



NIRMA

Annual Report 2011-12





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 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

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Directors' Report

To,
The Members,

Your Directors are pleased to present the 32nd Annual Report together with Audited Accounts of the Company for the 18 months period ended September 30, 2012. The highlights of financial performance of your Company are below:

(Rs. in crore)

	Consolidated		Standalone	
	2011-12 (18 Months)	2010-11 (12 Months)	2011-12 (18 Months)	2010-11 (12 Months)
Revenue from Operations (gross)	8586	4896	6828	3361
Operating Profit (EBIDTA)	1193	582	964	471
Less: (i) Finance Cost	202	70	190	52
(ii) Depreciation and Amortization Expense	481	364	426	314
Profit Before Exceptional Items and Tax	510	148	348	105
Less: (i) Exceptional Items	(2)	Nil	(2)	Nil
(ii) Tax Expenses	104	25	55	3
(iii) Excess Depreciation of earlier years written back	Nil	28	Nil	28
(iv) Tax expense relating to prior years	356	Nil	356	Nil
Profit / (Loss) for the period	51	94	(61)	74

AMALGAMATION OF SAURASHTRA CHEMICALS LIMITED WITH COMPANY

The Board for Industrial and Financial Reconstruction (BIFR) has vide its order dated January 22, 2013 sanctioned amalgamation of Saurashtra Chemicals Limited (SCL) with the Company. The appointed date of amalgamation is April 1, 2011. The Scheme has become effective from February 9, 2013. The financials of the Company for the 18 months period ended September 30, 2012 includes the financials of SCL with effect from April 1, 2011.

As per the terms of the Scheme, the Company will issue and allot 24,70,80,232 preference shares to the equity shareholders of SCL in the ratio of 1 (one) 6% Redeemable Non Cumulative Non Convertible Preference Shares of Re.1/- each fully paid-up in exchange of every 1 (one) equity share of Re.1/- each fully paid-up held by such members in SCL.

DIVIDEND

In view of the Net Loss after tax and depreciation during the year, coupled with ongoing projects in the Company as well in the subsidiary, your directors have decided to conserve Company's financial resources and therefore do not recommend a dividend for the period ended September 30, 2012. No amount has been transferred to the General Reserve, however Rs.28.19 crore has been transferred to Debenture Redemption Reserve for the referred period.

During the period, the Company has transferred Rs.6.14 lac to Investor Education and Protection Fund, pursuant to provisions of Section 205A(5) of the Companies Act, 1956.

FINANCE

Nirma's strong financial risk profile is marked by a comfortable capital structure with a high net worth and healthy cash accruals. The Company continues to maintain moderate gearing and has sustainable cash accruals to meet its debt obligations on an ongoing basis. The Company is able to raise funds at an optimum cost by resorting to a judicious mix of medium and short terms sources.

BUSINESS OVERVIEW

Extension of F.Y. 2011-12

Your Company has been granted extension in time under Section 210 of the Companies Act, 1956, in the financial year 2011-12 and under Section 166 of the Companies Act, 1956, for holding annual general meeting by the Registrar of Companies, Gujarat. Accordingly, the financial year under review is for the period of 18 months commencing from April 1, 2011 to September 30, 2012 as against 12 months of the previous year. The financials for the 18 months period ended September 30, 2012 also includes the financials of SCL merged with the Company, with an appointed date of April 1, 2011. Consequently the figures for the period under review are not comparable with those of previous year.

Overview

Fiscal year 2011 – 12 witnessed your Company's continued strong growth impetus. On consolidated basis, your Company achieved gross revenue from operations of Rs.8586 crore for 18 months period ended September 30, 2012. The consolidated revenue mainly derived from Soaps & Surfactants, Process Minerals and Pharma. The Earning before Finance Cost, Taxes, Depreciation and Amortization (EBITDA) for the period stood at Rs.1193 crore. Your Company registered a Net Profit after tax of Rs. 51 crore for the period under review.

On standalone basis, your Company's gross revenue from operations stood at Rs.6828 crore. The EBITDA for the period stood at Rs.964 crore. The total operating expenses including finance cost was at Rs.6111 crore. As a percentage of gross sales, it was 89.51%. The Company registered Net Loss of Rs.61 crore after making provision of tax expenses relating to prior years. The Net worth of the Company stood at Rs.2795 crore as of September 30, 2012.

Your Company has strengthened its position on amalgamation of SCL which resulted in higher market share growth for your Company's overall portfolio. The combined entity would be able to benefit from the economies of scale by consolidating operations wherever applicable, which would result in utilization of valuable resources in more efficient ways in coming years.

SHARE CAPITAL

During the period under review, the Authorised Share Capital has been reclassified in order to facilitate the issue of preference shares of the Company to the equity shareholders of SCL on amalgamation. After such reclassification, the Authorised Share Capital comprises of Rs.150,50,00,000/- divided into 23,10,00,000 Equity Shares of Rs.5/- each, 10,00,000 6% Redeemable Non Cumulative Non Convertible Preference Shares of Rs.100/- each and 25,00,00,000 6% Redeemable Non Cumulative Non Convertible Preference Shares of Re.1/- each aggregating to Rs.25,00,00,000/-.

Further, 400 forfeited equity shares of Rs.10/- each (800 equity shares of Rs.5/- each after sub-division) were cancelled on December 12, 2012 and the amount received on account of part payment on such forfeited shares were transferred to Capital Reserve Account.

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DE-LISTING OF EQUITY SHARES

As the members are aware, the equity shares of the Company have been delisted from both, Bombay Stock Exchange Limited and the National Stock Exchange of India Limited with effect from March 28, 2012. The Revised Exit Window under Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, was opened on October 4, 2011 and closed on October 3, 2012. The Promoters-Acquirers acquired additional 4% of shares under the Exit Offer at a price of Rs.260/- per equity share of Rs.5/- each being the price determined under reverse book building process, making their total shareholding to 94.82% of the paid-up equity share capital as of the close of the Revised Exit Window period.

WITHDRAWAL OF CONSOLIDATION OF SHARES

In view of the delisting of shares and with a view to give an opportunity to the remaining shareholders who could not tender their shares in the Exit offer, to liquidate their shareholdings, it was proposed to consolidate the equity shares from present face value of Rs.5/- per share to Rs.50,000/- per share. The Company had convened its Extra Ordinary General Meeting on January 21, 2013 seeking approval of members for consolidation. However, the directors have later reviewed and reconsidered the decision and out of abundant precaution recommended not to proceed for the consolidation of shares. The members then after due deliberations, unanimously dropped the resolutions from consideration and withdrawn both the ordinary resolutions.

DIRECTORS

Shri Kalpesh A. Patel, Shri Shrenikbhai K. Lalbhai and Shri Chinubhai R. Shah, 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. 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.

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 confirmed that:

- (i) in the preparation of the annual accounts for the financial year ended September 30, 2012, 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 September 30, 2012 and of the loss 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;
- (iv) the directors had prepared the annual accounts of the Company on going concern basis.

SUBSIDIARY COMPANIES

During the period under review, your Company has made strategic investments in Siddhi Vinayak Cement Private Limited by acquiring its equity shares. As a consequence, Siddhi Vinayak Cement Private Limited has become a subsidiary of the Company with effect from October 1, 2011.

Searles Valley Minerals Inc., NATI LLC and Searles Valley Residences LLC, a step down subsidiaries in USA, have been merged with and into Searles Valley Minerals Operations Inc. with effect from April 1, 2012 EST. Subsequently, the name of Searles Valley Minerals Operations Inc. was changed to Searles Valley Minerals Inc. effective as of April 2, 2012. Nirlife Mexico SA de CV has become a wholly owned subsidiary with effect from April 1, 2011.

Karnavati Holdings Inc., Searles Valley Minerals Inc., Searles Domestic Water Company LLC, Trona Railway Company LLC, Searles Valley Minerals Europe, continued to be subsidiaries of the Company.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements prepared in accordance with Accounting Standard prescribed by the Institute of Chartered Accountants of India, for the 18 months period ended September 30, 2012, is enclosed 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.

AUDIT COMMITTEE

Upon delisting of equity shares of the Company from the stock exchanges, the Board of Directors has re-defined the role of Audit Committee in conformity with the requirements of Section 292A of the Companies Act, 1956. The constitution of Audit Committee consists of Shri Rajendra D. Shah, Chairman, Shri Kaushikbhai N. Patel and Shri Rakesh K. Patel, Members.

PARTICULARS OF EMPLOYEES

Particulars of the employees required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, are not given, as none of the employee is qualified for such disclosure.

DEPOSITS

During the period under review, the Company has issued Rated Unsecured Unlisted Redeemable Non-Convertible Debentures of a face value of Rs.10 lac each, aggregating Rs.150 crore on private placement basis. The necessary formalities have been complied with, by the Company. There are no outstanding towards unclaimed deposit as on September 30, 2012.

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

The particulars as required u/s. 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 u/s 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

The Ministry of Corporate Affairs has issued circular no. 52/26/CAB/2010 dated January 24, 2012 for mandatory cost audit of certain products / activities w.e.f. financial year commencing on or after April 1, 2012. As a consequence, on the recommendation of Audit Committee, the Board of Directors has appointed Shri Bhalchandra C. Desai as the Cost Auditor for products covered under cost audit for financial year ending on March 31, 2013.

INSURANCE

Assets of the Company are adequately insured.

ACKNOWLEDGEMENT

Your Directors would like to sincerely appreciate support and assistance provided by all stakeholders including government authorities and banks. Your Directors also appreciate the efforts made by the each of the employee of the Company for their committed and dedicated efforts in achieving vision of the Company.

For and on behalf of the Board

Place : Ahmedabad
Date : February 13, 2013

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 and thereafter. Additional investment for energy efficient instruments are made by the Company as per the requirements. The particulars with respect to conservation of energy as per Form A are given hereunder:

Form: A

A.	Power & Fuel Consumption	Current Period (18 Months)	Previous Year (12 Months)
1.	Electricity		
	a] Purchased Units	229156409	154148316
	Total amounts Rs.	1578289694	950824470
	Av.Rate/Unit Rs.	6.89	6.17
	b] Own Generation	364816936	185651314
2.	Coal (MT)	964918.83	382702.80
	Total amounts Rs.	3724300748	1409547095
	Av.Rate/Unit Rs.	3859.70	3683.14
3.	Furnace Oil (KL)	2700.80	24131.22
	Total amounts Rs.	99208795	619231232
	Av.Rate/Unit Rs.	36733.14	25661.00
4.	Others (L.P.G.) (MT)	1.20	18.48
	Total amounts Rs.	58001	977604
	Av.Rate/Unit Rs.	48334.12	52906.37
5.	Light Diesel Oil (KL)	674.46	880.35
	Total amounts Rs.	38950429	41044174
	Av.Rate/Unit Rs.	57750.97	46622.56
6.	Lignite (MT)	487977.52	491272.55
	Total amounts Rs.	1439679121	1170969650
	Av.Rate/Unit Rs.	2950.30	2383.54
7.	Pet Coke (MT)	139568.22	-
	Total amounts Rs.	987021888	-
	Av.Rate/Unit Rs.	7071.97	-
8.	Natural Gas (MMBTU)	1969723	511221
	Total amounts Rs.	1427383314	266308319
	Av.Rate/Unit Rs.	724.66	520.93
9.	D.O.C.(KG)		
	Purchased Units	2125396	783524
	Total amounts Rs.	11006088	3765845
	Av.Rate/Unit Rs.	5.18	4.81

	Current Period (18 Months)					Previous Year (12 Months)				
	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	52.56	769.30	142.59	2553.39	0.22	48.04	748.20	113.50	2835.89	0.18
Furnace Oil - kl/pmt	-	0.0001	0.001	-	0.20	-	0.26	0.001	-	0.22
Coal	-	-	0.74	-		-	-	0.695	-	
D.O.C	-	-	-	-		-	-	-	-	
Others (L.P.G.) mt/pmt	-	0.00001	-	-	-	-	0.0002	-	-	-
Light Diesel Oil (KL)	-	0.0014	0.001	-	-	-	0.0005	0.001	-	-
Lignite / pmt	-	-	0.36	-	-	-	-	0.86	-	-
Pet coke / pmt	-	-	0.11	-	-	-	-	-	-	-
Natural Gas / pmmbtu	-	15.96	-	-	-	-	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

The figures of current period includes the figures of Saurashtra Chemicals Limited on amalgamation with the Company

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

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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 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.

