, 2011

For and on behalf of the Board

HIREN K. PATEL
Managing Director

PARESH SHETH
Company Secretary

Dr. K. K. PATEL
Chairman

RAJENDRA D. SHAH
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Rs. in crores

	Schedule	2010-2011	2009-2010
INCOME			
Sales		3504.06	3329.18
Less : Excise duty		257.41	211.23
Sales Net		3246.65	3117.95
Other income	13	14.90	19.22
Increase / (Decrease) in stock	14	33.28	6.80
		3294.83	3143.97
EXPENDITURE			
Consumption of raw materials	15	1381.68	1254.02
Purchase of goods traded in		83.12	36.87
Payments to and provision for employees	16	133.14	113.45
Manufacturing, administrative and selling expenses	17	1260.69	1135.04
Interest and charges	18	31.48	31.72
		2890.11	2571.10
Profit before Exceptional items, Depreciation and Tax		404.72	572.87
Less : Provision for depreciation		314.33	287.56
Profit before Exceptional items and Tax		90.39	285.31
Less : Fixed assets written off		Nil	3.94
Add/(Less) : Exchange gain on revaluation on long term monetary items (net) (See Note No.11)		15.04	(5.05)
Profit before Tax		105.43	276.32
Less : Provision for taxation - Current tax		15.60	50.00
- Deferred tax		(12.57)	(2.78)
Profit for the year		102.40	229.10
Less/(Add) : Depreciation provided / written back of earlier years (See Note No. 12)		28.68	(8.84)
Add : Provision of taxation of earlier years written back		0.32	Nil
Net Profit		74.04	237.94
Add : Balance in profit and loss account brought forward		84.48	30.06
Profit available for Appropriation		158.52	268.00
Less : Transferred to general reserve		Nil	100.00
: Proposed dividend on equity shares		Nil	71.61
: Tax on dividend		Nil	11.91
Balance carried to Balance Sheet		158.52	84.48
Earnings per equity share (Face value of Rs.5 per share) (See Note No.16)			
Basic (in Rupees)		4.65	14.95
Diluted (in Rupees)		4.65	14.95
Notes forming part of accounts	19		

As per our report of even date

For Hemanshu Shah & Co.
Chartered Accountants
Firm Registration No. 122439W

H. C. SHAH

Proprietor
Membership No.36441

Place : Ahmedabad
Date : May 30, 2011

For and on behalf of the Board

HIREN K. PATEL
Managing Director

Dr. K. K. PATEL
Chairman

PARESH SHETH
Company Secretary

RAJENDRA D. SHAH
Director

Rs. in crores

	As at 31.03.2011	As at 31.03.2010
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED		
280000000 Equity shares of Rs.5 each	140.00	140.00
1000000 6% Redeemable non cumulative non convertible preference shares of Rs.100 each	10.00	10.00
	150.00	150.00
ISSUED AND SUBSCRIBED		
159175666 Equity shares of Rs.5 each	79.59	79.59
	79.59	79.59
PAID UP		
159142282 Equity shares of Rs.5 each	79.57	79.57
800 Add : Forfeited shares [Rs.2000(p.y.Rs.2000)]		
NOTES:-		
1. Of the above shares, 35572914 equity shares of Rs.5 each have been allotted as fully paid up pursuant to the scheme of amalgamation/ scheme of demerger without payment being received in cash.		
2. Company has made allotment of 90998368 equity shares of Rs.5 each on exercising option by the warrant holders at a premium of Rs.40 per share (for share of Rs.10 each). 32584 equity shares of Rs.5 each were kept in abeyance due to court order.		
	79.57	79.57
SCHEDULE - 2		
RESERVES AND SURPLUS		
CAPITAL RESERVE		
As per last year	360.66	360.66
Add : Adjustment on account of amalgamation (See Note No. 10)	2.47	Nil
	363.13	360.66
CAPITAL REDEMPTION RESERVE		
As per last year	2.81	2.81
SECURITIES PREMIUM ACCOUNT		
As per last year	222.70	222.70
GENERAL RESERVE		
As per last year	2005.24	1905.24
Add : Transferred from profit and loss account	Nil	100.00
	2005.24	2005.24
BALANCE IN PROFIT AND LOSS ACCOUNT		
	158.52	84.48
	2752.40	2675.89

Rs. in crores

	As at 31.03.2011	As at 31.03.2010
SCHEDULE - 3		
SECURED LOANS		
(See Note No.5 & 11)		
Loans in foreign currency		
Long Term		
External commercial borrowings (ECBs)	512.90	516.58
Short Term		
Packing credit	Nil	8.36
Short term loans and advances from banks		
Cash credit accounts (including Rs. 0.02 crore acquired on amalgamation)	292.13	227.03
Term loans	70.00	Nil
	875.03	751.97
SCHEDULE - 4		
UNSECURED LOANS		
Long Term		
Interest free sales tax deferment loan under sales tax incentive scheme of Government of Gujarat (guaranteed by directors)	0.04	0.04
Short Term		
Loan from directors	82.80	184.30
Inter corporate deposits	3.59	25.13
Trade deposits	28.93	25.84
	115.36	235.31

SCHEDULE - 5

FIXED ASSETS

Rs. in crores

PARTICULARS	GROSS BLOCK (at cost)			DEPRECIATION			NET BLOCK			
	As at 01.04.2010	Addition / Adjustments during the year	Deduction / Adjustments during the year	As at 31.03.2011	As at 01.04.2010	Addition / Adjustments during the year	Deduction / Adjustments during the year	Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
1. Goodwill	1.57	Nil	Nil	1.57	1.57	Nil	Nil	1.57	Nil	Nil
2. Trademarks	429.17	Nil	Nil	429.17	346.91	82.26	Nil	429.17	Nil	82.26
3. Licence fees	33.86	Nil	Nil	33.86	8.46	8.47	Nil	16.93	16.93	25.40
4. Freehold land	71.13	8.11	6.29	72.95	Nil	Nil	Nil	Nil	72.95	71.13
5. Leasehold land (permanent)	0.13	Nil	Nil	0.13	Nil	Nil	Nil	Nil	0.13	0.13
6. Building	448.73	65.31	Nil	514.04	176.02	18.68	Nil	194.70	319.34	272.71
7. Plant & machinery	3257.54	169.61	Nil	3427.15	1814.71	229.05	Nil	2043.76	1383.39	1442.83
8. Furniture, fittings & equipments	19.96	0.87	Nil	20.83	14.13	1.13	Nil	15.26	5.57	5.83
9. Vehicles	36.34	3.59	1.98	37.95	20.52	3.48	1.65	22.35	15.60	15.82
Total	4298.43	247.49	8.27	4537.65	2382.32	343.07	1.65	2723.74	1813.91	1916.11
Previous year	4048.53	280.55	30.65	4298.43	2129.59	287.73	35.00	2382.32	1916.11	
Capital work in progress									179.78	279.24

Notes :

- Building includes (Rs.1000) in respect of shares held in co-op housing society.
- Capital work in progress includes advance against capital expenditure Rs.64.36 crores (p.y.Rs.53.41 crores).
- Freehold land of Rs.0.31 crore and part of the fixed assets of Demerged Undertaking are yet to be transferred in the name of the company.
- Rs.28.68 crores (p.y.Nil) depreciation provided for previous year due to change in method of depreciation has been included under the heading depreciation during the year.(See Note No.12)
- Rs.0.06 crore (p.y.Rs.0.01 crore) depreciation provided during the year transferred to pre-operative expenses.
- Rs.Nil (p.y.Rs.8.84 crores) excess depreciation of earlier years has been written back under the head depreciation in deduction/adjustments during the year.
- Rs.Nil (p.y.Rs.0.16 crore) depreciation provided for previous year has been included under the heading depreciation during the year.
- Addition in free hold land of Rs.2.25 crores have been vested on Demerger of Cement and Mining Division of Nirma Credit and Capital Private Limited.

Rs. in crores

		As at 31.03.2011	As at 31.03.2010	
SCHEDULE - 6				
INVESTMENTS (At cost) [Long term]				
Investments in Government securities (Unquoted)				
National Saving Certificate and Kisan Vikas Patra lodged with various authorities Rs.42000 (Rs.3000 acquired on amalgamation)(p.y. Rs.39000)				
P.Y. Investments in shares of subsidiary company				
Fully paid-up equity shares (Unquoted)				
10001000	10001000	Karnavati Holdings Inc each of US \$ 0.001	533.38	533.38
Nil	460000	Nirma Consumer Care Ltd. each of Rs.10 (See Note No. 10)	Nil	0.46
		533.38	533.84	
Investments in shares of associate				
Fully paid-up equity shares (Unquoted)				
1300000	1300000	Kanak Castor Products Pvt. Ltd. each Rs.10	1.30	1.30
		1.30	1.30	
Investments in shares and debentures				
(Fully paid-up, other than trade)				
In Equity Shares (Quoted)				
Nil	35000	National Thermal Power Corporation Ltd. each of Rs.10 (35000 shares sold during the year)	Nil	0.22
Nil	10000	HSBC Investdirect (India) Ltd each of Rs.10 (10000 shares sold during the year)	Nil	0.13
		Nil	0.35	
In Equity Shares (Unquoted)				
100	100	Nutan Nagarik Sahakari Bank Ltd. each of Rs.25 [Rs. 2500 (p.y.Rs.2500)]	0.14	0.14
57040	57020	The Kalupur Comm.Co.Op.Bank Ltd. each of Rs.25 (20 Shares acquired on amalgamation)	6.60	Nil
2200000	Nil	Gold Plus Glass Industry Ltd. each of Rs.10	0.10	0.10
100000	100000	Enviro Infrastructure Comapny Ltd. each of Rs.10	6.84	0.24
		1.00	1.00	
In Equity Shares (Listed but not Quoted)				
1000000	1000000	Inlac Granston Ltd. each of Rs.10	1.00	1.00
		Less : Provision for diminution in value	1.00	1.00
		Nil	Nil	
		541.52	535.73	
Aggregate book value of Investments :				
		Unquoted	541.52	535.38
		Quoted [Market value Rs.Nil (p.y. Rs.0.96 crore)]	Nil	0.35
		541.52	535.73	

Investments purchased and sold during the year	Face Value Rs.	Nos. In lacs	Cost Rs. in crores
Certificate of Deposits			
Punjab National Bank-24/12/2010	100,000	0.05	49.20
State Bank of Bikaner & Jaipur-20/12/2010	100,000	0.05	49.20
United Bank of India-22/12/2010	100,000	0.13	122.98
Mutual Funds			
ICICI Prudential Liquid Super Institutional Plan-Growth	100	36.14	50.00
Kotak Liquid(Institutional Premium)-Growth	10	40.56	8.00
Reliance Liquidity Fund-Growth Option	10	496.74	70.00
SBI-Magnum Insta Cash Fund-Daily Dividend Option	10	29.85	5.00
SBI-Magnum Insta Cash Fund-Cash Option	10	332.14	70.50

Rs. in crores

	As at 31.03.2011	As at 31.03.2010
SCHEDULE - 7		
INVENTORIES		
Stores and spares	265.62	205.77
Raw materials [Including goods in transit Rs.7.87 crores (p.y.Rs.0.08 crore)]	223.61	174.08
Stock in process	62.64	46.81
Finished goods	182.94	165.49
	734.81	592.15
SCHEDULE - 8		
SUNDRY DEBTORS (Unsecured)		
More than six months		
Considered good	27.10	10.00
Considered doubtful	1.03	1.12
	28.13	11.12
Less : Provision for doubtful debts	1.03	1.12
	27.10	10.00
Others : Considered good	289.14	259.28
	316.24	269.28
SCHEDULE - 9		
CASH AND BANK BALANCES		
Cash on hand (Including Rs.2584 acquired on amalgamation)	0.37	0.47
	0.37	0.47
BANK BALANCES WITH SCHEDULED BANKS		
In current account (See Note No.9) (Including Rs.0.01 crore acquired on amalgamation)	61.77	10.12
In unclaimed dividend account	0.46	0.42
In fixed deposit account (Including Rs.54146 acquired on amalgamation)	1.33	81.28
	63.56	91.82
	63.93	92.29

Rs. in crores

	As at 31.03.2011	As at 31.03.2010
SCHEDULE - 10		
LOANS AND ADVANCES (Unsecured)		
Advances recoverable in cash or in kind or for value to be received		
Considered good (Including Rs.10.40 crores due from subsidiary company - Karnavati Holdings Inc. and Rs.0.01 crore acquired on amalgamation) (p.y. Rs.4.05 crores and Rs.10.63 crores due from subsidiary companies - Nirma Consumer Care Ltd. and Karnavati Holdings Inc. respectively)	428.56	390.47
Considered doubtful	Nil	4.90
	428.56	395.37
Less : Provision for doubtful advances	Nil	4.90
	428.56	390.47
Balance with central excise department	32.89	34.79
Advance Income tax (Including Rs.7.09 crores acquired on amalgamation)	388.42	357.61
	849.87	782.87
SCHEDULE - 11		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry creditors :		
Dues of micro, small and medium enterprises (See Note No.14)	3.75	1.16
Others [Including Rs.0.48 crore due to subsidiary company Karnavati Holdings Inc.(p.y.Rs.0.64 crore)] (Including Rs.0.11 crore acquired on amalgamation)	261.76	192.44
	265.51	193.60
Foreign Currency Monetary Item Translation Difference Account (See Note No.11)	Nil	11.43
Advances from customers	43.08	41.11
Interest accrued but not due	2.26	2.37
Amounts to be credited to Investor Education and Protection Fund		
Redemption amount on NCD/SPN	0.14	0.14
Unclaimed dividend	0.46	0.42
	0.60	0.56
	311.45	249.07
PROVISIONS		
Income tax provisions	25.70	23.48
Proposed dividend [Including tax on dividend Nil (p.y. Rs.11.90 crores)]	Nil	83.51
Provision for retirement benefit	9.84	7.09
Other provisions	40.37	58.87
	75.91	172.95
	387.36	422.02

Rs. in crores

	As at 31.03.2011	As at 31.03.2010
SCHEDULE - 12		
DEFERRED TAX LIABILITIES (NET)		
DEFERRED TAX LIABILITIES		
Depreciation	307.55	374.37
	307.55	374.37
DEFERRED TAX ASSETS		
Carried forward MAT	9.92	62.27
Disallowance under Income Tax Act	7.29	9.19
	17.21	71.46
	290.34	302.91

	2010-2011	2009-2010
SCHEDULE - 13		
OTHER INCOME		
Job charges income	0.60	Nil
Exchange rate gain	2.17	6.82
Profit on sale of assets	0.12	0.64
Profit on sale of :		
Long term investment	0.71	5.16
Current investment	0.26	Nil
Claims and refunds	2.07	2.74
Dividend from long term investments	0.03	0.03
Miscellaneous income (Note below)	8.94	3.83
	14.90	19.22
Note : Tax deducted at source included in Miscellaneous income	0.01	Nil

Rs. in crores

	2010-2011	2009-2010
SCHEDULE - 14		
INCREASE / (DECREASE) IN STOCK		
CLOSING STOCK		
Stock in process	62.64	46.81
Finished goods	182.94	165.49
	245.58	212.30
LESS : OPENING STOCK		
Stock in process	46.81	45.56
Finished goods	165.49	159.94
	212.30	205.50
	33.28	6.80
SCHEDULE - 15		
CONSUMPTION OF RAW MATERIALS		
Opening stock of raw materials	174.00	151.39
Add : Purchases and expenses	1427.96	1277.13
Less : Sales of raw materials	4.54	0.50
Closing stock of raw materials	215.74	174.00
	1381.68	1254.02
SCHEDULE - 16		
PAYMENTS TO AND PROVISION FOR EMPLOYEES		
Salaries, wages and bonus	118.49	102.26
Contribution to provident fund and other funds	11.53	8.51
Welfare expenses	3.12	2.68
	133.14	113.45