Benefits derived as a result of the abort R & D

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

Future plan of action

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

Expenditure on R & D

No specific expenditure including capital expenditure was incurred on R&D. However Rs.6.62 lac being 0.0009% of total turnover was spent towards recurring expenses.

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 No. 32 forming part of Accounts.

AUDITORS' REPORT

To
The Members
Nirma Limited
Ahmedabad

1. We have audited the attached Balance Sheet of Nirma Limited, as at 30th September, 2012, and the Statement of Profit and Loss and Cash Flow statement for the period from 1st April, 2011 to 30th September, 2012 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 34 of Notes forming part of the Financials Statements 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 was 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 appear from our examination of the books.
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow statement, dealt with by this report, are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow statement dealt with by this report are in compliance 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 30th September, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th September, 2012 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon 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 30th September, 2012,
 - (ii) In the case of the Statement of Profit and Loss, of the Loss for the period ended on that date and,
 - (iii) In the case of Cash Flow Statement, of the cash flow for the period ended on that date.

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

Place : Ahmedabad
Date : February 13, 2013

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 period 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 period 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) During the period, the company has given loan to One Entity amounting to Rs 18.32 crores. The maximum amount involved during the period was 18.32 crores and the period end balance of such loan given was Rs 18.32 crores.
 - (b) In Our Opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given by the Company, are not prima facie prejudicial to the interest of the company,
 - (c) The principal amounts are repayable on demand and there is no repayment schedule. The interest is payable on demand.
 - (d) In respect of the said loans and interest thereon, there are no overdue amounts.
 - (e) During the period, the company has taken unsecured loan from two parties amounting to Rs. 534.82 crores. The maximum amount involved during the period was Rs. 146.06 crores and the period-end balance of such loan taken was Rs.141.16 crores. Further during the period, company has also taken unsecured loan from one company amounting to Rs 213.33 crores. The maximum amount involved during the period was Rs. 75.00 crores and the period-end balance was Rs.48.60 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 adequate 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.

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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 explanation given to us, the transaction made in pursuance of contracts / arrangements entered in the register maintained under section 301 of the companies Act, 1956 and exceeding the value of Rs. 500,000 in respect of each party during the period have been made at prices which appear reasonable as per information available with the company.
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, Wealth Tax, Excise Duty, service tax and any other statutory dues applicable to it and no undisputed amounts payable were outstanding as at 30th September, 2012 for a period of more than six months from the date they became payable except Excise Duty, Land Rent, Employee State Insurance, Custom Duty, Water Charges and cess on Lime Stone amounting to Rs 0.18 crore, Rs. 0.75 crore, Rs 4.03 crores , Rs. 22.17 crores, Rs. 14.68 crores and Rs. 0.01 crore respectively. There is no due in respect of Investor Education and Protection Fund.
- (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	Assessing Officer	5.86
			Commissioner Of Income Tax (Appeals)	189.18
			I.T.A. Tribunal	51.98
2.	Central Excise Act, 1944	Excise Duty and Service Tax	Tribunal	1.88
			Commissioner of Excise (Appeals)	0.09
			High Court	0.19
3.	Central Sales Tax Act and Sales Tax Act of various states	Central Sales Tax and Sales Tax	High Court	0.49
			Tribunal	4.12
			Appellate Board	0.96
			Commissioner	0.03
			Joint Commissioner	31.02
			Deputy Commissioner	0.45
4.	Wealth Tax Act, 1957	Wealth Tax	Assessing Officer	Rs. 5,440

5.	Customs Duty Act, 1962	Customs Duty	High Court	2.11
			Tribunal	0.34
			Commissioner	2.57
6.	The Bombay Stamp Act, 1958	Stamp Duty	High Court	3.17

In the absence of information as mentioned in Note No. 35 of Notes forming part of financial statements in this Para pertaining to earlier period and out standing as on 30th September, 2012 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 Period. The Company has not incurred cash losses during the Period covered by the audit and in the immediately preceding period.
11. Based on our audit procedures and on the information and explanations given to us 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 not granted loan on the basis of security by way of pledge of share.
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 and deed of undertaking given by the Company, for various term loans taken by wholly owned 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 period, no Short term funds have been utilized for long term investments.
18. During the period, 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 unsecured debentures outstanding during the period, on which no security or charge is required to be created.
20. The Company has not raised any money by public issue during the period.
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 period.

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

Place : Ahmedabad
Date : February 13, 2013

H. C. Shah
Proprietor
Membership No. 36441

BALANCE SHEET AS AT 30TH SEPTEMBER, 2012

Rs. in crores

	Note no	As at 30.09.2012	As at 31.03.2011
EQUITY AND LIABILITIES			
A Shareholders' funds			
Share capital	2	104.28	79.57
Reserves and surplus	3	2,691.28	2,752.40
SUB TOTAL - A		2,795.56	2,831.97
B Non-current liabilities			
Long-term borrowings	4	909.13	512.94
Deferred tax liabilities (Net)	5	345.86	290.34
Other long-term liabilities	6	115.95	92.66
Long-term provisions	7	27.69	13.43
SUB TOTAL - B		1,398.63	909.37
C Current liabilities			
Short-term borrowings	8	427.82	448.52
Trade payables	9	291.10	236.39
Other current liabilities	10	476.27	108.51
Short-term provisions	11	7.46	2.74
SUB TOTAL - C		1,202.65	796.16
TOTAL - (A+B+C)		5,396.84	4,537.50
ASSETS			
D Non-current assets			
Fixed assets	12		
Tangible assets		2,113.46	1,796.93
Intangible assets		50.33	16.98
Capital work-in-progress		205.11	115.42
Intangible assets under development		5.58	Nil
		2,374.48	1,929.33
Non-current investments	13	953.73	541.52
Long-term loans and advances	14	50.39	442.08
Other non-current assets	15	2.82	1.30
SUB TOTAL - D		3,381.42	2,914.23
E Current assets			
Current investments	16	22.00	Nil
Inventories	17	1,019.11	734.81
Trade receivables	18	488.11	379.97
Cash and bank balances	19	32.78	62.04
Short-term loans and advances	20	417.95	443.40
Other current assets	21	35.47	3.05
SUB TOTAL - E		2,015.42	1,623.27
TOTAL - (D+E)		5,396.84	4,537.50
Significant Accounting Policies	1		
The accompanying Notes are an integral part of the Financial Statements			

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 : February 13, 2013

For and on behalf of the Board

KALPESH A. PATEL
Executive Director

Dr. K. K. PATEL
Chairman

PARESH SHETH
Company Secretary

RAJENDRA D. SHAH
Director

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON 30TH SEPTEMBER 2012

Rs. in crores

	Note no	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
Revenue from operations	22	6,827.69	3,361.40
Less : Excise duty		596.11	257.41
Net Revenue from Operations		6,231.58	3,103.99
Other income	23	58.49	44.01
TOTAL REVENUE :		6,290.07	3,148.00
Expenses			
Cost of materials consumed	24	2679.48	1381.68
Purchases of stock-in-trade	25	103.95	83.12
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(88.32)	(33.28)
Employee benefits expense	27	321.51	133.14
Other expenses	28	2308.92	1111.37
TOTAL EXPENSES :		5325.54	2676.03
Profit before Finance costs, Depreciation, Exceptional Items and Tax		964.53	471.97
Finance costs	29	190.24	52.21
Depreciation and amortisation expense		425.86	314.33
Profit before Exceptional Items and Tax		348.43	105.43
Add/(Less) : Exceptional items	30	2.03	(28.68)
Profit before Tax		350.46	76.75
Tax expense:			
Current tax		72.00	15.60
(Add): MAT credit entitlement		(72.00)	Nil
Tax expense relating to earlier years		356.06	(0.32)
Deferred tax		55.52	(12.57)
		411.58	2.71
Profit/(Loss) for the Period		(61.12)	74.04
Earnings per share : (Face value per share - Rs.5)	41		
(a) Basic		(3.84)	4.65
(b) Diluted		(3.84)	4.65
Significant Accounting Policies The accompanying Notes are an integral part of the Financial Statements	1		

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 : February 13, 2013

For and on behalf of the Board

KALPESH A. PATEL
Executive Director

Dr. K. K. PATEL
Chairman

PARESH SHETH
Company Secretary

RAJENDRA D. SHAH
Director

Cash flow statement for the period ended 30th September, 2012

Rs. in crores

		01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
A	Cash flow from operating activities :		
	Profit before tax	350.46	76.75
	Exceptional Items	(2.03)	28.68
	Exchange loss on revaluation on long term monetary items(net)	65.19	(15.04)
	Depreciation and amortisation expense	425.87	314.33
	Interest Income	(39.62)	(20.45)
	Finance Cost	190.24	51.93
	Exchange fluctuation Loss (Net)	4.77	0.83
	Profit on sale of assets	(0.85)	(0.12)
	Loss on sale of assets	0.13	0.18
	Dividend on non-current Investment	(0.22)	(0.03)
	Provision for Doubtful advance	0.15	Nil
	Doubtful advances written off	0.01	0.05
	Provision for Bad Debts	3.51	Nil
	Bad debts written off	6.35	1.54
	Depreciation written back during the period	0.53	Nil
	Profit on sale of other long term investment	Nil	(0.71)
	Profit on sale of other current investment	(2.80)	(0.26)
	Operating profit before working capital changes	651.23	360.93
	Adjustments for :	1,001.69	437.68
	Trade and other receivables	150.21	(27.35)
	Inventories	(173.79)	(142.66)
	Trade Payables, provisions and other liabilities	(111.79)	54.83
	Cash generated from operations	(135.37)	(115.18)
	Finance cost	866.32	322.50
	Direct taxes paid	(97.12)	(52.04)
		(72.79)	(36.78)
	Net cash from operating activities	(169.91)	(88.82)
B	Cash flow from investing activities :	696.41	233.68
	Purchase of fixed assets	(383.09)	(147.97)
	Sale of fixed assets	0.89	6.56
	Sale of non-current Investment	Nil	1.06
	Sale of current Investment	638.80	425.14
	Purchase of Non Current investment	(412.21)	(6.60)
	Purchase of current investment	(658.00)	(424.88)
	Interest received	39.72	23.72
	Dividend on non-current Investment	0.22	0.03
	Net cash used in investing activities	(773.67)	(122.94)
		(77.26)	110.74
C	Cash flow from financing activities :		
	Change in loans and advances	(55.05)	(62.44)
	Proceed from Short Term borrowings (Net)	(20.56)	6.80
	Proceed from Long Term borrowings	160.02	Nil
	Repayment of Long Term borrowings	(54.78)	Nil
	Dividend paid (Including dividend tax)	(0.06)	(83.48)
	Net cash used in financing activities	29.57	(139.12)
	Net increase in cash and cash equivalents	(47.69)	(28.38)
	Cash and cash equivalents (opening)	62.04	92.29
	Add : Opening balance acquired on amalgamation	18.43	0.02
	Cash and cash equivalents (closing)	32.78	63.93

Notes : (1) Previous year's figures have been regrouped, wherever necessary, to conform to this period's classification.
(2) Amalgamation of Saurashtra Chemicals Ltd. with the Company are non cash transactions.(see note no. 40)
(3) Rs. 1.89 crores from opening cash balance transfer to other non current assets

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 : February 13, 2013

For and on behalf of the Board

KALPESH A. PATEL
Executive Director

Dr. K. K. PATEL
Chairman

PARESH SHETH
Company Secretary

RAJENDRA D. SHAH
Director

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note - 1 : SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of Preparation of Financial Statements

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 and the accounting principles generally accepted in India and comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable. However, insurance claims are accounted on the basis of claims settled during the year and other than cash compensatory incentives are accounted on the basis of receipt.