Rs. in crores

	2010-2011	2009-2010
SCHEDULE - 17		
MANUFACTURING, ADMINISTRATIVE AND SELLING EXPENSES		
Consumption of stores and spare parts	76.47	78.94
Power and fuel expenses	506.53	394.83
Excise duty provided on stocks	5.82	2.08
Processing charges	25.97	23.64
Rent expenses	2.23	2.18
Repairs and maintenance		
To building	4.00	3.27
To machinery	14.44	11.83
To others	2.79	3.43
	21.23	18.53
Insurance expenses	3.12	2.75
Rates and taxes	11.78	11.08
Payments to auditors		
Audit fees	0.10	0.10
Taxation matters	0.14	0.14
Other matters	0.06	0.06
Expenses reimbursed	0.01	Nil
	0.31	0.30
Cost Audit fees	0.01	0.01
	0.32	0.31
Directors' fees	0.04	0.04
Discount on sales	119.08	133.78
Commission on sales	6.02	4.19
Freight and transportation expenses	198.14	170.49
Sales tax expenses	151.38	142.75
Advertisement expenses	46.42	54.35
Exchange rate loss	3.00	3.92
Loss on sales of assets	0.18	0.05
Donation	1.03	1.34
Sales promotion expenses	5.59	4.47
Provision for doubtful advances	Nil	4.90
Doubtful advances written off	0.05	11.22
Provision for doubtful debts	Nil	0.09
Bad debts written off	1.54	4.54
Other expenses *	74.75	64.57
	1260.69	1135.04
* Includes prior period adjustments(net) (Rs.0.31) crore (p.y.Rs.0.35 crore)		

Rs. in crores

	2010-2011	2009-2010
SCHEDULE - 18		
INTEREST AND CHARGES		
On Non-convertible debentures	0.42	5.68
On Fixed loans	33.56	38.84
On Others	15.39	8.58
Financial charges	2.56	2.34
	51.93	55.44
Less :		
Interest income (Note below)	20.45	23.72
	31.48	31.72
Note : Tax deducted at source included in Interest Income	0.43	0.63

SCHEDULE - 19

NOTES FORMING PART OF THE ACCOUNTS:

1. SIGNIFICANT ACCOUNTING POLICIES:

(A) General

- (I) The accounts of the Company are prepared under the historical cost convention using the accrual method of accounting. However, insurance claims and other than cash compensatory incentives are accounted on the basis of receipt.
- (II) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

(B) Use of Estimates

The presentation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statement. The actual outcome may diverge from these estimates.

(C) Fixed assets

Fixed assets are stated at cost, net of modvat, less depreciation. Interest on borrowing attributable till commencement of commercial production is capitalised. Capital Work In Progress includes advances for capital goods, pre production expenses and expenditure on projects under implementation including interest and other expenses capitalized.

(D) Depreciation

- (I) Depreciation, on fixed assets, has been provided in the accounts at the rates specified in Schedule XIV of the Companies Act, 1956.
- (II) Depreciation on fixed assets is provided on Written Down Value Method located at Mandali, Dhank, Chhatral, Trikampura, Caustic Soda Plant at Bhavnagar and Cepha, Beta, Oral, Injectable, F&D at Sachana.

Depreciation on fixed assets is provided on Straight Line Method located at Alindra, Moraiya, Bhavnagar (other than Caustic Soda Plant), Udaipur, Mahuva, Sachana (other than Cepha, Beta, Oral, Injectable, F&D) and various Marketing depots.
- (III) Intangible assets and Software are amortised in 8 years and 6 years respectively.
- (IV) Depreciation on additions is calculated pro rata from the month's following month of addition.
- (V) Depreciation on assets sold/discarded, during the year, has been provided up to the preceding month of sale/discard.

(E) Investments

Long-term investments are stated at cost.

(F) Current assets

Inventories are valued at lower of cost or net realisable value.

Stores & spares	:	At weighted average basis
Raw materials	:	On FIFO basis
Stock in process	:	At cost
Finished goods	:	At lower of cost or net realisable value

(G) Sales

Sales, net of returns, include excise duty, sales tax and subsidy but trade discount and incentive schemes are separately booked as expenditure.

(H) Prior period and extraordinary items

Items of income and expenditure pertaining to prior period as well as extraordinary items, where material, are disclosed separately.

(I) Impairment of Assets

The Company identifies impairable assets based on cash generating unit concept at the year end for the purpose of arriving at impairment loss thereon, if any, being the difference between the book value and recoverable value of the relevant asset. Impairment loss when crystallizes is charged against revenue of the year.

(J) Provisions and Contingent liabilities

- (I) Provisions are recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.
- (II) Contingent liabilities are disclosed by way of notes to the Balance Sheet in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

(K) Employee benefits

- (I) Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account for the year in which the related service is rendered.
- (II) Post employment and other long-term employee benefits are recognized as an expense in the Profit and Loss Account for the year in which the employee has rendered services. The expenses are recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and loss in respect of post employment and other long-term benefits are charged to the Profit and Loss Account.

(L) Export benefits

Duty - free imports of raw materials under advance license for imports, as per the Foreign Trade Policy, are matched with the exports made against the said licenses and the net benefit/obligations are accounted by making suitable adjustments in raw material consumption.

(M) Foreign currency transactions

- (I) Ministry of Corporate affairs issued notification GSR 225 (E) on 31st March 2009. In respect of long-term foreign currency monetary items, the Company has exercised option to accumulate the changes in foreign exchange rate to Foreign Currency Monetary Items Translation Difference Account and would be amortised up to 31st March, 2011.
- (II) Exchange difference for other monetary items are dealt with in the Company's Profit and Loss Account.
- (III) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transactions.

(N) Borrowing cost

Borrowing cost includes interest, commitment charges, discount, ancillary cost and other cost incurred for arrangement of borrowing.

(O) Taxes on income

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

2. CONTINGENT LIABILITIES NOT PROVIDED FOR IN ACCOUNTS:

Rs. in crores

		As at 31.03.2011	As at 31.03.2010
(A)	Claims against the Company not acknowledged as debts		
(I)	For custom duty	1.60	1.54
(II)	For direct tax (*)	1530.20	1331.87
(III)	For sales tax	47.09	40.03
(IV)	For excise duty and service tax [Appeals decided in favour of the Company Rs.120.26 crores (p.y. Rs.118.06 crores)]	122.74	119.14
(V)	Disputed liabilities for Custom duty and Excise duty of the Demerged Undertaking, as per the Financial Statement of Core Health Care Limited (CHL) as certified by Statutory Auditor of CHL	4.50	4.50
(VI)	Others This includes the claims not acknowledged as debt of Rs. 4.71 crores (p.y.Rs.4.71 crores) of the Demerged Undertaking, as per the Financial Statement of CHL as certified by Statutory Auditor of CHL	14.42	9.65
		1720.55	1506.73
	(*) Income - tax department has raised demands by making various additions/disallowances. The Company is contesting demand, in appeals, at various levels. However, based on legal advice, the Company does not expect any liability in this regard.		
(B)	Estimated amount of contracts, remaining to be executed, on capital account (Net of payment)	346.33	271.70
(C)	For letters of credit	134.61	100.67
(D)	For bank guarantee	31.12	8.27
(E)	Bills discounted with banks	6.96	3.53
(F)	Company has given Corporate Guarantee in favour of lenders for securing loans extended to Karnavati Holdings Inc.and its subsidiaries (wholly owned subsidiaries) [including interest of Rs. 0.60 crore (p.y. Rs.2.31 crores)]	245.90	384.13
(G)	Any liability and / or claim pertaining to Demerged Undertaking, for non-availability of information / record from CHL, which may arise in future is not disclosed.		

3. Borrowing cost capitalised during the year Rs.10.06 crores (p.y. Rs.Nil)

4. **Total Managerial Remuneration include under the head “ Payments to and Provision for Employees”:**

Rs. in crores

		2010-2011	2009-2010
(A)	Salary	0.78	0.78
(B)	Contribution to provident fund	0.09	0.09
(C)	Perquisites	0.35	0.33
(D)	Provision for gratuity	0.06	0.02
		1.28	1.22

5. **Secured Loans:**

External Commercial Borrowings (ECBs)

The External Commercial Borrowings are secured by first pari-passu charge on movable plant and machineries situated at Bhavnagar, Gujarat and by pledge of shares of Karnavati Holdings Inc. USA, wholly owned subsidiary, held by the Company.

Short Term Loans & Credit Facilities from Banks

The short term loans and credit facilities from Banks are secured on pari-passu basis, by a first charge, by way of hypothecation of specified stock of raw materials, stock in process, finished goods, other merchandise being movable, book debts, both present and future and by way of second charge on specified fixed assets, both present and future, of the Company.

6. **As per Accounting Standard 15 “Employees Benefits” (Revised 2005) the disclosures of Employees benefits are defined in the Accounting Standard are given below:**

(I) Defined Contribution plan

Contribution to Defined Contribution Plan, recognized as expenses for the year are as under:

Rs. in crores

	2010-2011	2009-2010
Employer’s Contribution to Provident Fund	8.18	7.19

(II) Defined Benefit Plan

The employee’s gratuity fund scheme managed by a Trust is defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

	2010-2011		2009-2010	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
a. Reconciliation of opening and closing balances of Defined Benefit obligation				
Defined Benefit obligation at beginning of the year	13.15	5.00	11.57	3.77
Current Service Cost	1.88	1.75	1.61	0.88
Interest Cost	1.05	0.42	0.96	0.31
Actual (gain) / loss	0.69	(0.05)	(0.54)	0.04
Benefits paid	(0.68)	(0.78)	(0.45)	Nil
Defined Benefit Obligation at the year end	16.09	6.34	13.15	5.00
b. Reconciliation of opening and closing balances of fair value of plan assets				
Fair value of plan assets at beginning of the year	6.06		5.36	
Expected return on plan assets	0.57		0.51	
Actuarial gain/(loss)	0.02		0.38	
Employer contribution	0.29		0.26	
Benefits paid	(0.68)		(0.45)	
Fair value of plan assets at year end	6.26		6.06	
c. Reconciliation of fair value of assets and obligation				
Fair value of plan assets	6.26	Nil	6.06	Nil
Present value of obligation	(16.09)	(6.34)	(13.15)	(5.00)
Amount recognised in Balance Sheet	(9.83)	(6.34)	(7.09)	(5.00)
d. Expenses recognised during the year (under the head of "Payments to and Provisions for Employees" – Refer Schedule –16)				
Current Service Cost	1.88	1.75	1.61	0.88
Interest Cost	1.05	0.42	0.96	0.31
Expected return on plan assets	(0.57)	Nil	(0.51)	Nil
Actuarial (gain)/loss	0.67	(0.05)	(0.92)	0.04
Net Cost	3.03	2.12	1.14	1.23
e. Investment Details:				
Invested				
Life Insurance Corporation of India	100%		100%	
Actuarial assumption				
Discount rate (per annum)	8.32%	8.32%	8.30%	8.30%
Expected rate of return on plan assets (per annum)	9.25%	Nil	9.00%	Nil
Rate of escalation in salary (per annum)	6.00%	6.00%	6.00%	6.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

7. The Composite Scheme of Compromise and Arrangement between Core Healthcare Limited (CHL), the Demerged Company, its Lenders and Shareholders and Nirma Limited, the Resulting Company and its Shareholders (the Scheme) under Sections 78, 100, 391 to 394 of the Companies Act, 1956, has been sanctioned by Hon'ble High Court of Gujarat vide an Order dated 01.03.2007. The Scheme has become effective with effect from 07.03. 2007. Three parties of CHL have filed an appeal before the Division Bench of Hon'ble High Court of Gujarat. The Scheme is subject to the result of the said appeal.

8. All of the vouchers, documents, data, records and books of accounts for the period from the Appointed Date of Demerger i.e. 1st December, 2004 and up to and including the effective Date i.e. 7th March, 2007 in relation to Demerged Undertaking are yet to be received from CHL.

9. Bank Balance in current accounts includes Rs.0.59 crore (p.y.Rs.0.59 crore) of demerged company acquired during financial year 2006-2007 is considered doubtful in absence of further information. Adequate provision for the same was made.
10. The Hon'ble High Court of Gujarat has sanctioned (i) the Scheme of Arrangement in the nature of demerger and transfer of Cement and Mining Division of Nirma Credit and Capital Private Limited with the Company on 14th March, 2011 and (ii) the scheme of arrangement in the nature of amalgamation of Nirma Consumer Care Ltd., wholly owned subsidiary with the Company on 30th March, 2011. The appointed date of both the Schemes was 1st April, 2009. Consequently the financial results for the F.Y. 2010-11 of the Company include the effect of both the schemes as per following details.
 - (A) The assets and liabilities of Nirma Credit and Capital Private Limited, the De-merged Company pertaining to the De-merged Undertaking, viz Cement and Mining Division have been transferred to and vested with the Company with effect from 1 April 2009 and have been recorded at their respective fair values at a consideration of Rs.2.25 crores.
 - (B) 4,60,000 Equity Shares of erstwhile Nirma Consumer Care Limited held by the Company have been cancelled.
 - (C) The assets, liabilities, duties and obligations of erstwhile Nirma Consumer Care Limited have been transferred to and vested with the Company with effect from 1st April 2009 and have been recorded at their respective book values, under the purchase method of accounting for amalgamation.
 - (D) Excess of assets over liabilities of erstwhile Nirma Consumer Care Limited taken over by the Company of Rs.2.47 crores has been credited to Capital Reserve Account.
 - (E) From the effective date the authorized share capital will stand increase to Rs.150.50 crores consisting of 281000000 equity shares of Rs.5 each and 1000000 6% Redeemable non-cumulative non-convertible preference shares of Rs.100 each.
11. Effective from April 1, 2008, consequent to the exercise of the option available as per the new paragraph 46 of the Accounting Standard 11 The Effects of Changes in Foreign Exchange Rates notified by the Ministry of Corporate Affairs vide Notification dated 31st March, 2009 on Companies (Accounting Standard) Amendment Rules, 2009 (G.S.R.225 [E] dated 31.03.2009), on exercise of option, the Company transferred Rs. Nil (p.y.Rs.16.48 crores) to Foreign Currency Monetary Item Translation Difference Account. The Company written back Rs.15.04 crores (p.y. Rs. 5.05 crores written off) to Profit and Loss Account and Rs. Nil (p.y.Rs.11.43 crores) is remaining to be written back.
12. Hitherto, the practice of the Company was to provide depreciation on fixed assets on plant & machinery of Caustic soda plant at Kalatalav, Bhavnagar on Straight Line method. During the year, the Company has changed its method of providing depreciation from Straight Line method to Written Down value method from the date of commencement of such plant. Due to this change, the depreciation is increased for the year by Rs.57.40 crores including Rs.28.72 crores for the current year. Consequent to this change depreciation is increased, profit is decreased and fixed assets are under stated to that extent.
13. A Public Interest Litigation (PIL) was filed in March 2009 against the construction of Company's 1.91 mn ton Cement Project at Mahuva. The Hon'ble High Court of Gujarat disposed off the PIL and allowed the construction of the Cement plant subject to certain conditions / safeguard. Later, a special leave petition was filed before the Hon'ble Supreme Court against the order of the Hon'ble High Court. In response to the order of the Hon'ble Supreme Court, Expert Appraisal Committee (EAC) submitted its recommendations to the Ministry of Environment and Forest (MoEF) and pursuant thereto, MoEF issued Show-cause Notice dated 11.5.2011 as to why the Environmental Clearance granted earlier to the Project should not be cancelled. The Company is in a process of submitting its reply to the Show-cause.
14. As per the provisions of "The Micro, Small And Medium Enterprises Development Act, 2006" the principal amount payable to micro, small and medium enterprises is Rs.3.75 crores (p.y.Rs.1.16 crores) and no interest due thereon is remaining unpaid. These amounts have been included in Sundry Creditors.