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.

(B) Current – non current classification

All assets and liabilities are classified into current and non current.

Assets:

An asset is classified as current when it satisfies any of the following criteria:

- (I) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (II) It is held primarily for the purpose of being traded;
- (III) It is expected to be realized within 12 months after the reporting date; or
- (IV) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liability:

Liability is classified as current when it satisfies any of the following criteria:

- (I) It is expected to be settled in the Company's normal operating cycle;
- (I) It is held primarily for the purpose of being traded;
- (III) It is due to be settled within 12 months after the reporting date; or
- (IV) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle:

Operating cycle is the time between and acquisition of assets for processing and their realization in cash and cash equivalent. The company considers its operating cycle as 12 months.

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(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 pre production expenses and expenditure on projects under implementation including interest and other expenses capitalized.

(D) Depreciation and amortisation

- (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, and Caustic Soda Plant at Bhavnagar, Cepha, Beta, Oral, Injectable and F&D at Sachana.
- (III) Depreciation on fixed assets is provided on Straight Line Method located at Alindra, Moraiya, Bhavnagar (other than Caustic Soda Plant) Udaipur, Sachana (other than Cepha, Beta, Oral, Injectable, F&D), Saurashtra Chemicals - Porbandar and various Marketing depots.
- (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.
- (VI) Intangible assets are amortised on a straight line basis over their estimated useful lives.

Assets	Estimated Use Life
Trade marks	8 Years
Software	6 Years
License Fees	4 Years
Goodwill	10 Years
Goodwill on amalgamation	3 Years

(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) Revenue recognition

Sales of Goods

Sales include excise duty and subsidy but exclude returns and sale tax. In case of Bhavnagar Unit, sales include sales tax availed under incentive scheme of Government of Gujarat.

Income from Services

Revenue from services are cost incurred for conversion of raw materials in to finished products as required by parties.

(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) The Company has exercised the option w.e.f 01.04.2011 with respect to the accounting treatment of foreign currency translation difference in accordance with Para 46 A of Accounting Standard 11. "The Effect of Changes in Foreign Exchange Rates" inserted by the notification dated 29.12.2011 issued by the Ministry of Corporate Affairs and has opted for amortising the foreign exchange fluctuation loss/ (gain) on the long term foreign currency monetary items over the shorter of the loan repayment period and 31.03.2020.
- (II) Exchange difference for other monetary items is 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.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with recommendations contained in Guidance Note issued by ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

(P) Derivative Instruments

Premium/Discount, in respect of forward foreign exchange contract, is recognized over the life of the

Nirma Limited

contracts. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the year which the exchange rates changes. Profit/Loss on cancellation renewal of forward exchange contract is recognized as income/expense for the year.

(Q) Cash and Cash Equivalents

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash on hand and cash at bank including fixed deposit with original maturity period of less than three months and short term highly liquid investments with as original maturity of three month or less.

(R) Measurement of Profit before Finance cost, Depreciation/amortization and Tax (PBFDT)

As permitted by the Guidance Note on the Revised Schedule VI of the Companies Act, 1956, The Company has elected to present PBFDT as separate line item on the face of the Statement of Profit and Loss. The Company measures PBFDT on the basis of Profit/Loss from continuing operations. In its measurement, the Company does not include depreciation and amortization expenses, finance costs and tax expenses.

(S) Cash flow Statement

Cash flow are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals of accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing of financing cash flows. The cash flows operating, investing and finance activities of the Company are segregated.

(T) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity share outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(U) Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks, returns and the internal organization. The operating segments are the segments for which separate financial information is available and for which operating Profit/Loss amounts are evaluated regularly by the executive Management in deciding how to allocate resource and in assessing performance.

The accounting polices adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter Segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors. Revenue, expenses assets and liabilities which relate to the Company as a whole and are not allocated to segments reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

Note - 2 : SHARE CAPITAL

Rs. in crores

Particulars	As at 30.09.2012		As at 31.03.2011	
	Number of shares	Rs.	Number of shares	Rs.
AUTHORISED				
Equity shares of Rs 5 each	231,000,000	115.50	280,000,000	140.00
6% Redeemable non cumulative non convertible preference shares of Rs.100 each	1,000,000	10.00	1,000,000	10.00
6% Redeemable non cumulative non convertible preference shares of Rs.1 each	250,000,000	25.00	Nil	Nil
		150.50		150.00
ISSUED AND SUBSCRIBED				
Equity shares of Rs.5 each	159,175,666	79.59	159,175,666	79.59
		79.59		79.59
FULLY PAID UP				
Equity shares of Rs.5 each	159,142,282	79.57	159,142,282	79.57
Equity shares forfeited [Rs.2000(p.y.Rs.2000)]	800		800	
		79.57		79.57
Preference shares to be issued (Refer note no.II below)	247,080,232	24.71	Nil	Nil
Total		104.28		79.57

Notes:

- I) 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.
- II) The Modified rehabilitation Scheme in the form of Amalgamation of Saurashtra Chemicals Ltd. (SCL) with the Company has been sanctioned by Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 22.01.2013. The Scheme has become effective from 09.02.2013. As per the Scheme, the Company will issue and allot 24,70,80,232 preference shares to the equity shareholders of SCL, as of the record date of SCL to be fixed, in the ratio of 1 (one) 6% Redeemable Non Cumulative Non Convertible Preference Shares of Rs. 1/- each fully paid-up against 1 equity shares of Rs.1 each fully paid up held by such members in SCL. The issue and allotment of preference shares as of date are pending.

A The Reconciliation of Number of Equity Shares outstanding at the beginning and at the end of the period

Particulars	As at 30.09.2012		As at 31.03.2011	
	Number of shares	Rs. In crores	Number of shares	Rs. In crores
Opening Balance	159,142,282	79.57	159,142,282	79.57
Closing Balance	159,142,282	79.57	159,142,282	79.57

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B Rights Preferences and Restrictions attached to class of Shares

The Company has one class of equity shares having a par value of Rs.5 per share. Each member is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the members in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity members are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

C The Company does not have any holding company.

D The details of Shareholders holding more than 5 % of Equity Shares

Particulars	As at 30.09.2012		As at 31.03.2011	
	No. of shares held *	% of Total paid up Equity Share Capital	No. of shares held *	% of Total paid up Equity Share Capital
1. Smt. Shantaben K. Patel	23,137,881	14.54	23,137,881	14.54
2. Banihal Holdings Pvt. Ltd.	22,937,900	14.41	22,937,900	14.41
3. Dr. Karsanbhai K. Patel	19,133,836	12.02	12,769,300	8.02
4. Leh Holdings Pvt. Ltd.	16,443,900	10.33	16,443,900	10.33
5. Kargil Holdings Pvt. Ltd.	16,178,700	10.17	16,178,700	10.17
6. Uri Holdings Pvt. Ltd.	14,521,900	9.13	14,521,900	9.13
7. Shri Hirenbhai K. Patel	13,580,480	8.53	13,580,480	8.53
8. Shri Rakeshbhai K. Patel	12,959,200	8.14	12,959,200	8.14
9. Kulgam Holdings Pvt. Ltd.	12,003,900	7.54	12,003,900	7.54

* Includes Equity shares held as trustee and as member of AOP.

E Details of forfeited shares

Class of shares	As at 30.09.2012		As at 31.03.2011	
	Number of shares	Rs. In crores	Number of shares	Rs. In crores
Equity shares with voting rights	800	(Rs. 2000)	800	(Rs. 2000)

F Details of Shares kept in abeyance due to court orders

Class of shares	As at 30.09.2012		As at 31.03.2011	
	Number of shares	Rs. In crores	Number of shares	Rs. In crores
Equity shares with voting rights	32,584	0.02	32,584	0.02

G Equity shares allotted as fully paid up pursuant to scheme of arrangement without payment being received in cash during the period of five years immediately preceding 30.09.2012 being date of Balance Sheet

	Number of shares As at 30.09.2012	Number of shares As at 31.03.2011
No of Equity shares	372,914	372,914

Note - 3 : RESERVES AND SURPLUS

Rs. in crores

	As at 30.09.2012	As at 31.03.2011
Capital Reserve		
As per last Balance Sheet	363.13	360.66
Add : Adjustment on account of amalgamation	Nil	2.47
Closing balance	363.13	363.13
Debenture Redemption Reserve		
As per last Balance Sheet	Nil	Nil
Add : Transferred from Statement of profit and loss	28.19	Nil
Closing balance	28.19	Nil
Capital Redemption Reserve		
As per last Balance Sheet	2.81	2.81
Securities Premium Account		
As per last Balance Sheet	222.70	222.70
General Reserve		
As per last Balance Sheet	2,005.24	2,005.24
Surplus as per the Statement of Profit and Loss		
As per last Balance Sheet	158.52	84.48
Add : Profit/(Loss) for the period	(61.12)	74.04
	97.40	158.52
Less : Transferred to Debenture Redemption Reserve	28.19	Nil
Closing balance	69.21	158.52
Total	2,691.28	2,752.40

Note - 4 : LONG TERM BORROWINGS

Rs in crores

	As at 30.09.2012	As at 31.03.2011
Other Loans and advances		
Secured		
External commercial borrowings (ECBs) (Refer Note no. - I & VII below)	176.20	512.90
Loan from Gujarat Housing Board (Refer Note no. - VI below)	(Rs.8083)	Nil
Inter Corporate Deposit from Related Parties (Refer Note no. - II below & 42)	210.00	Nil
Unsecured		
Debentures (Refer Note no. - III & IV below)	152.89	Nil
Deferred sales tax liability (Refer Note no. - VIII below)	0.04	0.04
Inter Corporate Deposit from Related Parties (Refer No no. - V below & 42)	370.00	Nil
Total	909.13	512.94

Nirma Limited

Notes:

	As at 30.09.2012		As at 31.03.2011	
	Non Current	Current	Non Current	Current
I) The external commercial borrowings is due for repayment on 27.11.2013 for Rs.26.43 crores (US \$ 0.50 crores), on 27.05.2014 for Rs.114.53 crores (US \$ 2.17 crores) and on 16.06.2014 for Rs.35.24 crores(US \$ 0.66 crores). Secured by first pari-passu charge on movable plant and machineries situated at Bhavnagar, Gujarat and negative lien on shares of Karnavati Holdings Inc.USA, wholly owned subsidiary, held by the company.	176.20	281.92	512.90	Nil
II) Inter corporate deposits from related parties, vested on amalgamation of Saurashtra Chemicals Ltd, are secured by way of first legal/equitable mortgage/charge ranking pari passu on immovable properties of erstwhile Saurashtra Chemicals Ltd. and hypothecation/charge ranking pari passu on movable properties both present and future of erstwhile Saurashtra Chemicals Ltd. The rate of interest is 10% p.a. from appointed date.	210.00	0.93	Nil	Nil
III) 10.50% Unsecured Redeemable Non Convertible Debentures Redeemable at par on 30.05.2014.	150.00	Nil	Nil	Nil
IV) 0% Unsecured Redeemable Non Convertible Debentures is redeemable on 28.06.2014.	2.89	2.88	Nil	Nil
V) Unsecured inter corporate deposit from related parties, vested on amalgamation of Saurashtra Chemicals Ltd., carry interest @ 10% on Rs.223.17 crores and @ 9.50% on Rs.146.83 crores from appointed date.	370.00	Nil	Nil	Nil
VI) Loan from Gujarat Housing Board Rs.8083 is secured by mortgage of related tenements and will be paid as per existing terms and conditions.				
VII) External Commercial Borrowings have been fully hedged for interest rate fluctuation by way of interest rate swap.				
VIII) 0% Deferred sales tax loan is repayable in six yearly equal installments of Rs.0.01 crore starting from 01.04.2015.				

Note - 5 : DEFERRED TAX LIABILITIES (Net)

Rs. in crores

	As at 30.09.2012	As at 31.03.2011
Deferred Tax Liabilities		
Related to fixed assets	367.51	307.55
	367.51	307.55
Deferred Tax Assets		
Disallowance under Income Tax Act	15.85	7.29
Carried forward loss	5.80	Nil
Carried forward MAT	Nil	9.92
Tax effect of items constituting deferred tax assets	21.65	17.21
Net deferred tax liability	345.86	290.34

Note - 6 : OTHER LONG TERM LIABILITIES

Rs. in crores

	As at 30.09.2012	As at 31.03.2011
Trade Deposits	115.95	92.66
Total	115.95	92.66

Note - 7 : LONG TERM PROVISIONS

Rs. in crores

	As at 30.09.2012	As at 31.03.2011
Provision for employee benefits (Refer note no. - 33)	27.69	13.43
Total	27.69	13.43

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Note - 8 : SHORT - TERM BORROWINGS

Rs. in crores

	As at 30.09.2012	As at 31.03.2011
Secured		
Working Capital Loans from Banks (Refer Note no. - I & II below)		
Foreign currency Loan		
Packing credit	39.64	Nil
Rupee Loan		
Cash credit accounts	41.97	292.13
Term loans	100.00	70.00
	181.61	362.13
Unsecured		
(Refer Note no. - III below & 42)		
Loan from Directors	144.32	82.80
Inter corporate deposits from related parties	101.89	3.59
	246.21	86.39
Total	427.82	448.52

Notes:

- I) The Short term loans and credit facilities from Banks are secured on parri-passu basis, by 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. Effective cost of the above bank loan is in the range of 7% to 15% p.a.
- II) Outstanding working capital facilities from banks part of cash credit accounts, Rs.8.68 crores is secured by lien of Fixed deposit of Rs.11 crores.
- III) Effective cost of unsecured loan is in range of 8% to 10% p.a.

Note - 9 : TRADE PAYABLES

Rs in crores

	As at 30.09.2012	As at 31.03.2011
Trade payables	289.14	232.64
For Micro, small and medium enterprise (Refer Note no. - 39)	1.96	3.75
Total	291.10	236.39

Details of Dues to Micro, Small & Medium Enterprises as defined under MSMED Act, 2006.

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note - 10 : OTHER CURRENT LIABILITIES

Rs in crores

	As at 30.09.2012	As at 31.03.2011
Current maturities of long-term debt (ECBs / DEBENTURES) (Refer Note no. - I, II & III below & Note no. - 4(IV))	284.80	Nil
Current maturities of long-term debt from related parties (Refer Note no. - IV below & 42)	0.93	Nil
Advances received from customers	40.78	43.08
Interest accrued but not due on borrowings	7.41	2.26
Statutory dues	118.17	56.30
Unpaid dividends	0.54	0.60
Creditors for Capital expenditure	22.49	6.19
Other payables	1.15	0.08
Total	476.27	108.51

Notes :

- I) The external commercial borrowings (ECBs) are due for repayment on 27.11.2012, 27.05.2013 and 16.06.2013 in installment of Rs.26.43 crores(US \$0.50 crore), Rs.220.25 crores(US \$4.17 crores), and Rs.35.24 crores (US \$0.66 crore) respectively.
- II) ECBs are Secured by first pari-passu charge on movable plant and machineries situated at Bhavnagar, Gujarat and negative lien on shares of Karnavati Holdings Inc.USA, wholly owned subsidiary, held by the company.
- III) Non convertible Debenture of Rs.2.88 crores is due for redemption on 28.06.2013.
- IV) Inter corporate deposits from related parties, vested on amalgamation of Saurashtra Chemicals Ltd, are secured by way of first legal/equitable mortgage/charge ranking pari passu on immovable properties of erstwhile Saurashtra Chemicals Ltd. and hypothecation/charge ranking pari passu on movable properties both present and future of erstwhile Saurashtra Chemicals Ltd. The rate of interest is 10% p.a. from appointed date.

Note - 11 : SHORT TERM PROVISIONS

Rs. in crores

	As at 30.09.2012	As at 31.03.2011
Provision for employee benefits (Refer Note no. - 33)	7.46	2.74
Total	7.46	2.74

Note - 12 : FIXED ASSETS

Rs in crores

PARTICULARS	GROSS BLOCK (at cost)				DEPRECIATION / AMORTISATION				NET BLOCK		
	AS AT 01.04.2011	Addition/ Adjustments during the period	Acquired on Amalgamation	Deduction/ Adjustments during the period	AS AT 30.09.2012	Addition/ Adjustments during the period	Acquired on Amalgamation	Deduction/ Adjustments during the period	UP TO 30.09.2012	AS AT 30.09.2012	AS AT 31.03.2011
TANGIBLE ASSETS											
1. Freehold Land	72.95	0.93	0.71	Nil	74.59	Nil	Nil	Nil	Nil	74.59	72.95
2. Leasehold Land (permanent)	0.13	Nil	0.15	Nil	0.28	Nil	0.15	Nil	0.15	0.13	0.13
3. Building	514.04	2.72	12.83	0.15	529.44	27.26	5.82	0.08	227.70	301.74	319.34
4. Plant & Equipments	3,420.15	205.68	665.06	0.17	4,290.72	332.85	207.32	0.12	2,576.86	1,713.86	1,383.34
5. Furniture & fittings	20.42	0.74	1.26	0.06	22.36	1.54	0.98	0.58	17.11	5.25	5.25
6. Office Equipments	0.41	0.01	Nil	Nil	0.42	0.05	Nil	Nil	0.14	0.28	0.32
7. Vehicles	37.95	7.55	1.32	2.89	43.93	5.45	0.85	2.33	26.32	17.61	15.60
TOTAL (A)	4,066.05	217.63	681.33	3.27	4,961.74	367.15	215.12	3.11	2,848.28	2,113.46	1,796.93
INTANGIBLE ASSETS											
1. Goodwill	1.57	Nil	Nil	Nil	1.57	Nil	Nil	Nil	1.57	Nil	Nil
2. Goodwill on Amalgamation	Nil	92.14	Nil	Nil	92.14	46.07	Nil	Nil	46.07	46.07	Nil
3. Trademarks	429.17	Nil	Nil	Nil	429.17	Nil	Nil	Nil	429.17	Nil	Nil
4. Licence fees	33.86	Nil	Nil	Nil	33.86	12.70	Nil	Nil	29.63	4.23	16.93
5. Computer Software	7.00	0.01	Nil	Nil	7.01	0.03	Nil	Nil	6.98	0.03	0.05
TOTAL (B)	471.60	92.15	Nil	Nil	563.75	58.80	Nil	Nil	513.42	50.33	16.98
Total (A) + (B)	4,537.65	309.78	681.33	3.27	5,525.49	425.95	215.12	3.11	3,361.70	2,163.79	1,813.91
Previous year	4,298.43	247.49	Nil	8.27	4,537.65	343.07	Nil	1.65	2,723.74	1,813.91	
Capital work in progress											
Intangible assets under development										205.11	115.42
										5.58	Nil

Notes :

1. Building includes (Rs.1000) in respect of shares held in co-op housing society.
2. Freehold land of Rs.0.31 crore and part of the fixed assets of Emerged Undertaking are yet to be transferred in the name of the company.
3. Rs.Nil (p.y.28 68 crores) depreciation provided for previous year due to change in method of depreciation has been included under the heading depreciation during the period.
4. Rs.0.09 crore (p.y.Rs.0.06 crore) depreciation provided during the period transferred to pre-operative expenses.
5. Assets acquired on amalgamation are yet to be transferred in the name of the Company.
6. Rs.0.54 crore depreciation written back during the period transferred to previous year adjustments.

Note - 13 : NON CURRENT INVESTMENTS (At Cost)

Rs in crores

	As at 30.09.2012	As at 31.03.2011
(Long Term Investments)		
Trade Investments		
In Equity Shares of Subsidiary Companies - Unquoted - fully paid up		
Current Period	Previous Year	
100010	10001000	Karnavati Holdings Inc face value of US \$ 0.1 (p.y. US \$ 0.001) (Negative lien executed with lenders)
		533.38
50000	Nil	Nirlife Mexico, S.A. DE C.V face value of Peso 1
400000000	Nil	Siddhi Vinayak Cement Pvt. Ltd. face value of Rs.10
		0.02
		400.09
		933.49
		533.38
In Equity Shares of Associates Companies - Unquoted - fully paid up		
1300000	1300000	Kanak Castor Products Pvt. Ltd. face value of Rs.10
		1.30
		1.30
		1.30
		1.30
		934.79
		534.68
Other Investments		
In Equity Shares - Quoted - fully paid up		
180914	Nil	Torrent Pharmaceuticals Ltd. face value of Rs.5
		12.10
		12.10
		Nil
		Nil
In Equity Shares - Listed but not quoted - fully paid up		
1000000	1000000	Inlac Granston Ltd. face value of Rs.10
		1.00
		Less : Provision for diminution in value
		1.00
		1.00
		Nil
		Nil
In Equity Shares - Unquoted - fully paid up		
100	100	Nutan Nagarik Sahakari Bank Ltd. face value of Rs.25 [Rs.2500 (p.y.Rs.2500)]
		0.14
57020	57040	The Kalupur Comm. Co.op. Bank Ltd. face value each of Rs.25
		0.14
2200000	2200000	Gold Plus Glass Industry Ltd. face value of Rs.10
		6.60
100000	100000	Enviro Infrastructure Company Ltd. face value of Rs.10
		0.10
		6.84
		6.84
Investments in Government securities (Unquoted)		
National Saving Certificate and Kisan Vikas Patra lodged with various authorities [Rs.33000 (p.y. Rs.42000)]		
		18.94
		6.84
		18.94
		6.84
		953.73
		541.52
		953.73
		541.52
		941.63
		541.52
		12.10
		Nil
		12.56
		Nil
		1.00
		1.00