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Aero Therm System Pvt. Ltd., Arvind Footwear Pvt. Ltd., Arya Omntalk Wireless Solution Ltd., Asiatic Tools & Sleeve Corp., Atlas Engineering Works, Bhavnagar Salt & Ind. Pvt. Ltd., Bnd Engineers Pvt. Ltd., Chemithon Engineers Pvt. Ltd., Chemtech Industrial Valves Pvt. Ltd., Chintan Engineering, Chintan Rubber Industries, Dynaweld Engineering Co, Esquire Stereo, Fincast Foundry Flux Co, Flameproof Equipments Pvt. Ltd., Ganesh Engineers, Gayatri Project Engineering, Hardik Engineers, Heatking Industries, Hem

Industries, Joyam Engineers & Consultant, Nikita Industries, Palvi Power Tech Sale, Pump Bazaar, Royal Refractories, Safeworld System Pvt. Ltd., Samson Controls Pvt. Ltd., Superior Electric Machine Pvt. Ltd., Swathi Engineers, Trio Gasket Co, Xsis Power System Pvt. Ltd., Fabtech Technologies International Pvt. Ltd., Vaishali Pharma Pvt. Ltd., N. K. P. Pharma Pvt. Ltd., Nexus Pharmachem Pvt. Ltd., Airox Nigen Equipments Pvt. Ltd., Nitai Press Camp Pvt. Ltd., Calex Rubbers Pvt. Ltd., Hi-Care Surgical, Batliwala Process Engineering, Shree Ganesh Packaging, Alpha Pharma Daman Pvt. Ltd., Akhil Healthcare Pvt. Ltd., Sunil Healthcare Limited, Prime Wire Manufacture Co., R.R.Rosin, Suren Health Care, Shreeraj Interior Pvt. Ltd., Ambuja Packaging Industries, Gold Pack, Liquipack Systems Pvt. Ltd., Trio Pharma Chem, Amoli Organics Pvt.Ltd., Sagar Rubber Products Pvt. Ltd., Sundak Industries, Anmol Polymers Pvt. Ltd., Rakanpur Extrusions Pvt. Ltd., Shree Shakti Packaging, Shraman Rubbers Pvt. Ltd., Ideal Cures Pvt. Ltd., Shri Ram Gas Agency, Tax -Mach Industries, Shree Hasmukh Engineering Works, Vision Equipment Pvt. Ltd., Shah Engineering Corporation, Palam Pharma Pvt. Ltd., Shakti Packaging, Kamud Drugs Pvt. Ltd., Akshar Industries, Deep Industries, Hydroflex Hose Industries, Surya Vinyl Private Limited, Vishal Fastener, Vardhaman Engineers, Gayatri Gas Company, Alexandra Scale Pvt. Ltd., Chandresh Cables Ltd., Chemet Agencies Gujarat, Joyam Engineers & Consultants Pvt. Ltd., Pooja Computer Media, Vardhman Poly Pack, Techno Instruments, Gulshan Print Point, Pima Controls Pvt. Ltd., Comtech Eng.& Consultants Pvt. Ltd., Accurate Engineering Works, Akshar Industries, Sigma Services, Tex Mach Industries, Unison Controls Pvt. Ltd., Akm Engineers, Ashutosh Power Transbelts Ltd., Meru Engineers, Darshan Industries, Ronak Thread, Amtek Instruments, Jay Pumps Pvt. Ltd., Snowbell Machines Pvt. Ltd., Pranav Agro Industries Ltd., Tech Aid, Shachi Hi-Tech Enengineers, Sajitha Engineering and Perfect Valves & Pneumatics.

15. (A) Figures of previous year have been regrouped wherever necessary. During the year, on account of amalgamation of Nirma Consumer Care Ltd., wholly owned subsidiary of the Company with the company and Scheme of Arrangement in the nature of Demerger of Cement and Mining Division of Nirma Credit and Capital Private Limited and transfer to the Company, the figures of current year are not comparable with those of previous year.
- (B) Figures have been presented in 'crores' of rupees with two decimals. Figures less than Rs.50,000 have been shown as actual in brackets.

16. Earnings per share (EPS)

		Rs. in crores	
		2010-2011	2009-2010
(I)	Profit for basic and diluted earning per share		
	Profit for the year	102.40	229.10
	Adjustment		
	Less/(Add) : Depreciation provided / written back of earlier years	28.68	(8.84)
	Add : Provision of taxation of earlier years written back	0.32	Nil
	Net Profit (for basic) (a)	74.04	237.94
	Net Profit (for diluted) (b)	74.04	237.94
(II)	Weighted average number of equity shares (Face value of Rs.5 per share)		
	For Basic earning per share (c) (Nos.)	159142282	159142282
	For Diluted earnings per share (d) (Nos.)	159142282	159142282
(III)	Earning per share (Weighted Average) (Face value of Rs.5 per share)		
	Basic (in Rupees) (a/c)	4.65	14.95
	Diluted (in Rupees) (b/d)	4.65	14.95

17. The names of related parties with relationship and transactions with them are disclosed as under.

(A) Relationship:

(I) Shareholders :

Dr. Karsanbhai K. Patel, Smt. Shantaben K. Patel, Shri Rakeshbhai K. Patel, Shri Hirenbhai K. Patel, Shri Ambubhai M. Patel, Kargil Holdings Pvt. Ltd., Uri Holdings Pvt. Ltd., Leh Holdings Pvt. Ltd., Banihal Holdings Pvt. Ltd. and Kulgam Holdings Pvt. Ltd. are holding totally 90.82 % (p. y. 77.17 %)* equity shares in the Company.

* The increase in the promoters' share holding during the year was on account of the acquisition of shares by the promoter – acquirers under Securities Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

(II) Subsidiaries of the Company: (wholly owned)

(a) Direct Holding : Karnavati Holdings Inc. (KHI), USA.

(b) Indirect Holding : Searles Valley Minerals Operations Inc. (SVMO) USA, Searles Valley Minerals Inc.(SVM) USA, wholly owned subsidiaries of Karnavati Holdings Inc. USA.

Searles Domestic Water Company LLC, Searles Valley Residences LLC, Trona Railway Company LLC, NATI LLC (wholly owned by SVMO), Searles Valley Minerals Europe S.A.S. (wholly owned by SVM).

(III) Associates Entities:

Kargil Holdings Pvt. Ltd., Uri Holdings Pvt. Ltd., Leh Holdings Pvt. Ltd., Banihal Holdings Pvt. Ltd., Kulgam Holdings Pvt. Ltd., Nirma Credit and Capital Pvt. Ltd., Nirma Industries Pvt. Ltd., Nirma Chemical Works Pvt. Ltd., Saurashtra Chemicals Ltd., Baeurer Infotech Ltd., Mahuva Port and Infrastructure Pvt. Ltd., Kanak Castor Products Pvt. Ltd., Nirma Education and Research Foundation, Nirma University, Nirma Labs, Trona Export Terminals LLC, USA, Nirma Capital Pvt. Ltd. and Nirma Investment Pvt. Ltd.

(IV) Key Management Personnel:

Shri Hirenbbhai K. Patel - Managing Director

Shri Kalpeshbbhai A. Patel - Executive Director

(V) Relatives of key management personnel with whom transactions done during the year.

Dr. Karsanbbhai K. Patel

Shri Rakeshbbhai K. Patel

(B) The following transactions were carried out with the related parties referred in above in the ordinary course of business.

(I) Subsidiary Companies:

		Rs. in crores	
		2010-2011	2009-2010
(1)	Purchase of finished goods		
(a)	Searles Valley Minerals Inc. USA	12.75	6.24
(2)	Purchase of material		
(a)	Searles Valley Minerals Inc. USA	Nil	2.87
(3)	Interest income		
(a)	Karnavati Holding Inc., USA	0.54	1.72
(4)	Corporate guarantee given during the year in favour of Lenders for securing loans		
(a)	Searles Valley Minerals Inc. USA	Nil	381.82
(5)	ICD – given		
(a)	Karnavati Holding Inc., USA	Nil	96.52
(b)	Nirma Consumer Care Ltd	Nil	0.37
(6)	ICD – recovered		
(a)	Karnavati Holding Inc., USA	Nil	83.29
(b)	Nirma Consumer Care Ltd	Nil	0.20
(7)	Closing balance – debit	10.40	14.68
(8)	Closing balance – credit	0.48	0.64
(9)	Closing balance – Guarantees	245.30	381.82

Note: Previous year figures include transactions with erstwhile Nirma Consumer Care Ltd.

(II) Associates Entities:

(Excluding reimbursements)

Rs. in crores

	2010-2011	2009-2010
(1) Sale of finished goods		
(a) Saurashtra Chemicals Ltd.	2.54	Nil
(b) Kanak Castor Products Pvt. Ltd.	6.18	Nil
(2) Sale of materials		
(a) Saurashtra Chemicals Ltd.	2.73	5.25
(b) Kanak Castor Products Pvt. Ltd.	0.49	0.48
(c) Nirma Education Research Foundation	Nil	0.28
(3) Purchase of finished goods		
(a) Saurashtra Chemicals Ltd.	58.75	89.09
(b) Kanak Castor Products Pvt. Ltd.	Nil	0.01
(4) Purchase of materials		
(a) Saurashtra Chemicals Ltd.	7.97	0.50
(b) Kanak Castor Products Pvt. Ltd.	0.67	0.50
(5) Purchase of assets(Vested due to demerger)		
(a) Nirma Credit and Capital Pvt. Ltd.	2.25	Nil
(6) Rent expenses		
(a) Saurashtra Chemicals Ltd.	0.03	0.03
(b) Nirma Industries Pvt. Ltd.	Nil	(Rs.30000)
(7) Processing charges		
(a) Kanak Castor Products Pvt. Ltd.	6.63	7.00
(8) Interest expenses		
(a) Kargil Holding Pvt. Ltd.	2.89	0.04
(b) Nirma Credit and Capital Pvt. Ltd.	Nil	1.34
(9) ICD – taken		
(a) Kargil Holding Pvt. Ltd.	46.55	31.02
(b) Nirma Credit and Capital Pvt. Ltd.	Nil	33.13
(10) ICD – repaid		
(a) Kargil Holding Pvt. Ltd.	70.68	5.93
(b) Nirma Credit and Capital Pvt. Ltd.	Nil	99.91
(11) Advance against purchase of materials		
(a) Saurashtra Chemicals Ltd.	Nil	226.47
(12) Closing balance – debit	183.87	231.09
(13) Closing balance – credit	6.30	26.91

(III) Key Management Personnel:

Rs. in crores

	2010-2011	2009-2010
(1) Salary expenses		
(a) Shri Hirenbhai K. Patel	0.61	0.58
(b) Shri Kalpeshbhai A. Patel	0.67	0.64
(2) Loan – taken		
(a) Shri Hirenbhai K. Patel	79.10	114.03
(3) Loan – repaid		
(a) Shri Hirenbhai K. Patel	83.10	41.25
(4) Interest expenses		
(a) Shri Hirenbhai K. Patel	6.73	1.48
(5) Closing balance – credit	68.80	72.78

(IV) Relatives:

Rs. in crores

	2010-2011	2009-2010
(1) Directors' fees		
(a) Dr. Karsanbhai K. Patel	0.01	0.01
(b) Shri Rakeshbhai K. Patel	0.01	0.01
(2) Interest expenses		
(a) Dr. Karsanbhai K. Patel	0.06	0.01
(b) Shri Rakeshbhai K. Patel	7.14	2.76
(3) Loan – taken		
(a) Dr. Karsanbhai K. Patel	16.65	14.52
(b) Shri Rakeshbhai K. Patel	119.27	217.97
(4) Loan – repaid		
(a) Dr. Karsanbhai K. Patel	16.65	14.52
(b) Shri Rakeshbhai K. Patel	216.80	106.45
(5) Closing balance – credit	14.00	111.52

18. Information pursuant to Clause 32 of the Listing Agreement

Loans and Advances in the nature of loan to subsidiaries:

Rs. in crores

Name of Company	Balance as at 31 st March, 2011	Maximum outstanding During the year
Karnavati Holdings Inc., USA	10.40 (p.y.10.63)	10.99 (p.y.96.51)
Nirma Consumer Care Ltd. (*) * Merged with company during the year.	Nil (p.y.4.05)	Nil (p.y.4.08)

19. C.I.F. VALUE OF IMPORTS, REMITTANCES, EXPENDITURE AND EARNINGS IN FOREIGN CURRENCY :

Rs. in crores

		2010-2011	2009-2010
(A)	C.I.F. value of imports		
	Raw materials	204.82	258.03
	Spare parts	20.89	10.97
	Capital Goods	0.57	11.54
(B)	Expenditure in foreign currency		
	Interest	28.94	28.50
	Consulting Fees	0.18	2.08
	Royalty	6.86	7.02
	Others	7.07	1.30
(C)	Dividend remitted in Foreign Currency - No of Shareholder 1, No of shares 21,200 for the year 2009-2010 and No of Shares held 10,600 for the year 2002-2003 (p.y. No of Shareholder 1, Nos of shares 21,200 and for the year 2008-2009)	0.01	0.01
(D)	Earnings in foreign currency		
	Export of goods	230.40	182.58
	Interest	0.54	1.72
	Others (claims and freight)	0.65	Nil

20. DETAILS OF RAW MATERIALS CONSUMPTION :

Particulars	2010-2011		2009-2010	
	Qty (MT)	Rs. in crores	Qty (MT)	Rs. in crores
(A) Raw materials consumption				
Chemicals and perfumes	1694393	882.42	1782438	855.53
Oils and fats	50764	219.81	57554	202.33
Others		279.45		196.16
		1381.68		1254.02
(B) Imported and Indigenous materials Consumption	%		%	
(I) Raw materials				
Imported	17.65	243.91	16.84	211.18
Indigenous	82.35	1137.77	83.16	1042.84
	100.00	1381.68	100.00	1254.02
(II) Spare parts and Components				
Imported	14.58	11.15	15.71	12.40
Indigenous	85.42	65.32	84.29	66.54
	100.00	76.47	100.00	78.94

21. LICENSED AND INSTALLED CAPACITY (in Tonnes):

INSTALLED CAPACITY

	Products	2010-2011	2009-2010
(I)	Synthetic Detergents	*	*
(II)	Alfa Olefin Sulphonate	10000	10000
(III)	Sulphuric Acid	125000	125000
(IV)	Toilet Soap	170000	170000
(V)	Distilled Fatty Acid	135000	135000
(VI)	Glycerine	18000	18000
(VII)	Linear Alkyl Benzene	110000	75000
(VIII)	Soda Ash	650000	650000
(IX)	Single Super Phosphate	100000	100000
(X)	Packaging	13500	13500
(XI)	Salt	1800000	1800000
(XII)	Caustic Soda	87600	87600
(XIII)	Infusions (Bottles) (Nos. in Lacs)	2315	2381
(XIV)	Injectables (Plastics) (Nos. in Lacs)	10188	9275
(XV)	Injectables (Glass) (Amps/Vials/Bottles) (Nos. in Lacs)	3469	Nil
(XVI)	Injectables (Bags) (Nos. in Lacs)	124	Nil
(XVII)	Injectables (Dry Powder) (Nos. in Lacs)	3421	Nil
(XVIII)	Dry Syrup (Nos. in Lacs)	1140	Nil
(XIX)	Disposables (Syringe, Plastic infusion set & Needles) (Nos. in Lacs)	14076	5860
(XX)	Tablets (Nos. in Lacs)	149213	Nil
(XXI)	Capsules (Nos. in Lacs)	28512	Nil
(XXII)	Oral Liquids (Nos. in Lacs)	713	Nil
(XXIII)	Ointment Creams (Nos. in Lacs)	475	Nil
(XXIV)	Others (ORS, Blood Bags, CAPD Bags etc.) (Nos. in Lacs)	158	56

- (A) Licensed capacity not indicated for all products due to the abolition of industrial licences as per notification No. S.O. 477 (E), Dated 25th July, 1991.
- (B) * Not Ascertainable.
- (C) The installed capacity as shown above has been certified by management and not verified by the auditors, being a technical matter.

22. STOCK, PRODUCTION AND TURNOVER

(I) OPENING & CLOSING STOCK

Rs. in crores

Class of Goods	2010-2011				2009-2010			
	Opening Stock		Closing Stock		Opening Stock		Closing Stock	
	Tonnes	Rs.	Tonnes	Rs.	Tonnes	Rs.	Tonnes	Rs.
Detergents	22649	36.32	12866	23.22	24720	42.46	22649	36.32
Toilet Soap	4613	23.62	4568	26.16	6067	34.68	4613	23.62
Linear Alkyl Benzene	5872	43.18	4619	38.54	2151	17.34	5872	43.18
Soda Ash	7437	7.62	34421	44.19	11107	15.91	7437	7.62
Infusions (Numbers in Lacs)	180	13.98	173	13.09	179	16.27	180	13.98
Injectible (Numbers in Lacs)	542	5.03	748	5.57	680	6.92	542	5.03
Others		35.74		32.17		26.36		35.74

(II) (+) PRODUCTION & (#) TURNOVER

Rs. in crores

Class of Goods	Production		Turnover			
	2010-2011	2009-2010	2010-2011		2009-2010	
	Tonnes	Tonnes	Tonnes	Rs.	Tonnes	Rs.
Detergents	540086	560043	550066	1199.66	565192	1350.27
Toilet Soap	60022	58634	60067	426.07	60088	436.75
Linear Alkyl Benzene	86970	89981	37476 @ 50747	351.64	35465 @ 50795	312.78
Soda Ash	545912	450294	453977 @ 83114	686.73	395249 @ 58715	595.83
Infusions (Numbers in Lacs)	1818	1525	1825	201.27	1524	147.04
Injectible (Numbers in Lacs)	4235	3232	4029	46.11	3370	37.57
Others				592.58		448.94

(III) GOODS TRADED IN PURCHASES

Rs. in crores

Class of Goods	2010-2011		2009-2010	
	Tonnes	Rs.	Tonnes	Rs.
Detergents	197	0.27	3078	4.15
Soda Ash	18163	23.03	Nil	Nil
Oils	5120	39.38	4271	23.37
Chemicals	5509	13.15	2652	6.82
Other		7.29		2.53

- (i) + excluding item intended for captive consumption.
 (ii) # includes goods issued for sales promotion.
 (iii) @ transferred for captive consumption.

SIGNATURES TO SCHEDULE 1 TO 19

As per our report of even date
 For Hemanshu Shah & Co.
 Chartered Accountants
 Firm Registration No. 122439W

H. C. SHAH
 Proprietor
 Membership No.36441

Place : Ahmedabad
 Date : May 30, 2011

For and on behalf of the Board

HIREN K. PATEL
 Managing Director

Dr. K. K. PATEL
 Chairman

PARESH SHETH
 Company Secretary

RAJENDRA D. SHAH
 Director

**STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. Registration details

Registration No.	L24240GJ1980PLC003670	State Code	04
Balance Sheet Date	31.03.2011		

II. Capital raised during the year (Amount Rs. in thousands)

Public issue	Nil	Right issue	Nil
Bonus issue	Nil	Private Placement	Nil

III. Position of mobilisation and deployment of funds (Amount Rs. in thousands)

Total Liabilities	38223585	Total Assets	38223585
-------------------	----------	--------------	----------

SOURCES OF FUNDS

Paid-up capital	795713	Reserves & Surplus	27524024
Secured Loans	8750270	Unsecured Loans	1153578

APPLICATION OF FUNDS

Net fixed assets	19936886	Investments	5415268
Net current assets *	12871431	Misc. expenditure	Nil
Accumulated losses	Nil		

* Including deferred tax liabilities (net)

IV. Performance of company (Amount Rs. In thousands)

Turnover	35040557	Total expenditure	28901100
Profit before tax	1054284	Profit after tax	740399
Earning per share	4.65	Dividend rate %	Nil

V. Generic names of three principal products of the Company (As per monetary terms)

Item code no.(ITC code)	34029001
Product description	Synthetic Detergents
Item code no.(ITC code)	28362009
Product description	Soda ash
Item code no.(ITC code)	34011103
Product description	Toilet Soaps

Cash flow statement for the year ended 31st March, 2011

Rs. in crores

		2010-2011	2009-2010
A	Cash flow from operating activities :		
	Net Profit before tax	105.43	276.32
	Exchange loss on revaluation on long term monetary items(net)	(15.04)	5.05
	Depreciation	314.33	287.56
	Interest Income	(20.45)	(23.72)
	Interest Expense	51.93	55.44
	Exchange rate gain	(2.17)	(6.82)
	Exchange rate loss	3.00	3.92
	Profit on sale of fixed assets	(0.12)	(0.64)
	Loss on sale of fixed assets	0.18	0.05
	Dividend on long term investments	(0.03)	(0.03)
	Provision for Doubtful advances	Nil	4.90
	Doubtful advance written off	0.05	11.22
	Provision for Doubtful debts	Nil	0.09
	Bad Debt written off	1.54	4.54
	Profit on sale of other long term investment	(0.71)	(5.16)
	Profit on sale of other current investment	(0.26)	Nil
	Fixed assets written off	Nil	3.94
	Operating profit before working capital changes	332.25	340.34
	Adjustments for :	437.68	616.66
	Trade and other receivables	(27.35)	(263.97)
	Inventories	(142.66)	8.12
	Trade payable	54.83	57.97
	Cash generated from operations	(115.18)	(197.88)
	Interest paid	322.50	418.78
	Direct taxes paid	(52.04)	(56.36)
		(36.78)	(57.23)
	Net cash from operating activities	(88.82)	(113.59)
B	Cash flow from investing activities :	233.68	305.19
	Purchase of fixed assets	(147.97)	(316.71)
	Sale of fixed assets	6.56	(3.76)
	Sale of long term Investments	1.06	9.20
	Sale of current Investments	425.14	Nil
	Purchase of long term investments	(6.60)	Nil
	Purchase of current investments	(424.88)	Nil
	Interest received	23.72	20.51
	Dividend on long term investments received	0.03	0.03
	Net cash used in investing activities	(122.94)	(290.73)
C	Cash flow from financing activities :	110.74	14.46
	Change in loans and deposits	(62.44)	14.86
	Proceed from borrowings (Short Term) (Net)	6.80	(76.19)
	Dividend paid (Including dividend tax)	(83.48)	(74.43)
	Net cash used in financing activities	(139.12)	(135.76)
	Net increase in cash and cash equivalents	(28.38)	(121.30)
	Cash and cash equivalents (opening)	92.29	213.59
	Add : Opening balance acquired on amalgamation	0.02	Nil
	Cash and cash equivalents (closing)	63.93	92.29
Note : (1) Previous year's figures have been regrouped, wherever necessary, to confirm to this year's classification. (2) Amalgamation of Nirma Consumer Care Ltd. and demerger and transfer of Cement and Mining Division of Nirma Credit and Capital Private Limited with the Company are non cash transactions. (See note no. 10)			

As per our report of even date
 For Hemanshu Shah & Co.
 Chartered Accountants
 Firm Registration No. 122439W

H. C. SHAH
 Proprietor
 Membership No.36441

Place : Ahmedabad
 Date : May 30, 2011

For and on behalf of the Board

HIREN K. PATEL
 Managing Director

Dr. K. K. PATEL
 Chairman

PARESH SHETH
 Company Secretary

RAJENDRA D. SHAH
 Director

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956



Name of Subsidiaries	Karnavati Holdings Inc.*	Searles Valley Minerals Inc.*	Searles Valley Minerals Operations Inc.*	Searles Valley Minerals Water Company LLC*
Financial Year ended on	31.03.2011	31.03.2011	31.03.2011	31.03.2011
Number of shares in the subsidiaries held by Nirma Limited at the above date	10001000	Nil	Nil	Nil
Percentage of Holding	100	Nil	Nil	Nil
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Net aggregate amount of subsidiary's Profits / (Losses) so far it concerns the members of the Holding Company not dealt with in the Holding Company's Accounts				
(i) For the current financial year	(15.69)	6.04	34.61	(0.01)
(ii) For the previous financial year since it becomes subsidiary	(40.26)	60.01	18.90	(0.06)
Net aggregate amount of Profits / (Losses) of subsidiary which has been dealt with in the Accounts of Holding Company				
(i) For the current financial year	Nil	Nil	Nil	Nil
(ii) For the previous financial year since it becomes subsidiary	Nil	Nil	Nil	Nil

Name of Subsidiaries	Searles Valley Residences LLC*	Trona Railway Company LLC*	NATI LLC*	Searles Valley Minerals Europe*
Financial Year ended on	31.03.2011	31.03.2011	31.03.2011	31.03.2011
Number of shares in the subsidiaries held by Nirma Limited at the above date	Nil	Nil	Nil	Nil
Percentage of Holding	Nil	Nil	Nil	Nil
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Net aggregate amount of subsidiary's Profits / (Losses) so far it concerns the members of the Holding Company not dealt with in the Holding Company's Accounts				
(i) For the current financial year	(0.39)	15.70	(13.86)	0.21
(ii) For the previous financial year since it becomes subsidiary	(0.38)	36.60	(29.89)	(0.22)
Net aggregate amount of Profits / (Losses) of subsidiary which has been dealt with in the Accounts of Holding Company				
(i) For the current financial year	Nil	Nil	Nil	Nil
(ii) For the previous financial year since it becomes subsidiary	Nil	Nil	Nil	Nil

* Converted in Rs. as per Exchange Rate of Rs.44.595 per USD as on 31st March 2011

For and on behalf of the Board

HIREN K. PATEL
Managing Director

DR. K. K. PATEL
Chairman

PARESH SHETH
Company Secretary

RAJENDRA D. SHAH
Director

Place : Ahmedabad
Date : May 30, 2011

INFORMATION ON SUBSIDIARIES

(Rs. in crore)

Particulars	Karnavati Holdings Inc.*	Searles Valley Minerals Inc.*	Searles Valley Minerals Operations Inc.*	Searles Domestic Water Company LLC*
Financial Year ended on	31.03.2011	31.03.2011	31.03.2011	31.03.2011
Capital (including additional paid in capital)	557.44	200.50	683.92	1.66
Reserves (retained earnings)	(55.95)	66.06	53.51	(0.07)
Total Liabilities Excl. (1) & (2)	391.02	115.48	99.70	0.03
Total Assets	892.51	382.04	837.13	1.62
Investments (other than investment in subsidiaries)	Nil	Nil	Nil	Nil
Turnover	Nil	1464.08	998.01	1.79
Profit Before Taxation	(19.45)	7.92	58.27	(0.01)
Provision for Taxation	(3.76)	1.88	23.66	Nil
Profit After Taxation	(15.69)	6.04	34.61	(0.01)
Proposed Dividend	Nil	Nil	Nil	Nil

Particulars	Searles Valley Residences LLC*	Trona Railway Company LLC*	NATI LLC*	Searles Valley Minerals Europe*
Financial Year ended on	31.03.2011	31.03.2011	31.03.2011	31.03.2011
Capital (including additional paid in capital)	(2.27)	131.27	(128.67)	3.32
Reserves (retained earnings)	(0.77)	52.30	(43.74)	(0.01)
Total Liabilities Excl. (1) & (2)	3.04	42.85	190.20	3.23
Total Assets	Nil	226.42	17.79	6.54
Investments (other than investment in subsidiaries)	Nil	Nil	Nil	Nil
Turnover	Nil	8.27	Nil	10.83
Profit Before Taxation	(0.39)	15.70	(13.86)	0.27
Provision for Taxation	Nil	Nil	Nil	0.06
Profit After Taxation	(0.39)	15.70	(13.86)	0.21
Proposed Dividend	Nil	Nil	Nil	Nil

*Converted in Rs. as per Exchange Rate of Rs. 44.595 (closing) per USD as on 31st March 2011

The Annual Accounts of the subsidiary companies and related detailed information will be made available to any member of the Company and subsidiary companies seeking such information at any point of time. The Annual Accounts of subsidiary Companies will also be kept for inspection by any member at the Registered Office of the Company and that of subsidiary companies concerned.

Report of the auditors to the Board of Directors of Nirma Limited on the Consolidated Financial Statements of Nirma Limited and its subsidiaries

To
The Board of Directors
Nirma Limited
Ahmedabad.

We have audited the attached Consolidated Balance Sheet of Nirma Limited (the Company) and its subsidiaries (collectively referred to as "the Group") as at 31st March, 2011, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

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.