Notes :

- I) Aggregate value of Unquoted Investments
- II) Aggregate value of Quoted Investments
- III) Market value of Quoted Investments
- IV) Aggregate value of Diminution in value of investment

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Note - 14 : LONG-TERM LOANS AND ADVANCES

Rs in crores

	As at 30.09.2012	As at 31.03.2011
Unsecured, considered good		
Capital advances	28.80	64.36
Security deposits	1.29	Nil
Loans and advances to employees	0.02	Nil
Balance with Statutory authorities	15.00	15.00
Prepaid expense	0.22	Nil
Advance Income tax net of provision	Nil	362.72
Foreign currency monetary item translation difference account (Refer Note no.-I below)	5.06	Nil
Total	50.39	442.08

Note :

- I) During the period ended on 30.09.2012, the company exercised the option granted vide Notification F.No.17/133/2008/CL-V dated 29.12.2011 issued by the Ministry of Corporate Affairs and accordingly, the exchange difference arising on revaluation of long term foreign currency monetary items has been recognised over the shorter of the loan repayment period and 31.03.2020. The unamortised balance as at 30.09.2012 of Rs.24.64 crores (p.y.Rs.Nil) is presented as "Foreign Currency Monetary Item Translation Difference Account".

Note - 15 : OTHER NON CURRENT ASSETS

Rs in crores

	As at 30.09.2012	As at 31.03.2011
Balances with banks		
Bank deposit with maturity more than 12 months	2.82	1.30
Total	2.82	1.30

Note - 16 : CURRENT INVESTMENTS

Rs in crores

	As at 30.09.2012	As at 31.03.2011
Current Investments (At Cost)		
Current Period Previous Year In Mutual Fund - Quoted, fully paid up		
Units Units Face value of Rs.100 each		
1222275 Nil Birla Sun Life Cash Plus -Growth	22.00	Nil
Total	22.00	Nil
Notes :		
I) Market value of Quoted Investments	22.02	Nil
II) Aggregate value of Quoted Investments	22.00	Nil

Note - 17 : INVENTORIES

(At lower of cost and net realisable value)

Rs in crores

	As at 30.09.2012	As at 31.03.2011
Raw materials & Packaging materials Includes goods in transit Rs.0.11 crore (p.y.Rs.7.87 crores)	311.84	223.61
Work-in-progress	103.83	62.64
Finished goods	255.67	170.74
Stock-in-trade (Traded Goods)	14.14	12.20
Stores and spares	333.63	265.62
Total	1,019.11	734.81

Note - 18 : TRADE RECEIVABLES

Rs in crores

	As at 30.09.2012	As at 31.03.2011
More than six months		
Unsecured, considered good	6.50	26.94
Unsecured considered Doubtful	4.66	1.03
	11.16	27.97
Less: Provision for doubtful trade receivables	4.66	1.03
	6.50	26.94
Other Trade receivables		
Unsecured, considered good	481.61	353.03
Total	488.11	379.97

- l) Trade receivables include Rs.10.68 crores (p.y. Rs.13.38 crores) on account of subsidy receivable from the Government.

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Note - 19 : CASH AND BANK BALANCES

Rs in crores

	As at 30.09.2012	As at 31.03.2011
Cash and cash equivalents		
Balances with banks		
In current accounts	4.93	61.63
Less : Provision for Doubtful Bank Balances (Refer Note no. - 36)	0.59	0.59
	4.34	61.04
Cash on hand	0.77	0.37
	5.11	61.41
Other bank balances		
(i) In deposit accounts (With original maturity more than 3 months)	29.96	1.33
(ii) Others		
Unclaimed Dividend account	0.39	0.46
Secured premium notes money received and due for refund	0.14	0.14
Less : Bank deposits with more than 12 months maturity (Transferred to other non current assets)	2.82	1.30
	27.67	0.63
Total	32.78	62.04
Notes :		
I) Earmarked balances with Banks	15.61	0.79
II) Earmarked balances with various Statutory Authorities	0.54	0.54
III) Earmarked balances with various Tender Authorities	0.10	Nil

Note - 20 : SHORT TERM LOANS AND ADVANCES

Rs in crores

	As at 30.09.2012	As at 31.03.2011
(Unsecured, Considered good)		
Loans & Advances	90.46	94.89
Loans and advances to related parties (Refer note no. - 42)	18.86	Nil
Loans and advances to employees	2.05	1.39
Inter Corporate Deposit	54.83	23.69
Inter corporate deposits to related parties (Refer note no. - 42)	12.89	10.41
Advances to Suppliers	53.86	55.58
Advances to Suppliers - Related Parties	Nil	169.71
Balance with Statutory authorities	97.97	67.15
Security Deposits	2.35	17.41
MAT credit entitlement	76.00	Nil
Prepaid expenses	5.23	3.17
Advance Income tax net of provision	3.45	Nil
	417.95	443.40
(Unsecured, Considered doubtful)		
Loans & Advances	0.16	Nil
Less : Provision for doubtful advances	0.16	Nil
	Nil	Nil
Total	417.95	443.40

Note - 21 : OTHER CURRENT ASSETS

Rs in crores

	As at 30.09.2012	As at 31.03.2011
Interest accrued but not received	0.40	0.67
Other receivables	0.31	0.05
Foreign Currency Monetary Item Translation Difference Account (Refer note no. 14 - I)	19.59	Nil
Income Receivable	8.72	2.33
Others	6.45	Nil
Total	35.47	3.05

Note - 22 : REVENUE FROM OPERATIONS

Rs in crores

	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
(a) Sale of Products	6,660.19	3,288.09
(b) Sale of Services	18.39	8.56
(c) Sale of Traded Goods	136.95	60.52
(d) Other Operating Revenues	12.16	4.23
Total - Revenue from operations	6,827.69	3,361.40

Notes

(i)	Details of Sale value of Goods Manufactured under broadheads		
	Detergents	1,949.05	1,124.32
	Toilet Soap	748.88	381.93
	Linear Alkyl Benzene	576.89	343.77
	Soda Ash	1,931.04	683.71
	Pharma Products	613.00	242.25
	Refined Bicarbonate	36.90	Nil
	Others	804.43	512.11
	Total - Sale of Manufactured Goods	6,660.19	3,288.09
(ii)	Sale of services - Processing charges	18.39	8.56
	Total - Sale of Services	18.39	8.56
(iii)	Other operating revenues		
	Duty drawback and other export incentives	3.16	Nil
	Scrap Sales	9.00	4.23
	Total - Other Operating Revenues	12.16	4.23

Note :

I) Sales of product includes subsidy income of Rs.36.34 crores (p.y.Rs.31.85 crores) from Government.

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Note - 23 : OTHER INCOME

Rs in crores

	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
Interest income	39.62	20.45
Dividend From Long term Investments	0.22	0.03
Exchange Fluctuation gain (Net)	Nil	14.21
Net gain on sale of investments current investments	2.80	0.26
long-term investments	Nil	0.71
Other non-operating income (net of expenses directly attributable to such income)		
Profit on Sale of Assets	0.85	0.12
Claims and Refunds	4.31	2.07
Others	10.69	6.16
Total	58.49	44.01

Note - 24 : COST OF MATERIALS CONSUMED

Rs in crores

	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
Opening stock [Includes Rs.29.36 crores (p.y.Rs.Nil) acquired on amalgamation]	245.10	174.00
Add: Purchases	2,746.11	1,423.42
	2,991.21	1,597.42
Less: Closing stock	311.73	215.74
Cost of Material Consumed (Including Packaging Materials)	2,679.48	1,381.68
Details of Material Consumed		
Chemicals and perfumes	1,779.09	882.42
Oils and fats	449.82	219.81
Others	450.57	279.45
Total	2,679.48	1,381.68
Material consumed comprises:		
Indigeneous	2,235.29	1,137.77
Imported	444.19	243.91
Total	2,679.48	1,381.68
Material consumed comprises:	% of Consumption	% of Consumption
Indigeneous	83.42	82.35
Imported	16.58	17.65
Total	100.00	100.00

Note - 25 : PURCHASE OF STOCK IN TRADE

Rs in crores

	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
Traded good:		
Castor Oil	67.28	39.20
Pharma Products	29.36	7.29
Others	7.31	36.63
Total	103.95	83.12

Note - 26 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Rs in crores

	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
Inventories at the end of the year:		
Finished goods	255.67	170.74
Work-in-progress	103.83	62.64
Stock-in-trade	14.14	12.20
Total	373.64	245.58
Inventories at the beginning of the year:		
Finished goods (Includes Rs.23.67 crores acquired on amalgamation)	194.41	162.74
Work-in-progress (Includes Rs.16.07 crores acquired on amalgamation)	78.71	46.81
Stock-in-trade	12.20	2.75
Total	285.32	212.30
Changes in inventories of finished goods, work-in-progress and stock-in-trade	88.32	33.28

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	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
Details of Inventories :		
Manufactured Goods		
Detergents	48.26	23.22
Toilet Soap	64.20	26.16
Soda Ash	32.32	38.76
Linear Alkyl Benzene	44.90	38.54
Pharma Products	50.76	16.75
Others	15.23	27.31
Total	255.67	170.74
Traded Goods :		
Soda Ash	Nil	5.43
Pharma Products	9.24	1.91
Castor Oil	4.90	3.91
Others	Nil	0.95
Total	14.14	12.20
Work-in-progress :		
Detergents	6.94	6.24
Toilet Soap	26.38	14.29
Soda Ash	33.68	17.89
Linear Alkyl Benzene	18.58	12.16
Pharma Products	10.26	8.72
Others	7.99	3.34
Total	103.83	62.64

Note - 27 : EMPLOYEE BENEFITS EXPENSE

Rs in crores

	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
Salaries and wages	281.75	118.49
Contributions to provident and other funds (Refer Note no. - 33)	27.39	11.53
Staff welfare expense	12.37	3.12
Total	321.51	133.14

Note - 28 : OTHER EXPENSES

Rs in crores

	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
Consumption of stores and spare parts	209.11	76.47
Power and fuel expenses	1,071.21	506.53
Excise duty provided on stocks	7.69	5.82
Processing charges	42.29	25.97
Rent expenses	5.07	2.23
Repairs		
To building	7.54	4.00
To machinery	36.40	14.44
To others	5.06	2.79
	49.00	21.23
Insurance expenses	7.39	3.12
Rates and taxes	26.77	11.78
Payments to auditors		
Audit fees	0.42	0.10
Taxation matters	0.94	0.14
Other matters	0.02	0.06
Expenses reimbursed	Nil	0.01
	1.38	0.31
Cost Audit fees	0.01	0.01
	1.39	0.32
Directors' fees	0.05	0.04
Discount on sales	150.94	119.08
Commission on sales	20.01	6.02
Freight and transportation expenses	383.98	198.14
Sales tax expenses	10.86	8.12
Advertisement expenses	77.18	46.42
Exchange fluctuation loss (Net)	69.96	Nil
Loss on sales of assets	0.13	0.18
Donation	2.93	1.03
Sales promotion expenses	11.03	5.59
Provision for doubtful advances	0.15	Nil
Doubtful advances written off	0.01	0.05
Provision for Bad debts	3.51	Nil
Bad debts written off	6.35	1.54
Other expenses [Net of Transport Income Rs.3.91 crores(p.y.Rs.2.78 crores)] *	151.91	71.69
Total	2,308.92	1,111.37

* Includes prior period adjustments(net) (Rs.0.20 crore) (p.y. Rs.0.31 crore)

Rs in crores

	01.04.2011 To 30.09.2012		01.04.2010 To 31.03.2011	
	% of Consumption	Rs. in crores	% of Consumption	Rs. in crores
Value of Stores and Spares Parts				
Imported	21.62	45.20	14.58	11.15
Indigenous	78.38	163.91	85.42	65.32
	100.00	209.11	100.00	76.47

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Note - 29 : FINANCE COSTS

Rs in crores

	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
Interest expense *	180.49	49.37
Other borrowing costs	9.75	2.84
Total	190.24	52.21
* Net of interest cost capitalised	13.99	10.06

Note - 30 : EXCEPTIONAL ITEMS

Rs in crores

	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
Excess provision of various expenses written back	2.03	Nil
Depreciation provided of earlier years	Nil	(28.68)
Total	2.03	(28.68)

Note - 31 : CONTINGENT LIABILITIES NOT PROVIDED FOR IN ACCOUNTS

Rs. in crores

		As at 30.09.2012	As at 31.03.2011
(A)	Claims against the Company not acknowledged as debts		
(I)	For custom duty	5.97	1.60
(II)	For direct tax (*)	1294.06	1530.20
(III)	For sales tax	57.12	47.09
(IV)	For excise duty and service tax [appeals decided in favour of the Company Rs. 85.59 crores (p.y. Rs.120.26 crores)]	145.08	122.74
(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	40.33	14.42
		1547.06	1720.55
(*) 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)	35.59	346.33
(C)	For letters of credit	50.69	134.61
(D)	For bank guarantee	54.22	31.12
(E)	Bills discounted with banks	Nil	6.96
(F)	Company has given Corporate Guarantee in favour of lenders for securing loans extended to Karnavati Holdings Inc. & its subsidiaries and Siddhi Vinayak Cement Pvt. Ltd. (wholly owned subsidiaries)	224.24	245.90
(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.		

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Note - 32 : C.I.F. VALUE OF IMPORTS, REMITTANCES, EXPENDITURE AND EARNINGS IN FOREIGN CURRENCY

Rs. in crores

		01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
(A)	C.I.F. value of imports		
	Raw materials	376.88	204.82
	Spare parts	20.32	20.89
	Capital Goods	63.86	0.57
(B)	Expenditure in foreign currency		
	Interest	47.04	28.94
	Consulting and professional fee	0.58	0.18
	Royalty	17.83	6.86
	Others	19.05	7.07
(C)	Dividend remitted in Foreign Currency	Nil	0.01
	[[No of Shareholder Nil (p.y.1) No of shares Nil (p.y.21200) for the year 2009-2010} and No of Shares held 10600 (for the year 2002-2003)]		
(D)	Earnings in foreign currency		
	Export of goods	533.01	230.40
	Interest	0.43	0.54
	Commission	3.78	Nil
	Others (claims and freight)	Nil	0.65

Note - 33 : 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

	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
Employer's Contribution to Provident Fund	17.50	8.18
Employer's Contribution to Superannuation Fund	0.03	Nil

(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

	01.04.2011 To 30.09.2012		01.04.2010 To 31.03.2011	
	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	16.09	6.34	13.15	5.00
Add : Balance acquired on amalgamation	12.98	2.23	Nil	Nil
Current Service Cost	4.62	3.32	1.88	1.75
Interest Cost	3.50	1.00	1.05	0.42
Actuarial (gain) / loss	5.47	4.51	0.69	(0.05)
Benefits paid	(4.30)	(2.25)	(0.68)	(0.78)
Defined Benefit Obligation at the period end	38.36	15.15	16.09	6.34
b. Reconciliation of opening and closing balances of fair value of plan assets				
Fair value of plan assets at beginning of the year	6.26	Nil	6.06	Nil
Add : Balance acquired on amalgamation	12.84	Nil	Nil	Nil
Expected return on plan assets	2.54	Nil	0.57	Nil
Actuarial gain/(loss)	0.05	Nil	0.02	Nil
Employer contribution	0.28	Nil	0.29	Nil
Benefits paid	(2.99)	Nil	(0.68)	Nil
Fair value of plan assets at period end	18.98	Nil	6.26	Nil
c. Reconciliation of fair value of assets and obligation				
Fair value of plan assets	18.98	Nil	6.26	Nil
Present value of obligation	(38.36)	(15.15)	(16.09)	(6.34)
Amount recognised in Balance Sheet	(19.38)	(15.15)	(9.83)	(6.34)
d. Expenses recognised during the year (under the head of "Payments to and Provisions for Employees" - Refer Note no - 27)				
Current Service Cost	4.62	3.32	1.88	1.75
Interest Cost	3.50	1.00	1.05	0.42
Expected return on plan assets	(2.54)	Nil	(0.57)	Nil
Actuarial (gain)/loss	5.42	4.51	0.67	(0.05)
Net Cost	11.00	8.83	3.03	2.12
e. Investment Details:				
Invested with Life Insurance Corporation of India	100%		100%	
Actuarial assumption				
Discount rate (p.a.)	8.32%	8.32%	8.32%	8.32%
Discount rate of amalgamating company	8.25%	8.25%	Nil	Nil
Expected rate of return on plan assets (p.a.)	9.25%	Nil	9.25%	Nil
Rate of escalation in salary (p.a.)	6.00%	6.00%	6.00%	6.00%

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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.

Note - 34

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.

Note - 35

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.

Note - 36

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.

Note - 37

Income-tax Department passed orders making various disallowances/additions for different earlier assessment years. The Company is contesting disputes in appeals which are pending at various levels. Against the liabilities, the Company has written off taxes, by way of abundant caution, for Rs. 356.06 crores pending final outcome of appeals. The necessary adjustments, if any, will be made on finality of appeals.

Note - 38

As regards the Cement Project at Mahuva, the Ministry of Environmental & Forests *MoEF) had cancelled the Environment Clearance (EC) granted to the Project, pursuant to which, Company has filed an Appeal before the National Green Tribunal (NGT), which is pending.

Note - 39
Due to Micro, Small and Medium Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came in to force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises, On the basis of the information and records available with management, outstanding dues to the Micro and Small enterprise as defined in the Micro, Small and Medium Enterprises Development Act 2006 is disclosed as below.

Rs. In crores

Particulars	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
Principal amount remaining unpaid to any supplier as at the year end.	1.96	3.75
Interest due thereon	Nil	Nil
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during period/year.	Nil	Nil
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED.	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of accounting period/year	Nil	Nil

Note - 40

The Board for Industrial and Financial Reconstruction (BIFR) has sanctioned the Modified Rehabilitation Scheme (MRS) in the nature of amalgamation of Saurashtra Chemicals Ltd. (SCL) with the Company vide its order dated 22.01.2013. The appointed date of the said MRS is 01.04.2011. Consequently, the financial of the Company for period ended on 30.09.2012 includes the financial of SCL with effect from 01.04.2011 with the following principal terms:

- (A) The assets and liabilities of SCL have been transferred and vested in the Company at the book value.
- (B) The difference between the net assets taken over and purchase consideration (i.e. shares to be allotted by the Company to the shareholders of SCL) has been transferred to goodwill.
- (C) All reserves except the statutory reserves of the transferor Company stood cancelled.
- (D) The Company has acquired assets of Rs.755.70 crores and liability of Rs.823.13 crores of SCL pursuant to the MRS. The Company to issue and allot 247080232 Preference shares to the equity shareholders of SCL in ratio of 1(one) 6% Redeemable non cumulative, non convertible Shares of Re.1(one) each fully paid up for every 1 (one) equity share at Re.1 each fully paid up by the members in SCL as of the record date. This has resulted into goodwill of Rs.92.14 crores.

The Company has decided to amortise the goodwill over the period of three years. Accordingly Rs.46.07 crores is debited to statement of profit and loss.

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Note - 41 : EARNINGS PER SHARE (EPS)

Rs. In crores

		01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
(I)	Profit for basic and diluted earning per share (Loss)/Profit for the period (for basis) (a) (Loss)/Profit (for diluted) (b)	(61.12) (61.12)	74.04 74.04
(II)	Weighted average number of equity shares (Face value of Rs.5 per share) For Basic earning per share (c) (No) For Diluted earnings per share (d) (No)	159142282 159142282	159142282 159142282
(III)	Earnings per share (Weighted Average) (Face value of Rs.5 per share) Basic (a/c) Diluted (b/d)	(3.84) (3.84)	4.65 4.65

Note - 42

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 94.82%* (p.y 90.82%) equity shares in the Company.

* The increase in the Promoters' shareholding during the year was on account of acquisition of shares by promoters-acquire under Exit Offer pursuant to Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

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

(a) Direct Holding

Karnavati Holdings Inc. USA, Nirlife Mexico, SA DE C.V (w.e.f. 01.04.2011), and Siddhi Vinayak Cement Pvt. Ltd. (w.e.f 01.10.2011)

(b) Indirect Holding

Searles Valley Minerals Operations Inc (SVMO) USA (w.e.f. 02.04.2012 name changed to Searles Valley Minerals Inc.) and Searles Valley Minerals Inc. (SVM) USA [(merged with SVMO w.e.f. 01.04.2012 Eastern Standard Time(EST))] (Wholly owned subsidiaries of Karnavati Holding Inc. USA).

Searles Domestic Water Company LLC, Trona Railway Company LLC (Wholly owned by SVMO), Searles Valley Residences LLC and NATI LLC (merged with SVMO w.e.f 01.04.2012 EST), Searles Valley Minerals Europe (wholly owned by SVM up to 31.03.2012 EST and w.e.f 01.04.2012 EST Wholly owned by SVMO)

(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 & Capital Pvt. Ltd., Nirma Industries Pvt. Ltd., Nirma Chemical Works Pvt. Ltd., Saurashta Chemicals Ltd. (merged with the Company w.e.f 01.04.2011), 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, FRM Trona Fuels LLC, USA, Navin Detergent Pvt. Ltd. and Navin Overseas FZC, UAE.