1. We did not audit the financial statements of eight subsidiaries, whose financial statements/consolidated financial statements reflect total assets of Rs. 1155.22 crore as at 31st March, 2011, total revenue of Rs.1558.41 crore and cash flows amounting to Rs.30.29 crore for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
2. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements and Accounting Standards (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements notified by Companies (Accounting Standards) Rules, 2006.
3. Refer note no 11 of Notes to Accounts in Schedule 19 regarding the scheme of Demerged undertaking. The company has taken over Demerged undertaking of Core Healthcare Ltd. (CHL) under the composite scheme of Arrangement sanctioned by the Hon'ble High Court of Gujarat by order dated 1st March, 2007. The appointed date for this purpose was 1st December, 2004 and the effective date is 7th March, 2007. Three parties have filed appeal against this order before the Division Bench of Hon'ble High Court of Gujarat and their appeal, which has been admitted, is pending. The company has given effect to the above scheme subject to the decision in appeal before the Hon'ble High Court.
4. Based on our audit as aforesaid and on consideration of reports of other auditors on the separate financial statements and on the other financial information of the components and accounts approved by the Board of Directors as explained in paragraph 3 above and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March, 2011;
 - (ii) In the case of the Consolidated Profit and Loss Account, of the Profit of the Group for the year ended on that date; and
 - (iii) In the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

For Hemanshu Shah & Co.
Chartered Accountants
Firm Registration No. 122439W

Place : Ahmedabad
Date : May 30, 2011

H. C. Shah
Proprietor
Membership No. 36441

BALANCE SHEET AS AT 31ST MARCH, 2011

Rs. in crores

		Schedule	As at 31.03.2011	As at 31.03.2010
I	SOURCES OF FUNDS			
	Shareholders' Funds			
	Share capital	1	79.57	79.57
	Reserves and surplus	2	2836.83	2745.79
			2916.40	2825.36
	Loan Funds			
	Secured loans	3	1075.71	887.00
	Unsecured loans	4	182.25	439.85
			1257.96	1326.85
			4174.36	4152.21
II	APPLICATION OF FUNDS			
	Fixed Assets	5		
	Gross block		5309.05	5031.53
	Less : Depreciation		2882.08	2493.14
	Net block		2426.97	2538.39
	Add : Capital work-in-progress		199.37	286.96
			2626.34	2825.35
	Investments	6	8.88	2.40
	Current Assets, Loans & Advances			
	Inventories	7	948.21	809.61
	Sundry debtors	8	555.57	514.63
	Cash and bank balances	9	112.47	171.14
	Loans and advances	10	852.49	782.67
			2468.74	2278.05
	Less : Current Liabilities and Provisions	11		
	Current liabilities		451.52	389.52
	Provisions		195.28	283.98
			646.80	673.50
	Net Current Assets		1821.94	1604.55
	Deferred tax liabilities (Net)	12	282.80	280.09
			1539.14	1324.46
			4174.36	4152.21
	Notes forming part of accounts	19		

As per our report of even date
For Hemanshu Shah & Co.
Chartered Accountants
Firm Registration No. 122439W

H. C. SHAH
Proprietor
Membership No.36441

Place : Ahmedabad
Date : May 30, 2011

For and on behalf of the Board

HIREN K. PATEL
Managing Director

Dr. K. K. PATEL
Chairman

PARESH SHETH
Company Secretary

RAJENDRA D. SHAH
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Rs. in crores

	Schedule	2010-2011	2009-2010
INCOME			
Sales		5008.72	4831.61
Less : Excise duty		257.41	211.23
Sales Net		4751.31	4620.38
Other income	13	58.78	75.77
Increase / (Decrease) in stock	14	30.18	(52.86)
		4840.27	4643.29
EXPENDITURE			
Consumption of raw materials	15	1468.73	1326.43
Purchase of goods traded in		70.37	40.83
Payments to and provision for employees	16	452.24	438.74
Manufacturing, administrative and selling expenses	17	2302.68	2108.17
Interest and charges	18	49.20	51.99
		4343.22	3966.16
Profit before Depreciation, Exceptional items and Tax		497.05	677.13
Less : Provision for depreciation		363.70	337.48
Add : Share of profit in associates		0.23	0.08
Profit before Exceptional items and Tax		133.58	339.73
Less : Fixed assets written off		Nil	3.94
Add/(Less) : Exchange gain on revaluation on long term monetary items(net) (See Note No.14)		15.04	(5.05)
Profit before Tax		148.62	330.74
Less : Provision for taxation - Current tax		22.47	72.95
- Deferred tax		2.87	12.21
Profit for the year		123.28	245.58
Less/(Add) : Depreciation provided / written back of earlier years (See Note No.15)		28.68	(3.74)
Add : Provision of taxation of earlier years written back during the year		0.32	0.01
Net Profit		94.92	249.33
Add : Balance in profit and loss account brought forward		148.36	82.55
Profit available for Appropriation		243.28	331.88
Less : Adjustment on account of amalgamation		(2.80)	Nil
: Transferred to general reserve		Nil	100.00
: Proposed dividend on equity shares		Nil	71.61
: Tax on dividend		Nil	11.91
Balance carried to Balance Sheet		246.08	148.36
Earning per equity share (Face value of Rs.5 per share) (See Note No.17)			
Basic (in Rupees)		5.96	15.67
Diluted (in Rupees)		5.96	15.67
Notes forming part of accounts	19		

As per our report of even date

For Hemanshu Shah & Co.
Chartered Accountants
Firm Registration No. 122439W

H. C. SHAH

Proprietor
Membership No.36441

Place : Ahmedabad
Date : May 30, 2011

For and on behalf of the Board

HIREN K. PATEL
Managing Director

Dr. K. K. PATEL
Chairman

PARESH SHETH
Company Secretary

RAJENDRA D. SHAH
Director

Nirma Limited - Consolidated

Rs. in crores

	As at 31.03.2011	As at 31.03.2010
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED		
280000000 Equity shares of Rs.5 each	140.00	140.00
1000000 6% Redeemable non cumulative non convertible preference shares of Rs.100 each	10.00	10.00
	150.00	150.00
ISSUED AND SUBSCRIBED		
159175666 Equity shares of Rs.5 each	79.59	79.59
	79.59	79.59
PAID UP		
159142282 Equity shares of Rs.5 each	79.57	79.57
800 Add : Forfeited shares [Rs.2000(p.y.Rs.2000)]		
	79.57	79.57
NOTES:		
1. Of the above shares, 35572914 equity shares of Rs.5 each have been allotted as fully paid up pursuant to the scheme of amalgamation/ scheme of demerger without payment being received in cash.		
2. Company has made allotment of 90998368 equity shares of Rs.5 each on exercising option by the warrant holders at a premium of Rs.40 per share (for share of Rs.10 each). 32584 equity shares of Rs.5 each were kept in abeyance due to court order.		
	79.57	79.57
SCHEDULE - 2		
RESERVES AND SURPLUS		
CAPITAL RESERVE		
As per last year	360.66	360.66
Add : Adjustment on account of amalgamation (See Note No.10)	2.47	Nil
	363.13	360.66
CAPITAL REDEMPTION RESERVE		
As per last year	2.81	2.81
SECURITIES PREMIUM ACCOUNT		
As per last year	222.70	222.70
CURRENCY FLUCTUATION RESERVE		
	7.40	11.28
GENERAL RESERVE		
As per last year	1999.98	1899.98
Less : Adjustment on account of amalgamation	5.27	Nil
Add : Transferred from profit and loss account	Nil	100.00
	1994.71	1999.98
BALANCE IN PROFIT AND LOSS ACCOUNT		
	246.08	148.36
	2836.83	2745.79

Rs. in crores

	As at 31.03.2011	As at 31.03.2010
SCHEDULE - 3		
SECURED LOANS		
(See Notes No.7 & 14)		
Loans in foreign currency		
Long Term		
External commercial borrowings (ECBs)	512.90	516.58
Short Term		
Packing credit	Nil	8.36
Loans and advances from banks		
Long term loans	156.08	135.03
Short term loans	114.60	Nil
Cash credit accounts	292.13	227.03
	1075.71	887.00
SCHEDULE - 4		
UNSECURED LOANS		
(See Note No.8)		
Long Term		
Loans from banks	33.44	67.41
Interest free sales tax deferment loan under sales tax incentive scheme of Government of Gujarat (guaranteed by directors)	0.04	0.04
Short Term		
Loans from banks	33.45	137.13
Loan from directors	82.80	184.30
Inter corporate deposits	3.59	25.13
Trade deposits	28.93	25.84
	182.25	439.85

SCHEDULE - 5
FIXED ASSETS

Rs. in crores

PARTICULARS	GROSS BLOCK (at cost)						DEPRECIATION				NET BLOCK	
	As at 01.04.2010	Addition/ Adjustments during the year	Translation Adjustments	Deduction/ Adjustments during the year	As at 31.03.2011	As at 01.04.2010	Addition/ Adjustments during the year	Translation Adjustments - Accumulated Depreciation	Deduction/ Adjustments during the year	Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
		year		year			year		year			
1. Goodwill	1.57	Nil	Nil	Nil	1.57	1.57	Nil	Nil	Nil	1.57	Nil	Nil
2. Goodwill on Consolidation	536.67	Nil	(3.88)	Nil	532.79	80.51	36.29	(1.36)	Nil	115.44	417.35	456.16
3. Trademark	429.17	Nil	Nil	Nil	429.17	346.91	82.26	Nil	Nil	429.17	Nil	82.26
4. Licence fee	33.86	Nil	Nil	Nil	33.86	8.46	8.47	Nil	Nil	16.93	16.93	25.40
5. Freehold land	71.13	8.11	Nil	6.29	72.95	Nil	Nil	Nil	Nil	Nil	72.95	71.13
6. Leasehold land (permanent)	0.13	Nil	Nil	Nil	0.13	Nil	Nil	Nil	Nil	Nil	0.13	0.13
7. Building	483.16	74.71	(0.46)	Nil	557.41	185.14	22.43	(0.15)	Nil	207.42	349.99	298.02
8. Plant & machinery	3411.71	200.11	(1.77)	Nil	3610.05	1834.64	237.50	(0.32)	Nil	2071.82	1538.23	1577.07
9. Furniture, fittings & equipments	20.00	0.87	Nil	Nil	20.87	14.14	1.13	Nil	Nil	15.27	5.60	5.86
10. Vehicles	44.13	8.25	(0.15)	1.98	50.25	21.77	4.36	(0.02)	1.65	24.46	25.79	22.36
Total	5031.53	292.05	(6.26)	8.27	5309.05	2493.14	392.44	(1.85)	1.65	2882.08	2426.97	2538.39
Previous year	4695.93	297.28	68.97	30.65	5031.53	2187.30	342.75	(1.91)	35.00	2493.14	2538.39	
Capital work in progress											199.37	286.96

Notes :

- Building includes (Rs.1000) in respect of shares held in co-op housing society.
- Capital work in progress includes advance against capital expenditure Rs.64.36 crores (p.y.Rs.53.41 crores).
- Freehold land of Rs.0.31 crore and part of the fixed assets of Demerged Undertaking are yet to be transferred in the name of the company.
- Rs.28.68 crores (p.y.Nil) depreciation provided for previous year due to change in method of depreciation has been included under the heading depreciation during the year.(See Note No.15)
- Rs.0.06 crore (p.y.Rs.0.01 crore) depreciation provided during the year transferred to pre-operative expenses.
- Rs.Nil (p.y.Rs.8.84 crores) excess depreciation of earlier years has been written back under the head depreciation in deduction/adjustments during the year.
- Rs.Nil (p.y.Rs.0.16 crore) depreciation provided for previous year has been included under the heading depreciation during the year.
- Addition in free hold land of Rs.2.25 crores have been vested on Demerger of Cement and Mining Division of Nirma Credit and Capital Private Limited.

Rs. in crores

		As at 31.03.2011	As at 31.03.2010
SCHEDULE - 6			
INVESTMENTS (At cost) [Long term]			
Investments in Government securities (Unquoted)			
National Saving Certificate and Kisan Vikas Patra lodged with various authorities [Rs.42000 (p.y. Rs.39000)]			
	P.Y.	Investments in shares of associate fully paid equity shares (Unquoted)	
1300000	1300000	Kanak Castor Products Pvt. Ltd. each of Rs.10 (Including Goodwill of Rs.1.30 crores)	1.30
		Add/Less : Share of profit/loss in associates	0.51
			2.04
		Investments in shares and debentures (Fully paid-up, other than trade) In equity shares (Quoted)	
Nil	35000	National Thermal Power Corporation Ltd. each of Rs.10 (35000 shares sold during the year)	0.22
Nil	10000	HSBC Investdirect (India) Ltd. each of Rs.10 (10000 shares sold during the year)	0.13
			0.35
		In equity shares (Unquoted)	
100	100	Nutan Nagarik Sahakari Bank Ltd. each of Rs.25 [Rs.2500 (p.y.Rs.2500)]	
57040	57040	The Kalapur Comm.Co.op.Bank Ltd. each of Rs.25	0.14
2200000	Nil	Gold Plus Glass Industry Ltd. each of Rs.10	Nil
100000	100000	Enviro Infrastructure Company Ltd. each of Rs.10	0.10
			0.24
		In equity shares (Listed but not Quoted)	
1000000	1000000	Inlac Granston Ltd. each of Rs.10	1.00
		Less : Provision for diminution in value	1.00
			Nil
			2.40
Aggregate book value of Investments :			
	Unquoted	8.88	2.05
	Quoted [Market Value Nil (p.y. Rs.0.96 crores)]	Nil	0.35
		8.88	2.40

Investments purchased and sold during the year	Face Value Rs.	Nos. In lacs	Cost Rs. in crores
Certificate of Deposits			
Punjab National Bank-24/12/2010	100,000	0.05	49.20
State Bank of Bikaner & Jaipur-20/12/2010	100,000	0.05	49.20
United Bank of India-22/12/2010	100,000	0.13	122.98
Mutual Funds			
ICICI Prudential Liquid Super Institutional Plan-Growth	100	36.14	50.00
Kotak Liquid(Institutional Premium)-Growth	10	40.56	8.00
Reliance Liquidity Fund-Growth Option	10	496.74	70.00
SBI-Magnum Insta Cash Fund-Daily Dividend Option	10	29.85	5.00
SBI-Magnum Insta Cash Fund-Cash Option	10	332.14	70.50

Nirma Limited - Consolidated

Rs. in crores

	As at 31.03.2011	As at 31.03.2010
SCHEDULE - 7		
INVENTORIES		
Stores and spares	355.36	298.20
Raw materials [Including goods in transit Rs.7.87 crores(p.y.Rs.0.08 crores)]	230.92	179.66
Stock in process	64.79	52.85
Finished goods	297.14	278.90
	948.21	809.61
SCHEDULE - 8		
SUNDRY DEBTORS (Unsecured)		
More than six months		
Considered good	27.10	9.37
Considered doubtful	1.03	1.12
	28.13	10.49
Less : Provision for doubtful debts	1.03	1.12
	27.10	9.37
Others		
Considered good	528.47	505.26
	555.57	514.63
SCHEDULE - 9		
CASH AND BANK BALANCES		
Cash on hand	0.38	0.48
	0.38	0.48
BANK BALANCES WITH SCHEDULED BANKS		
In current account (See Note No.13)	85.52	63.99
In unclaimed dividend account	0.46	0.42
In fixed deposit account	26.11	106.25
	112.09	170.66
	112.47	171.14
SCHEDULE - 10		
LOANS AND ADVANCES (Unsecured)		
Advances recoverable in cash or in kind or for value to be received		
Considered good	431.18	383.18
Considered doubtful	Nil	4.90
	431.18	388.08
Less : Provision for doubtful advances	Nil	4.90
	431.18	383.18
Balance with central excise department	32.89	34.79
Advance Income tax	388.42	364.70
	852.49	782.67

Rs. in crores

	As at 31.03.2011	As at 31.03.2010
SCHEDULE - 11		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry creditors	404.57	334.05
Advances from customers	43.08	41.11
Foreign Currency Monetary Item Translation Difference Account (See Note No.14)	Nil	11.43
Interest accrued but not due	3.27	2.37
Amounts to be credited to Investor Education and Protection Fund		
Redemption amount on NCD/SPN	0.14	0.14
Unclaimed dividend	0.46	0.42
	0.60	0.56
	451.52	389.52
PROVISIONS		
Income tax provisions	29.83	42.61
Proposed dividend [Including tax on dividend Nil (p.y. Rs.11.90 crores)]	Nil	83.51
Provision for retirement benefit	9.84	7.09
Other provisions	155.61	150.77
	195.28	283.98
	646.80	673.50
SCHEDULE - 12		
DEFERRED TAX LIABILITIES (NET)		
DEFERRED TAX LIABILITIES		
Depreciation	334.96	384.83
Others	1.58	2.34
	336.54	387.17
DEFERRED TAX ASSETS		
Carried forward MAT	12.35	63.45
Disallowance under Income Tax Act	37.22	40.31
Others	4.17	3.32
	53.74	107.08
	282.80	280.09

Nirma Limited - Consolidated

Rs. in crores

	2010-2011	2009-2010
SCHEDULE - 13		
OTHER INCOME		
Job charges income	0.60	Nil
Exchange rate gain	2.19	6.82
Profit on sale of assets	0.12	0.66
Electricity income	30.42	40.64
Profit on Sale of :		
Long term investments	0.71	5.16
Current investment	0.26	Nil
Claims and refunds	2.07	2.84
Dividend from long term investments	0.03	0.03
Miscellaneous income (Note below)	22.38	19.62
	58.78	75.77
Note : Tax deducted at source included in Miscellaneous income	0.01	Nil
SCHEDULE - 14		
INCREASE / (DECREASE) IN STOCK		
CLOSING STOCK		
Stock in process	64.79	52.85
Finished goods	297.14	278.90
	361.93	331.75
LESS : OPENING STOCK		
Stock in process	52.85	49.61
Finished goods	278.90	335.00
	331.75	384.61
	30.18	(52.86)
SCHEDULE - 15		
CONSUMPTION OF RAW MATERIALS		
Opening stock of raw materials	179.58	159.47
Add : Purchases and expenses	1516.74	1347.04
Less : Sales of raw materials	4.54	0.50
Closing stock of raw materials	223.05	179.58
	1468.73	1326.43