(IV) Key Management Personnel

Shri Hirenbbhai K. Patel - Managing Director
Shri Kalpeshbbhai A. Patel - Executive Director

(V) Relatives

Relatives of Key Management Personnel with whom transactions done during the said financial 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. (excluding reimbursement)

(I) Subsidiary Companies:

		Rs. In crores	
		01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
1	Sales of store material (a) Siddhi Vinayak Cement Pvt. Ltd	44.12	Nil
2	Purchase of finished goods (a) Searles Valley Minerals Inc.	7.26	12.75
3	Interest income (a) Karnavati Holding Inc., USA (b) Siddhi Vinayak Cement Pvt. Ltd (c) Nirlife Mexico, SA DE C.V	0.43 0.01 (Rs. 23372)	0.54 Nil Nil
4	Commission income (a) Karnavati Holding Inc., USA	3.78	Nil
5	Share investment (a) Siddhi Vinayak Cement Pvt. Ltd (b) Nirlife Mexico, SA DE C.V	400.09 0.02	Nil Nil
6	ICD / Loan – given (a) Siddhi Vinayak Cement Pvt. Ltd (b) Nirlife Mexico, SA DE C.V	423.86 0.54	Nil Nil
7	ICD / Loan – recovered (a) Karnavati Holding Inc., USA (b) Siddhi Vinayak Cement Pvt. Ltd	10.40 410.98	Nil Nil
8	Closing balance – debit	17.55	10.40
9	Closing balance – credit	Nil	0.48
10	Closing balance – Guarantees	224.11	245.30

(II) Associates Entities

Rs. In crores

		01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
1	Sale of finished goods (a) Kanak Castor Products Pvt. Ltd. (b) Navin Overseas FZC, UAE (c) Saurashtra Chemicals Ltd.	7.32 0.59 Nil	6.18 Nil 2.54
2	Sale of material (a) Kanak Castor Products Pvt. Ltd. (b) Nirma Education Research Foundation (c) Saurashtra Chemicals Ltd.	0.76 0.71 Nil	0.49 Nil 2.73
3	Purchase of finished goods (a) Kanak Castor Products Pvt. Ltd. (b) Saurashtra Chemicals Ltd.	1.08 Nil	Nil 58.75
4	Purchase of materials (a) Kanak Castor Products Pvt. Ltd. (b) Navin Overseas FZC, UAE (c) Saurashtra Chemicals Ltd.	0.21 30.39 Nil	0.67 Nil 7.97
5	Rent Expenses (a) Saurashtra Chemicals Ltd.	Nil	0.03
6	Purchase of assets (a) Nirma Credit and Capital P.Ltd.	Nil	2.25
7	Exchange rate difference income (a) Navin Overseas FZC, UAE	(Rs. 32616)	Nil
8	Interest income (a) Nirma Education Research Foundation	0.21	Nil
9	Processing charges (a) Kanak Castor Products Pvt. Ltd.	9.04	6.63
10	Interest expenses (a) Kargil Holding Pvt. Ltd. (b) Nirma Chemical Works Pvt. Ltd. (c) Nirma Credit and Capital Pvt. Ltd. (d) Nirma Industries Pvt. Ltd.	2.22 71.28 6.18 6.24	2.89 Nil Nil Nil
11	ICD / Loan – taken (a) Kargil Holding Pvt. Ltd. (b) Nirma Chemical Works Pvt. Ltd.	213.33 91.05	46.55 Nil
12	ICD / Loan – repaid (a) Kargil Holding Pvt. Ltd (b) Nirma Chemical Works Pvt. Ltd	168.32 41.70	70.68 Nil
13	ICD / Loan – given (a) Nirma Education Research Foundation	18.32	Nil
14	Net closing balance – debit	18.77	183.87
15	Net closing balance – credit	683.75	6.30

Note : Previous year figures include transactions with erstwhile Saurashtra Chemicals Ltd.

(III) Key Management Personnel

Rs. In crores

		01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
1	Salary expenses		
	(a) Shri Hirenbhai K. Patel	1.19	0.61
	(b) Shri Kalpeshbhai A. Patel	0.72	0.67
2	ICD / Loan – taken		
	(a) Shri Hirenbhai K. Patel	169.08	79.10
3	ICD / Loan – repaid		
	(a) Shri Hirenbhai K. Patel	163.69	83.10
4	Interest expenses		
	(a) Shri Hirenbhai K. Patel	3.63	6.73
5	Medical expenses		
	(a) Shri Hirenbhai K. Patel	6.64	Nil
6	Net closing balance – credit	75.69	68.80

(IV) Relatives

Rs. In crores

		01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
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	Nil	0.06
	(b) Shri Rakeshbhai K. Patel	2.83	7.14
3	ICD / Loan – taken		
	(a) Dr. Karsanbhai K. Patel	Nil	16.65
	(b) Shri Rakeshbhai K. Patel	365.74	119.27
4	ICD / Loan – repaid		
	(a) Dr. Karsanbhai K. Patel	Nil	16.65
	(b) Shri Rakeshbhai K. Patel	312.80	216.80
5	Closing balance – credit	68.62	14.00

Note - 43

Siddhi Vinayak Cement Private Limited has become a subsidiary of Company with effect from 1.10.2011.

Nirlife Mexico SA de CV, Mexico, has become a wholly owned subsidiary with effect from 01.04.2011.

Searles Valley Minerals Inc., NATI LLC and Searles Valley Residences LLC, a step down subsidiaries in USA, have been merged with and into Searles Valley Minerals Operations Inc. with effect from 01.04.2012 EST which is the same as effective as of the close of the business, 31.03.2012 Subsequently, the name of Searles Valley Minerals Operations Inc., was changed to Searles Valley Minerals Inc., Effective as of 02.04.2012.

Note - 44

During the period ended as on 30.09.2012, the revised Scheduled VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of financial statement, hence financial statements have been prepared as per notified Schedule VI. This has significantly impacted the disclosure and

Nirma Limited

presentation made in the Financial statements, previous year figures have been regrouped/reclassified, wherever necessary, to correspond with the year's classification/disclosure.

Note - 45

The Company has presented segment information in its Consolidated Financial Statements, which are part of the same annual report. Accordingly, in terms of provisions of Accounting Standard on Segment Reporting (As-17) no disclosure related to the segment is presented in the Standalone Financial Statements.

Note - 46

- (A) Figures of previous year have been regrouped wherever necessary. During the period, there is amalgamation of Saurashtra Chemical Ltd. with the company and the figures of current period are for 01.04.2011 to 30.09.2012 hence the figures of current period is not comparable with those of pervious 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.

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 : February 13, 2013

For and on behalf of the Board

KALPESH A. PATEL
Executive 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 Domestic Water Company LLC*	Searles Valley Residences LLC *
Financial Year / period ended on	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012
Number of shares in the subsidiaries held by Nirma Limited at the above date	100010	Nil	Nil	Nil	Nil
Percentage of Holding	100	Nil	Nil	Nil	Nil
	Rs.Crore	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	(12.07)	41.18	68.50	0.07	(0.18)
(ii) For the previous financial year since it becomes subsidiary	(19.20)	75.36	61.06	(0.08)	(0.89)
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	Nil
(ii) For the previous financial year since it becomes subsidiary	Nil	Nil	Nil	Nil	Nil

Name of Subsidiaries	Trona Railway Company LLC*	NATI LLC*	Searles Valley Minerals Europe*	NirLife Mexico SA de CV#	Siddhi Vinayak Cement Pvt. Ltd.
Financial Year / period ended on	31.03.2012	31.03.2012	31.03.2012	30.09.2012	31.03.2012
Number of shares in the subsidiaries held by Nirma Limited at the above date	Nil	Nil	Nil	50000	36000000
Percentage of Holding	Nil	Nil	Nil	100	100
	Rs.Crore	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	20.76	(15.85)	(0.16)	(0.02)	(5.25)
(ii) For the previous financial year since it becomes subsidiary	59.67	(49.91)	(0.01)	N.A.	N.A.
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	Nil
(ii) For the previous financial year since it becomes subsidiary	Nil	Nil	Nil	Nil	Nil

- There has been no change in the Company's interest in the subsidiaries between the end of the financial year of subsidiaries and the end of the financial year of the Company.
- No material changes have occurred between end of the financial year of subsidiaries and the Company's financial year in respect of subsidiaries (a) fixed assets (b) investment (c) moneys lent and (d) moneys borrowed for, except in case of Siddhi Vinayak Cement Private Ltd., where there has been a reduction in the borrowing from Rs. 162.34 crore to Rs. 12.88 crore and increase in the capital work-in-progress from Rs. 106.53 crore to Rs. 216.95 crore
- Searles Valley Minerals Inc., NATI LLC and Searles Valley Residences LLC, a step down subsidiaries in USA, have been merged with and into Searles Valley Minerals Operations Inc. with effect from 01.04.2012 EST which is the same as effective as of the close of the business, 31.03.2012. Subsequently, the name of Searles Valley Minerals Operations Inc. was changed to Searles Valley Minerals Inc. effective as of 02.04.2012.
- Previous year figures are regrouped / restated wherever necessary.

* Converted in Rs. as per Exchange Rate of Rs.50.88 per USD as on 31.03.2012

Converted in Rs. as per Exchange Rate of Rs.4.1169 per Peso as on 30.09.2012

For and on behalf of the Board

KALPESH A. PATEL
Executive Director

Dr. K. K. PATEL
Chairman

Place : Ahmedabad
Date : February 13, 2013

PARESH SHETH
Company Secretary

RAJENDRA D. SHAH
Director

INFORMATION ON SUBSIDIARIES

Nirma Limited

(Rs. in crore)

Particulars	Karnavati Holdings Inc.*	Searles Valley Minerals Inc.*	Searles Valley Minerals Operations Inc.*	Searles Domestic Water Company LLC*	Searles Valley Residences LLC*
Financial Year / period ended on	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012
Capital (including additional paid in capital)	636.00	228.76	780.31	1.89	(2.58)
Reserves (retained earnings)	(31.27)	65.66	(48.52)	(0.01)	(1.07)
Total Liabilities Excl. (1) & (2)	230.10	155.63	250.18	0.44	3.65
Total Assets	834.83	450.05	981.97	2.32	Nil
Investments (other than investment in subsidiaries)	Nil	Nil	Nil	Nil	Nil
Turnover	Nil	1,803.85	1,178.20	2.19	Nil
Profit Before Taxation	(15.13)	50.18	114.56	0.07	(0.18)
Provision for Taxation	(3.06)	9.00	46.06	Nil	Nil
Profit After Taxation	(12.07)	41.18	68.50	0.07	(0.18)
Proposed Dividend	Nil	50.88	178.08	Nil	Nil

Particulars	Trona Railway Company LLC*	NATI LLC*	Searles Valley Minerals Europe*	Nirlife Mexico SA de CV#	Siddhi Vinayak Cement Pvt. Ltd.
Financial Year / period ended on	31.03.2012	31.03.2012	31.03.2012	30.09.2012	31.03.2012
Capital (including additional paid in capital)	149.77	(146.81)	3.78	0.02	36.00
Reserves (retained earnings)	80.43	(65.76)	(0.17)	(0.02)	(5.25)
Total Liabilities Excl. (1) & (2)	1.06	231.13	3.11	0.54	207.75
Total Assets	231.26	18.56	6.72	0.54	238.50
Investments (other than investment in subsidiaries)	Nil	Nil	Nil	Nil	Nil
Turnover	12.97	Nil	15.41	Nil	Nil
Profit Before Taxation	20.76	(15.85)	(0.13)	(0.02)	(5.25)
Provision for Taxation	Nil	Nil	0.03	Nil	Nil
Profit After Taxation	20.76	(15.85)	(0.16)	(0.02)	(5.25)
Proposed Dividend	Nil	Nil	Nil	Nil	Nil

* Converted in Rs. as per Exchange Rate of Rs.50.88 per USD as on 31.03.2012

Converted in Rs. as per Exchange Rate of Rs.4.1169 per Peso as on 30.09.2012

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 30th September, 2012 and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the period from 1st April 2011 to 30th September 2012 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 ten subsidiaries and one associate, whose financial statements/ consolidated financial statements reflect total assets of Rs.1,607.34 crore as at 31st March, 2012/30th September 2012, total revenue of Rs.1,783.02 crore and cash flows amounting to Rs.(6.79) crore for the period 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.35 of the Notes forming part of the Financial Statements 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 was 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 30th September, 2012:
 - (ii) In the case of the Consolidated Statement of Profit and Loss, of the Profit of the Group for the period ended on that date: and
 - (iii) In the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the period ended on that date.