Rs. in crores

	2010-2011	2009-2010
SCHEDULE - 16		
PAYMENTS TO AND PROVISION FOR EMPLOYEES		
Salaries, wages and bonus	375.00	365.28
Contribution to provident fund and other funds	29.74	24.49
Welfare expenses	47.50	48.97
	452.24	438.74
SCHEDULE - 17		
MANUFACTURING, ADMINISTRATIVE AND SELLING EXPENSES		
Consumption of stores and spare parts	177.77	176.44
Power and fuel expenses	806.59	662.36
Excise duty provided on stocks	5.82	2.08
Processing charges	25.97	23.64
Rent expenses	62.93	64.34
Repairs and maintenance		
To building	4.38	3.30
To machinery	115.36	109.57
To others	4.67	5.38
	124.41	118.25
Insurance expenses	15.61	13.67
Rates and taxes	26.76	26.11
Payments to auditors		
Audit fees	0.78	1.03
Taxation matters	0.87	0.76
Other matters	0.06	0.06
Expenses reimbursed	0.01	Nil
	1.72	1.85
Cost Audit fees	0.01	0.01
	1.73	1.86
Directors' fees	0.04	0.04
Discount on sales	119.08	133.78
Commission on sales	9.38	7.19
Freight and transportation expenses	577.46	510.53
Sales tax expenses	157.59	150.05
Advertisement expenses	47.19	56.12
Exchange rate loss	3.05	4.04
Loss on sales of assets	0.18	0.05
Donation	1.03	1.55
Sales promotion expenses	5.59	4.47
Provision for doubtful advances	Nil	4.90
Doubtful advances written off	0.05	11.22
Provision for bad debts	Nil	0.09
Bad debts written off	1.54	5.58
Other expenses *	132.91	129.81
	2302.68	2108.17
* Including prior period adjustments(net) (Rs.0.31 crore) (p.y.Rs.0.37 crore)		

Rs. in crores

	2010-2011	2009-2010
SCHEDULE - 18		
INTEREST AND CHARGES		
On Non-convertible debentures/bonds	0.42	5.68
On Fixed loans	46.02	43.20
On Others	15.39	19.61
Financial charges	7.37	5.78
	69.20	74.27
Less :		
Interest income (Note below)	20.00	22.28
	49.20	51.99
Note : Tax deducted at source included in Interest income	0.43	0.63

SCHEDULE - 19

NOTES FORMING PART OF THE ACCOUNTS:

1. Basis of Consolidation

The consolidated financial statements relate to Nirma Limited (the Company), its subsidiary companies and associate company. The Company, its subsidiaries and associate company constitute the Group.

a) Basis of Accounting:

- (I) The financial statements of the subsidiary companies and associate companies used in the consolidation are drawn up to the same reporting date as of the company, i.e. for the year ended 31st March 2011.
- (II) The financial statements of the Group have been prepared in accordance with the applicable Accounting Standards in India and other generally accepted accounting principles.

b) Principles of Consolidation:

The Consolidated Financial Statements relate to Nirma Limited and its various subsidiary companies, associates company. The Consolidated financial statements have been prepared on the following basis.

- (I) In respect of subsidiary companies, the financial statements have been consolidated on a line-by – line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating the intra group balances and unrealized profits /losses on intra group transactions as per Accounting Standard – AS 21 Consolidated Financial Statements issued by The Institute of Chartered Accountants of India.
- (II) Investments in associates have been accounted under equity method as per Accounting standard 23 – Accounting for Investments in Associates in Consolidated Financial Statements issued by The Institute of Chartered Accountants of India.

The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as goodwill or capital reserve as the case may be.

- (III) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the profit and loss account, except in the case of foreign subsidies being non-integral foreign operation, which are recognized in the currency fluctuation reserve.

- (IV) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- (V) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

c) The Subsidiary companies considered in the consolidated financial statements are as under:

Sr. No.	Name of the Subsidiaries	Country of incorporation	Proportion of Ownership Interest
1	Karnavati Holdings Inc.	USA	100%
2	Searles Valley Minerals Operations Inc.	USA	100%
3	Searles Valley Minerals Inc.	USA	100%
4	Searles Valley Minerals Europe S.A.S.	France	100%
5	Searles Domestic Water Company LLC	USA	100%
6	Searles Valley Residences LLC	USA	100%
7	Trona Railway Company LLC	USA	100%
8	NATI LLC	USA	100%

d) The significant associate company considered in the consolidated financial statements is:

Sr. No	Name of the Associate Company	Country of Incorporation	Proportion of Ownership Interest
1	Kanak Castor Products Pvt. Ltd	India	26%

2. SIGNIFICANT ACCOUNTING POLICIES:

(A) General

- (I) The accounts of the Company are prepared under the historical cost convention using the accrual method of accounting. However, insurance claims and other than cash compensatory incentives are accounted on the basis of receipt.
- (II) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

(B) Use of Estimates

The presentation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statement. The actual outcome may diverge from these estimates.

(C) Fixed assets

Fixed assets are stated at cost, net of modvat, less depreciation. Interest on borrowing attributable till commencement of commercial production is capitalised. Capital Work In Progress includes advances for capital goods, pre production expenses and expenditure on projects under implementation including interest and other expenses capitalised.

(D) Depreciation

- (I) Depreciation, on fixed assets, has been provided in the accounts at the rates specified in Schedule XIV of the Companies Act, 1956.
- (II) Depreciation on fixed assets is provided on Written Down Value method, in following divisions. Mandali, Dhank, Chhatral, Trikampura, Caustic Soda Plant at Bhavnagar and Cepha, Beta, Oral, Injectable, F&D at Sachana.

Depreciation on fixed assets is provided on Straight Line method in followings.

Nirma Limited - Consolidated

Alindra, Moraiya, Bhavnagar (other than Caustic Soda Plant), Udaipur, Mahuva, Sachana (other than Cepha, Beta, Oral, Injectable, F&D), various Marketing depots, Searles Valley Minerals inc, Searles Valley Minerals Operations Inc., Searles Domestic Water Company LLC, Searles Valley Residences LLC, Trona Railway Company LLC, NATI LLC, Searles Valley Minerals Europe and Kanak Castor Products Pvt. Ltd.

- (III) Intangible assets and Software are amortised in 8 years and 6 years respectively.
- (IV) Depreciation on additions is calculated pro rata from the month's following month of addition.
- (V) Depreciation on assets sold/discarded, during the year, has been provided up to the preceding month of sale/discard.

(E) Goodwill on consolidation.

Goodwill on consolidation represents the difference between net worth of the invested company at the time of acquisition and the cost of investment made. The said goodwill is written off in 15 years.

(F) Investments

Long-term investments are stated at cost. Investment in associates is accounted for using the equity method.

(G) Current assets

Inventories are valued at lower of cost or net realisable value.

Stores & spares	:	At weighted average basis
Raw materials	:	On FIFO basis
Stock in process	:	At cost
Finished goods	:	At lower of cost or net realisable value

(H) Sales

Sales, net of returns, include excise duty, sales tax and subsidy but trade discount and incentive schemes are separately booked as expenditure.

(I) Prior period and extraordinary items

Items of income and expenditure pertaining to prior period as well as extraordinary items, where material, are disclosed separately.

(J) Impairment of Assets

The Company identifies impairable assets based on cash generating unit concept at the year end for the purpose of arriving at impairment loss thereon, if any, being the difference between the book value and recoverable value of the relevant asset. Impairment loss when crystallizes is charged against revenue of the year.

(K) Provisions and Contingent liabilities

- (I) Provisions are recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.
- (II) Contingent liabilities are disclosed by way of notes to the Balance Sheet in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

(L) Employee benefits

- (I) Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account for the year in which the related service is rendered.
- (II) Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services, The expenses is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and loss in respect of post employment and other long-term benefits are charged to the profit and loss account.

(M) Export benefits

Duty - free imports of raw materials under advance license for imports, as per the Foreign Trade Policy, are matched with the exports made against the said licenses and the net benefit/ obligations are accounted by making suitable adjustments in raw material consumption.

(N) Foreign currency transactions

- (I) Ministry of Corporate affairs issued notification GSR 225 (E) on 31st March 2009. In respect of long term foreign currency monetary items, the Company has exercised option to accumulate the changes in foreign exchange rate to Foreign Currency Monetary Items Translation Difference Account and would be amortised up to 31st March 2011.
- (II) Exchange difference for other monetary items are dealt with in the Company's Profit and Loss Account.
- (III) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transactions.

(O) Borrowing cost

Borrowing cost includes interest, commitment charges, discount, ancillary cost and other cost incurred for arrangement of borrowing.

(P) Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

3. In the past, fixed assets of Searles Valley Minerals Operations Inc and other entities were written off on 31st March, 2004 on acquisition of foreign subsidiaries by the previous owner. Fixed assets are not reinstated in accounts.

4. CONTINGENT LIABILITIES NOT PROVIDED FOR IN ACCOUNTS:

		Rs. in crores	
		As at 31.03.2011	As at 31.03.2010
(A)	Claims against the Company not acknowledged as debts		
	(I) For custom duty	1.60	1.54
	(II) For direct tax (*)	1530.20	1345.95
	(III) For sales tax	47.09	43.61
	(IV) For excise duty and service tax [Appeals decided in favour of the Company Rs.120.26 crores (p.y. Rs.118.06 crores)]	122.74	119.17
	(V) Disputed liabilities for Custom duty and Excise duty of the Demerged Undertaking, as per the Financial Statement of Core Health Care Ltd. (CHL) as certified by Statutory Auditor of CHL	4.50	4.50
	(VI) Others This includes the claims not acknowledged as debt of Rs.4.71 crores (p.y. Rs. 4.71 crores) of the Demerged Undertaking, as per the Financial Statement of CHL as certified by Statutory Auditor of CHL	14.42	10.06
		1720.55	1524.83
	(*) Income Tax department has raised demands by making various additions/ disallowances. The Company is contesting demand, in appeals, at various levels. However, based on legal advice, the Company does not expect any liability in this regard.		

Nirma Limited - Consolidated

(B)	Estimated amount of contracts, remaining to be executed, on capital account (net of payment)	358.56	283.17
(C)	For letters of credit	161.92	125.61
(D)	For bank guarantee and bonds	31.12	25.99
(E)	Bills discounted with banks	6.96	3.53
(F)	Any liability and/or claim pertaining to Demerged Undertaking, for non-availability of information/record from CHL, which may arise in future is not disclosed.		

5. Borrowing cost capitalised during the year Rs.10.72 crores (p.y.Rs.0.31 crore).

6. Total Managerial remuneration include under the head " Payments to and Provision for Employees"

		Rs. in crores	
		2010 – 2011	2009 – 2010
(A)	Salary	0.78	0.78
(B)	Contribution to provident fund	0.09	0.09
(C)	Perquisites	0.35	0.33
(D)	Provision for gratuity	0.06	0.02
		1.28	1.22

7. SECURED LOANS

External Commercial Borrowings (ECBs)

The External Commercial Borrowings are secured by first pari-passu charge on movable plant and machineries situated at Bhavnagar, Gujarat and by pledge of shares of Karnavati Holdings Inc., wholly owned subsidiary, held by the Company.

Long Term Loan

- (A) Term Loan granted by BNP Paribas to Karnavati Holdings Inc. (KHI) is secured by first pari-passu charge on fixed assets of KHI, Searles Valley Minerals Inc. (SVM) and Searles Valley Minerals Operations Inc. (SVMO), pledge of shares of SVM and SVMO held by KHI and corporate guarantee of the Company, SVM and SVMO.
- (B) Revolver Loan of USD 15 million equivalent to Rs. 66.89 crores granted by Bank of America, N.A. being agent of the lenders, to KHI is secured by accounts receivable, inventory, lien on deposit accounts and cash collaterals of KHI.
- (C) Revolver Loan of USD 40 million equivalent to Rs.178.38 crores granted by Bank of America, N.A. being agent of the lenders, to SVM and SVMO, which is unused, is secured by accounts receivable, inventory, lien on deposit accounts and cash collaterals of SVM and SVMO.

Short Term Loans & Credit Facilities from Banks

The short term loans and credit facilities from Banks are secured on pari-passu basis, by a first charge, by way of hypothecation of specified stock of raw materials, stock in process, finished goods, other merchandise being movable, book debts, both present and future and by way of second charge on specified fixed assets, both present and future, of the Company.

8. Unsecured Loans

Term Loan granted to KHI by Credit Agricole Corporate & Investment Bank is against the corporate guarantee of Nirma Limited.

9. As per Accounting Standard 15 “Employees Benefits” (Revised 2005) the disclosures of Employees benefits are defined in the Accounting Standard are given below:

(I) Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expenses for the year are as under:

Rs. in crores

	2010-2011	2009-2010
Employer’s Contribution to Provident Fund	8.18	7.19

(II) Defined Benefit Plan

The employee’s gratuity fund scheme managed by a Trust is defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

Rs. in crores

	2010- 2011			2009-2010		
	Gratuity (Funded) (India)	Leave Encashment (Unfunded) (India)	Long Term Employee Benefits (Unfunded) (Foreign)	Gratuity (Funded) (India)	Leave Encashment (Unfunded) (India)	Long Term Employee Benefits (Unfunded) (Foreign)
a. Reconciliation of opening and closing balances of Defined Benefit obligation						
Defined Benefit obligation at beginning of the year	13.15	5.00	9.43	11.57	3.77	14.66
Current Service Cost	1.88	1.75	1.88	1.61	0.88	0.76
Interest Cost	1.05	0.42	0.30	0.96	0.31	0.51
Actual (gain) / loss	0.69	(0.05)	(1.21)	(0.54)	0.04	(4.04)
Benefits paid	(0.68)	(0.78)	1.31	(0.45)	Nil	0.96
Exchange Rate Difference			(2.68)			(3.42)
Defined Benefit Obligation at the year end.	16.09	6.34	9.03	13.15	5.00	9.43
b. Reconciliation of opening and closing balances of fair value of plan assets						
Fair value of plan assets at beginning of the year	6.06			5.36		
Expected return on plan assets	0.57			0.51		
Actuarial gain / (loss)	0.02			0.38		
Employer contribution	0.29			0.26		
Benefits paid	(0.68)			(0.45)		
Fair value of plan assets at the year end	6.26			6.06		
c. Reconciliation of fair value of assets and obligation						
Fair value of plan assets	6.26	Nil		6.06	Nil	
Present value of obligation	(16.09)	(6.34)	(9.03)	(13.15)	(5.00)	(9.43)
Amount recognised in Balance Sheet	(9.83)	(6.34)	(9.03)	(7.09)	(5.00)	(9.43)
d. Expenses recognised during the year (under the head of “Payments to and Provisions for Employees” – Refer Schedule –16)						
Current Service Cost	1.88	1.75	1.88	1.61	0.88	0.76
Interest Cost	1.05	0.42	0.30	0.96	0.31	0.51
Expected return on plan assets	(0.57)	Nil		(0.51)	Nil	
Actuarial (gain) / loss	0.67	(0.05)	(1.21)	(0.92)	0.04	(4.04)
Net Cost	3.03	2.12	0.97	1.14	1.23	(2.77)
e. Investment Details:						
Invested						
Life Insurance Corporation of India	100%			100%		
Actuarial assumption						
Discount rate (per annum)	8.32%	8.32%	3.09%	8.30%	8.30%	3.70%
Expected rate of return on plan assets (per annum)	9.25%	Nil		9.00%	Nil	
Rate of escalation in salary (per annum)	6.00%	6.00%	4.00%	6.00%	6.00%	4.00%

Nirma Limited - Consolidated

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

10. The Hon'ble High Court of Gujarat has sanctioned (i) the Scheme of Arrangement in the nature of demerger and transfer of Cement and Mining Division of Nirma Credit and Capital Private Limited with the Company on 14th March, 2011 and (ii) the scheme of arrangement in the nature of amalgamation of Nirma Consumer Care Ltd., wholly owned subsidiary, with the Company on 30th March, 2011. The appointed date of both the Schemes was 1st April, 2009. Consequently the financial results for the F.Y. 2010-11 of the Company include the effect of both the schemes as per following details.
 - (A) The assets and liabilities of Nirma Credit and Capital Private Limited, the De-merged Company pertaining to the De-merged Undertaking, viz Cement and Mining Division have been transferred to and vested with the Company with effect from 1 April 2009 and have been recorded at their respective fair values at a consideration of Rs.2.25 crores.
 - (B) 4,60,000 Equity Shares of erstwhile Nirma Consumer Care Limited held by the Company have been cancelled.
 - (C) The assets, liabilities, duties and obligations of erstwhile Nirma Consumer Care Limited have been transferred to and vested with the Company with effect from 1st April 2009 and have been recorded at their respective book values, under the purchase method of accounting for amalgamation.
 - (D) Excess of assets over liabilities of erstwhile Nirma Consumer Care Limited taken over by the Company of Rs.2.47 crores has been credited to Capital Reserve Account.
 - (E) From the effective date the authorized share capital will stand increase to Rs.150.50 crores consisting of 281000000 equity shares of Rs.5 each and 1000000 6% Redeemable non-cumulative non-convertible preference shares of Rs.100 each.
11. The Composite Scheme of Compromise and Arrangement between Core Healthcare Limited (CHL), the Demerged Company, its Lenders and Shareholders and Nirma Limited, the Resulting Company and its Shareholders (the Scheme) under Sections 78, 100, 391 to 394 of the Companies Act, 1956, has been sanctioned by Hon'ble High Court of Gujarat vide an Order dated 01.03.2007. The Scheme has become effective with effect from 07.03. 2007. Three parties of CHL have filed an appeal before the Division Bench of Hon'ble High Court of Gujarat. The Scheme is subject to the result of the said appeal.
12. All of the vouchers, documents, data, records and books of accounts for the period from the Appointed Date of Demerger i.e. 1st December 2004 and up to and including the effective Date i.e. 7th March 2007 in relation to Demerged Undertaking are yet to be received from CHL.
13. Bank Balance in current accounts includes Rs.0.59 crore (p.y.Rs.0.59 crore) of demerged company acquired during financial year 2006-2007 is considered doubtful in absence of further information. Adequate provision for the same was made.
14. Effective from April 1, 2008, consequent to the exercise of the option available as per the new paragraph 46 of the Accounting Standard 11 The Effects of Changes in Foreign Exchange Rates notified by the Ministry of Corporate Affairs vide Notification dated March 31, 2009 on Companies (Accounting Standard) Amendment Rules, 2009 (G.S.R 225 [E] dated 31.03.2009), on exercise of option, the Company transferred Rs. Nil (p.y. Rs.16.48 crores) to Foreign Currency Monetary Item Translation Difference Account. The Company written back Rs 15.04 crores (p.y.Rs.5.05 crores written off) to Profit and Loss Account and Rs. Nil (p.y.Rs.11.43 crores) is remaining to be written back.
15. Hitherto, the practice of the Company was to provide depreciation on fixed assets on plant & machinery of Caustic soda plant at Kalatalav, Bhavnagar on Straight Line method. During the year, the Company has changed its method of providing depreciation from Straight Line method to Written Down value method from the date of commencement of such plant. Due to this change, the depreciation is increased for the year by Rs.57.40 crores including Rs.28.72 crores for the current year. Consequent to this change depreciation is increased, profit is decreased and fixed assets are under stated to that extent.

16. (A) Figures of previous year have been regrouped wherever necessary. During the year, on account of amalgamation of Nirma Consumer Care Ltd., wholly owned subsidiary of the Company with the company and Scheme of Arrangement in the nature of Demerger of Cement and Mining Division of Nirma Credit and Capital Private Limited and transfer to the Company, the figures of current year are not comparable with those of previous year.
- (B) Figures have been presented in 'crores' of rupees with two decimals. Figures less than Rs.50,000 have been shown at actual in brackets.

17. Earnings per share (EPS)

Rs.in crores

	2010-2011	2009-2010
(I) Profit for basic and diluted earning per share		
Profit for the year	123.28	245.58
Adjustment		
Less / (Add) : Depreciation provided /written back of earlier years	28.68	(3.74)
Add : Provision of taxation of earlier years written back	0.32	0.01
Net Profit (for basic) (a)	94.92	249.33
Net Profit (for diluted) (b)	94.92	249.33
(II) Weighted average number of equity shares (Face value of Rs.5 per share)		
For Basic earning per share (c) (Nos.)	159142282	159142282
For Diluted earnings per share (d) (Nos.)	159142282	159142282
(III) Earning per share (Weighted Average) (Face value of Rs.5 per share)		
Basic (in Ruppess) (a/c)	5.96	15.67
Diluted (in Ruppess) (b/d)	5.96	15.67

18. A Public Interest Litigation (PIL) was filed in March 2009 against the construction of Company's 1.91 mn ton Cement Project at Mahuva. The Hon'ble High Court of Gujarat disposed off the PIL and allowed the construction of the Cement plant subject to certain conditions / safeguard. Later, a special leave petition was filed before the Hon'ble Supreme Court against the order of the Hon'ble High Court. In response to the order of the Hon'ble Supreme Court, Expert Appraisal Committee (EAC) submitted its recommendations to the Ministry of Environment and Forest (MoEF) and pursuant thereto, MoEF issued Show-cause Notice dated 11.5.2011 as to why the Environmental Clearance granted earlier to the Project should not be cancelled. The Company is in a process of submitting its reply to the Show-cause.
19. The names of related parties with relationship and transactions with them are disclosed as under.

(A) Relationship:

(I) Shareholders :

Dr. Karsanbhai K. Patel, Smt. Shantaben K. Patel, Shri Rakeshbhai K. Patel, Shri Hirenbhai K. Patel, Shri Ambubhai M. Patel, Kargil Holdings Pvt. Ltd., Uri Holdings Pvt. Ltd., Leh Holdings Pvt. Ltd., Banihal Holdings Pvt. Ltd. and Kulgam Holdings Pvt. Ltd. are holding totally 90.82 % (p. y. 77.17 %) * equity shares in the Company.

* The increase in the promoters' Share holding during the year was on account of the acquisition of shares by the promoter – acquirers under Securities Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

(II) Associates Entities :

Kargil Holdings Pvt. Ltd., Uri Holdings Pvt. Ltd., Leh Holdings Pvt. Ltd., Banihal Holdings Pvt. Ltd., Kulgam Holdings Pvt. Ltd., Nirma Credit and Capital Pvt. Ltd., Nirma Industries Pvt. Ltd., Nirma Chemical Works Pvt. Ltd., Saurashtra Chemicals Ltd., Baeurer Infotech Ltd., Mahuva Port and Infrastructure Pvt. Ltd., Kanak Castor Products Pvt. Ltd., Nirma Education and Research Foundation, Nirma University, Nirma Labs, Trona Export Terminals LLC, USA, Nirma Capital Pvt. Ltd. and Nirma Investment Pvt. Ltd.

Nirma Limited - Consolidated

(III) Key Management Personnel :

Shri Hirenbhai K. Patel - Managing Director
Shri Kalpeshbhai A. Patel - Executive Director

(IV) Relatives of key management personnel with whom transactions done during the year.

Dr. Karsanbhai K. Patel
Shri Rakeshbhai K. Patel

(B) The following transactions were carried out with the related parties referred in above in the ordinary course of business.

(I) Associates Entities

(Excluding reimbursements)

	Rs. in crores	
	2010-2011	2009-2010
(1) Sale of finished goods		
(a) Saurashtra Chemicals Ltd.	2.54	Nil
(b) Kanak Castor Products Pvt. Ltd	6.18	Nil
(2) Sale of material		
(a) Saurashtra Chemicals Ltd.	2.73	5.25
(b) Kanak Castor Products Pvt. Ltd	0.49	0.48
(c) Nirma Education Research Foundation	Nil	0.28
(3) Purchase of finished goods		
(a) Saurashtra Chemicals Ltd.	58.75	89.09
(b) Kanak Castor Products Pvt. Ltd	Nil	0.01
(4) Purchase of materials		
(a) Saurashtra Chemicals Ltd.	7.97	0.50
(b) Kanak Castor Products Pvt. Ltd	0.67	0.50
(5) Purchase of assets(Vested due to demerger)		
(a) Nirma Credit and Capital Pvt. Ltd.	2.25	Nil
(6) Rent expenses		
(a) Saurashtra Chemicals Ltd	0.03	0.03
(b) Nirma Industries Pvt. Ltd	Nil	(Rs.30000)
(7) Processing charges		
(a) Kanak Castor Products Pvt. Ltd	6.63	7.00
(8) Interest expenses		
(a) Kargil Holding Pvt. Ltd	2.89	0.04
(b) Nirma Credit and Capital Pvt. Ltd	Nil	1.34
(9) ICD – taken		
(a) Kargil Holding Pvt. Ltd	46.55	31.02
(b) Nirma Credit and Capital Pvt. Ltd	Nil	33.13
(10) ICD – repaid		
(a) Kargil Holding Pvt. Ltd	70.68	5.93
(b) Nirma Credit and Capital Pvt. Ltd	Nil	99.91
(11) Advance against purchase of materials		
(a) Saurashtra Chemicals Ltd.	Nil	226.47
(12) Closing balance – debit	183.87	231.09
(13) Closing balance – credit	6.30	26.91

(II) Key Management Personnel

Rs. in crores

	2010-2011	2009-2010
(1) Salary expenses		
(a) Shri Hirenbbhai K. Patel	0.61	0.58
(b) Shri Kalpeshbbhai A. Patel	0.67	0.64
(2) Loan – taken		
(a) Shri Hirenbbhai K. Patel	79.10	114.03
(3) Loan – repaid		
(a) Shri Hirenbbhai K. Patel	83.10	41.25
(4) Interest expenses		
(a) Shri Hirenbbhai K. Patel	6.73	1.48
(5) Closing balance – credit	68.80	72.78

(III) Relatives

Rs. in crores

	2010-2011	2009-2010
(1) Directors' fees		
(a) Dr. Karsanbbhai K. Patel	0.01	0.01
(b) Shri Rakeshbhai K. Patel	0.01	0.01
(2) Interest expenses		
(a) Dr. Karsanbbhai K. Patel	0.06	0.01
(b) Shri Rakeshbhai K. Patel	7.14	2.76
(3) Loan – taken		
(a) Dr. Karsanbbhai K. Patel	16.65	14.52
(b) Shri Rakeshbhai K. Patel	119.27	217.97
(4) Loan – repaid		
(a) Dr. Karsanbbhai K. Patel	16.65	14.52
(b) Shri Rakeshbhai K. Patel	216.80	106.45
(5) Closing balance – credit	14.00	111.52

20. LEASE:

Operating lease:

Foreign subsidiaries have taken certain properties and equipments under Non-cancelable operating lease for varying periods. The details of lease rentals are as under:

Rs.in crores

Particulars	2010-2011	2009-2010
Not later than one year	0.05	0.05
Later than one year and not later than five years	0.08	0.12
Later than five years	0.01	0.02
Lease payment recognised in P & L account	0.05	0.05

21. SEGMENT INFORMATION FOR THE YEAR ENDED 31st MARCH, 2011:

(A) Information about Primary Business Segment

Rs. in crores

	Soaps & Surfactants		Pharma		Processed Minerals		Other Businesses		Unallocated		Total
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	
Revenue net of excise											
External	2631.45	2605.70	321.26	225.10	1522.50	1509.53	276.10	280.05	NII	NII	4751.31
Intra segment	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII
Inter segment (+)	4.91	3.12	NII	NII	NII	2.87	NII	NII	NII	NII	4.91
Total revenue	2631.45	2605.70	321.26	225.10	1522.50	1509.53	276.10	280.05	NII	NII	4751.31
Result											
Segment result	202.10	419.56	(41.51)	(56.63)	62.97	75.15	50.21	28.22	NII	NII	273.77
Unallocated expenditure net of unallocated income	NII	NII	NII	NII	NII	NII	NII	NII	75.95	83.57	75.95
Interest expenses	NII	NII	2.10	1.54	17.27	48.49	NII	NII	49.83	24.24	69.20
Interest income	NII	NII	0.18	0.12	0.09	0.24	NII	NII	19.73	21.92	20.00
Profit after Interest but before exceptional item	202.10	419.56	(43.43)	(58.05)	45.79	26.90	50.21	28.22	(106.05)	(85.89)	148.62
Provision for taxation											
- Current tax	NII	NII	NII	NII	NII	NII	NII	NII	22.47	72.95	22.47
- Deferred tax	NII	NII	NII	NII	NII	NII	NII	NII	2.87	12.21	2.87
Profit after tax	202.10	419.56	(43.43)	(58.05)	45.79	26.90	50.21	28.22	(131.39)	(171.05)	123.28
Less: Depreciation provided / written back of earlier years	(28.68)	NII	NII	8.84	NII	(5.10)	NII	NII	NII	NII	(28.68)
Add: Provision of taxation for earlier year written back	NII	NII	NII	NII	NII	NII	NII	NII	0.32	0.01	0.32
Net Profit	173.42	419.56	(43.43)	(49.21)	45.79	21.80	50.21	28.22	(131.07)	(171.04)	94.92
Other information											
Segment assets	2325.97	2498.10	664.56	611.19	1183.47	1195.58	396.27	274.09	587.43	591.31	5157.70
Segment liabilities	271.90	210.37	101.71	100.40	1069.38	585.22	8.70	10.02	789.61	1438.90	2241.30
Capital expenditure	55.30	142.98	25.00	125.09	56.43	12.11	67.10	37.84	0.63	10.80	204.46
Depreciation	234.06	207.24	61.72	54.21	49.37	55.02	17.17	15.11	1.38	2.16	363.70
Non-cash expenses other than depreciation	1.54	14.26	NII	NII	15.44	14.99	NII	NII	(12.52)	4.75	4.46
											34.00

(B) Information about secondary geographic segment

Rs in crores

	India		USA		Others		Total
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	
Revenue							
External	3228.81	3117.96	1511.44	1497.44	11.06	4.98	4751.31
Intra segment	NII	NII	12.78	2.86	NII	NII	12.78
Total revenue	3228.81	3117.96	1511.44	1497.44	11.06	4.98	4751.31
Other information							
Carrying amount of fixed assets	1993.69	2195.35	632.65	630.00	NII	NII	2626.34
Capital Expenditure	148.03	316.71	56.43	12.11	NII	NII	204.46
							2825.35
							328.82

* External revenue is after elimination of inter segment turnover of Rs. 4.91 crores (p.y. Rs.5.99 crores)

Notes:

1. The company is organised into four main business segments, namely:
 - a. Soaps & Surfactants includes detergents, toilet soap and its ingredients.
 - b. Pharma Business.
 - c. Processed Minerals- Operations at USA
 - d. Other Businesses include Single super phosphate, Vaccum salt, Iodised salt, Tooth paste, Cement, Wind farm and Oil Segments have been identified and reported taking into account, the nature of products and services, the differing risks and return, the organisation structure and internal financial reporting systems.
2. Segment Revenue in each of the above segment primarily includes sales in the respective segments.
3. The Segment Revenue in the geographical segments considered for disclosure is as follows :
 - India : comprising of sales originating from India
 - USA : comprising of sales originating in USA
4. Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

SIGNATURES TO SCHEDULE 1 TO 19

As per our report of even date
For Hemanshu Shah & Co.
Chartered Accountants
Firm Registration No. 122439W

H. C. SHAH
Proprietor
Membership No.36441
Place : Ahmedabad
Date : May 30, 2011

For and on behalf of the Board
HIREN K. PATEL
Managing Director

PARESH SHETH
Company Secretary

Dr. K. K. PATEL
Chairman

RAJENDRA D. SHAH
Director

Nirma Limited - Consolidated

Cash flow statement for the year ended 31st March, 2011

(Pursuant to the listing agreement with stock exchanges)

Rs. in crores

		2010-2011	2009-2010
A	Cash flow from operating activities :		
	Net Profit before tax	148.62	330.74
	Exchange loss on revaluation on long term monetary items (net)	(15.04)	5.05
	Depreciation	363.70	337.48
	Interest Income	(20.00)	(22.28)
	Interest Expense	69.20	74.27
	Exchange rate gain	(2.19)	(6.82)
	Exchange rate loss	3.05	4.04
	Profit on sale of fixed assets	(0.12)	(0.66)
	Loss on sale of fixed assets	0.18	0.05
	Dividend on long term investments	(0.03)	(0.03)
	Provision for doubtful advances	Nil	4.90
	Doubtful advance written off	0.05	11.22
	Provision for Doubtful debts	Nil	0.09
	Bad Debt written off	1.54	5.58
	Share of profit in associates	(0.23)	(0.08)
	Currency fluctuation reserve	(3.85)	31.29
	Profit on sale of other long term investment	(0.71)	(5.16)
	Profit on sale of other current investment	(0.26)	Nil
	Fixed assets written off	Nil	3.94
		395.29	442.88
	Operating profit before working capital changes	543.91	773.62
	Adjustments for :		
	Trade and other receivables	(29.97)	(177.34)
	Inventories	(138.60)	78.60
	Trade payables	76.78	(3.80)
		(91.79)	(102.54)
	Cash generated from operations	452.12	671.08
	Interest paid	(68.30)	(75.62)
	Direct taxes paid	(51.56)	(61.25)
		(119.86)	(136.87)
	Net cash from operating activities	332.26	534.21
B	Cash flow from investing activities :		
	Purchase of fixed assets	(204.40)	(328.82)
	Sale of fixed assets	6.56	(3.74)
	Sale of long term Investments	1.06	9.20
	Sale of current Investments	425.14	Nil
	Purchase of long term investments	(6.60)	Nil
	Purchase of current investments	(424.88)	Nil
	Interest received	23.27	19.07
	Dividend on long term investments received	0.03	0.03
	Net cash used in investing activities	(179.82)	(304.26)
		152.44	229.95
C	Cash flow from financing activities :		
	Change in loans and deposits	(62.44)	14.86
	Proceed from borrowings (Long Term)	21.05	67.41
	Proceed from borrowings (Short Term) (Net)	(52.29)	(167.39)
	Repayment of borrowings (Long Term)	(33.97)	(169.88)
	Dividend paid (Including dividend tax)	(83.48)	(74.43)
	Net cash used in financing activities	(211.13)	(329.43)
	Net increase in cash and cash equivalents	(58.69)	(99.48)
	Cash and cash equivalents (opening)	171.14	270.62
	Add : Opening balance acquired on amalgamation	0.02	
	Cash and cash equivalents (closing)	112.47	171.14

Note : (1) Previous year's figures have been regrouped, wherever necessary, to confirm to this year's classification.

(2) Amalgamation of Nirma Consumer Care Ltd. and demerger and transfer of Cement and Mining Division of Nirma Credit and Capital Private Limited with the Company are non cash transactions. (See note no. 10)

As per our report of even date

For Hemanshu Shah & Co.
Chartered Accountants
Firm Registration No. 122439W

H. C. SHAH
Proprietor
Membership No.36441

Place : Ahmedabad
Date : May 30, 2011

For and on behalf of the Board

HIREN K. PATEL
Managing Director

Dr. K. K. PATEL
Chairman

PARESH SHETH
Company Secretary

RAJENDRA D. SHAH
Director

NOTICE

Notice is hereby given that the Thirty First Annual General Meeting of the Members of Nirma Limited will be held on Monday, the 26th September 2011 at 11.00 A.M. at Tagore Hall, Nr. Sanskar Kendra, Paldi, Ahmedabad - 380 007 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended March 31, 2011 and the Balance Sheet as at that date together with the Reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Kaushikbhai N. Patel, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Rakesh K. Patel, who retires by rotation, and being eligible, offers himself for re-appointment.
4. Shri Atulya Prasad Sarwan, Director, who retires by rotation, has not offered himself for re-appointment. It is proposed not to fill-in the vacancy caused by the retirement of Shri Atulya Prasad Sarwan.
5. To appoint Auditor to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and for that purpose to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:-

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Hemanshu Shah & Co., Chartered Accountants, Ahmedabad, be and is hereby appointed as Auditor of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors in consultation with the Auditor."

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:-

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof from the time being in force and subject to such other permissions, consents and approvals as may be necessary, the consent of the Company be and is hereby accorded for the re-appointment of Shri Hiren K. Patel as Managing Director of the Company for the period of five years with effect from 1st May, 2011 to 30th April, 2016 with a remuneration as recommended by the Remuneration Committee at their meeting held on 28th April, 2011 and approved by the Directors on 30th April, 2011 through passing of resolution by circulation and as per the terms and conditions set out in the explanatory statement annexed to the notice convening this Annual General Meeting with liberty to the Board to alter and vary the terms and conditions of the said re-appointment in such manner as may be permissible and desirable."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts, deeds, matters and things as may be considered necessary, usual or expedient, to give effect to the aforesaid resolution."

By Order of the Board of Directors
For, **NIRMA LIMITED**

Registered Office :
Nirma House, Ashram Road,
Ahmedabad - 380 009

Place : Ahmedabad
Date : July 29, 2011

PARESH SHETH
Company Secretary

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolution / authority, as applicable. Corporate members are requested to send duly certified copy of the Board Resolution authorising their representatives to attend and vote at the Annual General Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 17th September, 2011 to Monday, 26th September, 2011, both days inclusive.
3. Members are requested to furnish / update their Bank Account details, Change of address etc. to the Registrars and Share Transfer Agent in respect of shares held in physical form. If the shares are held in dematerialised form, then the said particulars should be furnished to their respective Depository Participants (DPs).
4. Pursuant to Section 205A(5) of the Companies Act, 1956, the dividend declared on 30.09.2004 for the financial year 2003-04, will become part of the IEPF on 30.10.2011 while the dividend declared on 27.09.2005 for the financial year 2004-05, will become part of the IEPF on 27.10.2012. Those members who have so far not encashed this dividend warrants and / or dividend warrants for the financial year 2005-06 onwards may claim or correspond with the Company Secretary, at the Company's Registered Office or Registrars & Share Transfer Agent of the Company. No claim will lie from the Member once the transfer is made to the IEPF pursuant to Section 205C of the Companies Act, 1956.
5. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days between 2.00 p.m. to 5.00 p.m. upto the date of 31st Annual General Meeting.
6. Shareholders desiring any information as regards the Accounts or operations of the Company are requested to write to the Company's at its Registered Office at least 7 days prior to the date of the Meeting so that the required information can be made available at the Meeting.
7. The details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking re-appointment / appointment at the Annual General Meeting are annexed hereto and form part of the Notice.
8. Members are requested to handover the duly filled attendance slip at the entrance of the meeting hall and to bring copy of the Annual Report with them at the Annual General Meeting.

The Ministry of Corporate Affairs has taken 'Green Initiative in the Corporate Governance' for paperless compliance for sending the notices/documents to the members in electronic form. The Members, who have not registered their e-mail ID, are requested to register their e-mail ID with Depository, in case of holding of shares in Demat mode or with Registrars and Share Transfer Agent, in case of holding of shares in Physical mode.

Annexure to Notice

Explanatory Statement

As required under Section 173(2) of the Companies Act, 1956, the following Explanatory Statement set out all the material facts relating to the business mentioned under item no.6 of the accompanying Notice dated July 29, 2011

ITEM NO.6

The period of appointment of Shri Hiren K. Patel as Managing Director of the Company was over on 30th April 2011. The Board of Directors of the Company has, by passing of resolution by circulation on 30th April 2011, re-appointed Shri Hiren K. Patel, as the Managing Director of the Company for the period of five years from 1st May 2011, as per terms and conditions recommended by the Remuneration Committee ("Committee") at its meeting held on 28th April 2011, and subject to the approval of the members of the Company at the ensuing General Meeting.

The terms and conditions of his re-appointment are as under:

- a. **Period of re-appointment:** 5 years with effect from 1st May 2011;
- b. **Basic Salary:** Rs. 5,00,000/- per month with such increments as may be decided by the Board or the Committee thereof from time to time however, subject to a ceiling of Rs. 50,00,000/- per month;
- c. **Perquisites and Allowances:**
 - (i) He shall be entitled to in addition to the salary, the perquisites, benefits and allowances as per the rules of the Company or as may be agreed by the Board of Directors or Committee thereof such as furnished / unfurnished accommodation or House Rent Allowance in lieu thereof, gas, electricity and water, Medical Reimbursement for self and family, Leave Travel Concession for self and family, Personal Accident Insurance, Club fees and other permissible perquisites, benefits and allowances.
He shall also be entitled for free use of car/s with driver and provision of telephones and other necessary communication facilities at Company's cost at his residence.
 - (ii) In addition to above, he shall also be eligible for Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund or Gratuity as per the Rules of the Company, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - (iii) The aggregate of salary, together with perquisites, allowances and benefits payable to Shri Hiren K. Patel in financial year shall not exceed the limits prescribed from time to time under Sections 198, 309 and other applicable provisions of the Act read with Schedule XIII to the Act for the time being in force.
- d. **Other Terms and Conditions:**
 - (i) He shall not be entitled to any sitting fees for attending meetings of the Board of Directors or Committees thereof and shall not be liable to retire by rotation.
 - (ii) He shall be entitled to the reimbursement of all expenses including traveling, entertainment and other out of pocket expenses incurred in connection with the business of the Company.
 - (iii) The perquisites shall be valued in terms of actual expenditure incurred by the Company and shall be evaluated wherever applicable as per Income Tax Act, 1961 or rules made there under or any modification thereof. In the absence of any such rules, perquisites shall be evaluated at actual cost.
 - (iv) **Minimum Remuneration:** In case, in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the remuneration by way of salary, perquisites and allowances shall be governed by the limits prescribed under Section II of Part II of Schedule XIII of the Companies Act, 1956 with liberty to the Committee to decide the breakup of the remuneration from time to time in consultation with the Managing Director.
 - (v) The Managing Director shall have substantial power of the Management subject to directions, superintendence and control of the Board of Directors of the Company and be entrusted with such other powers and perform such duties as may from time to time be delegated to him.

The terms of re-appointment and payment of remuneration to Shri Hiren K. Patel, as stated here has already been circulated as an abstract under Section 302 of the Companies Act, 1956 to the members of the Company.

Shri Hiren K. Patel, 38 years, is B.E. (Chemical), M.B.A. (Marketing and Finance). Under his guidance and leadership, the Company has significantly achieved growth in terms of market and brand leverage. He has also been instrumental in usage of threshold technology in managing business functions. His vision and passion to perform has contributed significantly in exploring new business areas and acquisitions.

Shri Hiren K. Patel is concerned and interested for his re-appointment as a Managing Director and to the extent of the remuneration payable to him. Dr. K. K. Patel, Chairman, Shri Rakesh K. Patel, Vice Chairman and Shri Kalpesh A. Patel, Executive Director, being relatives of Shri Hiren K. Patel, are also concerned or interested in the above.

The Board of Directors recommend passing of the Ordinary Resolution at item no.6 of the Notice.

Registered Office :
Nirma House, Ashram Road,
Ahmedabad - 380 009

By Order of the Board of Directors
For, **NIRMA LIMITED**

Place : Ahmedabad
Date : July 29, 2011

PARESH SHETH
Company Secretary

Annexure to AGM Notice

Details of Directors seeking re-appointment at the Annual General Meeting

Name of Director	Shri Kaushikbhai N. Patel	Shri Rakesh K. Patel
Date of Birth	02.12.1955	18.07.1972
Date of Appointment	06.06.2002	04.02.1997
Qualification	B. Com., F.C.A.	B.Com., M.B.A. (Marketing)
Directorship in Other Companies	Kautilya Finsecurities Ltd. Searles Valley Minerals Inc.	Uri Holdings Pvt. Ltd. Kargil Holdings Pvt. Ltd. Nirma Labs
Chairmanship / Membership of Committees of other Companies	Nil	Nil
No. of Shares Held	Nil	12959200*
Brief Profile	He is a practicing chartered accountant. He is associated with the company since more than two decades – initially as an advisor, and later as a director. He has rich and varied experience and exposure in the areas of finance, accounts, audit, planning and capital market. During recent past, his knowledge and expertise has helped in exploring diversification, mergers and acquisitions	He is associated with the Company since more than a decade. Under his guidance, particularly in the areas of production, logistics and human resource, the Company has established wider production base, including industrial products. He is an invitee of governing council of Nirma University and also associated with various Management and Industrial Chapters at local and national level.
* includes shares held on behalf of the Association of Persons (AOPs) as Member of the AOPs.		



Nirma Limited

Registered Office : Nirma House, Ashram Road, Ahmedabad - 380 009.

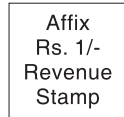
PROXY FORM

Folio No.
* DP ID
* Client ID

I/We of being a member / members of the above named Company hereby appoint of or failing him of as my/our proxy to vote for me/us on my/our behalf at the THIRTY FIRST ANNUAL GENERAL MEETING of the Company to be held at Tagore Hall, Nr. Sanskar Kendra, Paldi, Ahmedabad - 380 007 on Monday, the 26th September, 2011 at 11.00 a.m. and at any adjournment thereof.

Signed this day of 2011.

Signature



* Applicable in case of shares held in Demat.

Note : Proxy Form must reach the Company's Registered Office not less than 48 hours before the commencement of the Meeting.

(TEAR HERE)



Nirma Limited

Registered Office : Nirma House, Ashram Road, Ahmedabad - 380 009.

ATTENDANCE SLIP

Name of the attending Member/s (in Block Letters)	Folio No.	*DP ID	*Client ID
Name of the Proxy (in Block Letters) (To be filled in by the Proxy who attends instead of the Member)			

No. of Shares held

I hereby record my presence at the THIRTY FIRST ANNUAL GENERAL MEETING of the Company held at Tagore Hall, Nr. Sanskar Kendra, Paldi, Ahmedabad - 380 007 on Monday, the 26th September, 2011.

* Applicable in case of shares held in Demat.

.....
Member's/Proxy's Signature
(To be signed at the time of handing over this slip)

For Office use :





nirlife[®]
 health is happiness...



NIRMA LIMITED.
 Nirma House, Ashram Road, Ahmedabad - 380 009.