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

Place : Ahmedabad
Date : February 13, 2013

H. C. Shah
Proprietor
Membership No. 36441

BALANCE SHEET AS AT 30TH SEPTEMBER, 2012

Rs. in crores

	Note no	As at 30.09.2012	As at 31.03.2011
EQUITY AND LIABILITIES			
A Shareholders' funds			
Share capital	2	104.28	79.57
Reserves and surplus	3	2963.34	2836.83
SUB TOTAL - A		3067.62	2916.40
B Non-current liabilities			
Long-term borrowings	4	960.06	635.58
Deferred tax liabilities (Net)	5	347.42	282.80
Other long-term liabilities	6	169.06	115.26
Long-term provisions	7	35.82	22.45
SUB TOTAL - B		1512.36	1056.09
C Current liabilities			
Short-term borrowings	8	504.14	515.43
Trade payables	9	482.44	388.74
Other current liabilities	10	611.40	244.92
Short-term provisions	11	56.34	15.69
SUB TOTAL - C		1654.32	1164.78
TOTAL - (A+B+C)		6234.30	5137.27
ASSETS			
D Non-current assets			
Fixed assets	12		
Tangible assets		2458.57	1992.64
Intangible assets		486.95	434.33
Capital work-in-progress		518.61	135.01
Intangible assets under development		5.58	Nil
		3469.71	2561.98
Non-current investments	13	24.70	8.88
Long-term loans and advances	14	84.09	437.95
Other non-current assets	15	2.82	1.30
SUB TOTAL - D		3581.32	3010.11
E Current assets			
Current investments	16	22.00	Nil
Inventories	17	1264.97	948.21
Trade receivables	18	787.43	619.30
Cash and cash equivalents	19	74.53	110.58
Short-term loans and advances	20	468.58	446.02
Other current assets	21	35.47	3.05
SUB TOTAL - E		2652.98	2127.16
TOTAL - (D+E)		6234.30	5137.27
Significant Accounting Policies	1		
The accompanying Notes are an integral part of the Financial Statements			

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 : February 13, 2013

For and on behalf of the Board

KALPESH A. PATEL
Executive Director

Dr. K. K. PATEL
Chairman

PARESH SHETH
Company Secretary

RAJENDRA D. SHAH
Director

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON 30TH SEPTEMBER 2012

Rs. in crores

	Note no	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
Revenue from operations (gross)	22	8586.12	4896.48
Less : Excise duty		596.11	257.41
Net Revenue from Operations		7990.01	4639.07
Other income	23	76.99	57.51
TOTAL REVENUE :		8067.00	4696.58
Expenses			
Cost of materials consumed	24	2796.59	1468.73
Purchases of stock-in-trade	25	99.64	70.37
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(104.27)	(30.18)
Employee benefits expense	27	667.73	452.24
Other expenses	28	3414.02	2153.31
TOTAL EXPENSES :		6873.71	4114.47
Profit before Finance cost , Depreciation, Exceptional Items and Tax		1193.29	582.11
Finance cost	29	202.65	70.02
Depreciation and amortisation expense		481.36	363.70
Add : Share of Profit in Associates		0.45	0.23
Profit before Exceptional Items and Tax		509.73	148.62
Add/(Less) : Exceptional items	30	2.03	(28.68)
Profit before Tax		511.76	119.94
Tax expense:			
Current tax		111.47	22.47
(Add): MAT credit Entitlement		(72.00)	Nil
Tax expense relating to prior years	38	356.06	(0.32)
Deferred tax		65.09	2.87
		460.62	25.02
Profit for the Period		51.14	94.92
Earnings per share :	41		
(Face value per share - Rs.5)			
(a) Basic		3.21	5.96
(b) Diluted		3.21	5.96
Significant Accounting Policies The accompanying Notes are an integral part of the Financial Statements	1		

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 : February 13, 2013

For and on behalf of the Board

KALPESH A. PATEL
Executive Director

Dr. K. K. PATEL
Chairman

PARESH SHETH
Company Secretary

RAJENDRA D. SHAH
Director

Cash flow statement for the period ended 30th September, 2012

Rs. in crores

		01.04.2011 TO 30.09.2012	01.04.2010 TO 31.03.2011
A	Cash flow from operating activities :		
	Profit before tax	511.76	119.94
	Exceptional Items	(2.03)	28.68
	Exchange loss on revaluation on long term monetary items(net)	65.19	(15.04)
	Depreciation and amortisation expense	481.36	363.70
	Interest Income	(39.20)	(20.00)
	Finance Cost	202.65	69.20
	Exchange fluctuation Loss (Net)	4.77	0.86
	Profit on sale of assets	(0.85)	(0.12)
	Loss on sale of assets	1.18	0.18
	Dividend on non-current Investment	(0.22)	(0.03)
	Provision for Doubtful advance	0.15	Nil
	Doubtful advances written off	0.01	0.05
	Provision for Bad Debts	3.51	Nil
	Bad debts written off	6.35	1.54
	Depreciation written back during the peiod.	0.53	Nil
	Share of Profit in associates	(0.45)	(0.23)
	Currency fluctuation reserve	75.46	(3.85)
	Profit on sale of other long term investment	Nil	(0.71)
	Profit on sale of other current investment	(2.80)	(0.26)
		795.61	423.97
	Operating profit before working capital changes	1307.37	543.91
	Adjustments for :		
	Trade and other receivables	11.06	(29.97)
	Inventories	(206.25)	(138.60)
	Trade Payables, provisions and other liabilities	19.83	76.78
		(175.36)	(91.79)
	Cash generated from operations	1132.01	452.12
	Finance cost	(109.18)	(68.30)
	Direct taxes paid	(142.09)	(51.56)
		(251.27)	(119.86)
	Net cash from operating activities	880.74	332.26
B	Cash flow from investing activities :		
	Purchase of fixed assets	(887.84)	(204.40)
	Sale of fixed assets	1.82	6.56
	Sale of non-current Investment	Nil	1.06
	Sale of current Investment	638.80	425.14
	Purchase of Non Current investment	(28.26)	(6.60)
	Purchase of current investment	(658.00)	(424.88)
	Interest received	39.30	23.27
	Dividend on non-current Investment	0.22	0.03
	Net cash used in investing activities	(893.96)	(179.82)
		(13.22)	152.44
C	Cash flow from financing activities :		
	Change in loans and deposits	(41.62)	(62.44)
	Proceed from Short Term borrowings (Net)	(11.13)	(52.29)
	Proceed from Long Term borrowings	160.03	21.05
	Repayment of Long Term borrowings	(148.99)	(33.97)
	Dividend paid (Including dividend tax)	(0.06)	(83.48)
	Net cash used in financing activities	(41.77)	(211.13)
	Net increase in cash and cash equivalents	(54.99)	(58.69)
	Cash and cash equivalents (opening)	110.58	171.14
	Add : Opening balance acquired on amalgamation	18.43	0.02
	Add : Opening balance acquired on acquisition	0.51	Nil
	Cash and cash equivalents (closing)	74.53	112.47

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

(2) Amalgamation of Saurashtra Chemicals Ltd. with the Company and acquisition of Sidhhi Vinayak Cement Pvt. Ltd. are non cash transactions.(see note no. 40 and 45)

(3) Rs. 1.89 crores from opening cash balance transfer to other non current assets

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 : February 13, 2013

For and on behalf of the Board

KALPESH A. PATEL
Executive Director

Dr. K. K. PATEL
Chairman

PARESH SHETH
Company Secretary

RAJENDRA D. SHAH
Director

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note - 1 : SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of Preparation of Financial Statements

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 and the accounting principles generally accepted in India and comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable. However, insurance claims are accounted on the basis of claims settled during the period and other than cash compensatory incentives are accounted on the basis of receipt.

Use of Estimates

The presentation of the financial statements are in conformity with the generally accepted accounting principles which 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.

(B) Current – non current classification

All assets and liabilities are classified into current and non current.

Assets:

An asset is classified as current when it satisfies any of the following criteria:

- (I) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (II) It is held primarily for the purpose of being traded;
- (III) It is expected to be realized within 12 months after the reporting date; or
- (IV) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liability:

Liability is classified as current when it satisfies any of the following criteria:

- (I) It is expected to be settled in the Company's normal operating cycle;
- (II) It is held primarily for the purpose of being traded;
- (III) It is due to be settled within 12 months after the reporting date; or
- (IV) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle:

Operating cycle is the time between and acquisition of assets for processing and their realisation in cash and cash equivalent. The company considers its operating cycle as 12 months.

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(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 and amortisation.

- (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, and Caustic Soda Plant at Bhavnagar, Cepha, Beta, Oral, Injectable and F&D at Sachana.
- (III) Depreciation on fixed assets is provided on Straight Line Method in followings.
Alindra, Kalatalav-Bhavnagar(other than Caustic Soda Plant), Moraiya, Sachana (other than Cepha, Beta, Oral, Injectable, F&D, Utility 2 of new projects commenced during the year), Udaipur, Saurashtra Chemicals Ltd., Karnavati Holding Inc, 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, Kanak Castor Products Pvt. Ltd. and FRM Trona Fuels LLC, USA
- (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
- (VI) Intangible assets are amortised on a straight line basis over their estimated useful lives.

Assets	Estimated Use Life
Trade Marks	: 8 Years
Software	: 6 Years
License Fee	: 4 Years
Goodwill	: 10 Years
Goodwill on amalgamation	: 3 Years
Goodwill on Consolidation	: 15 Years

(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
Scrap : At net realisable value.

(G) Revenue recognition

Sales of Goods

Sales include excise duty and subsidy but exclude returns and sales tax. In cash of Bhavnagar Unit, sales include sales tax availed under incentive scheme of Government of Gujarat.

Income from Services

Revenue from services are cost incurred for conversion of raw materials in to finished products as required by parties.

(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 for the period in which the related service is rendered.
- (II) Post employment and other long-term employee benefits are recognised as an expense in the profit and loss for the period 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) The Company has exercised the option w.e.f 01.04.2011 with respect to the accounting treatment of foreign currency translation difference in accordance with Para 46 A of Accounting Standard 11 "The Effect of Changes in Foreign Exchange Rates" inserted by the notification dated 29.12.2011 issued by the Ministry of Corporate Affairs and has opted for amortising the foreign exchange fluctuation loss/(gain) on the long term foreign currency monetary items over the balance period of such items.
- (II) Exchange difference for other monetary items is dealt with in the Company's Profit and Loss.
- (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

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in one period and are capable of reversal in one or more subsequent periods.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with recommendations contained in Guidance Note issued by ICAI, the said asset is created by way of a credit to the Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

(P) Derivative Instruments

Premium/Discount, in respect of forward foreign exchange contract, is recognized over the life of the contracts. Exchange differences on such contracts are recognised in the Profit and Loss in the period which the exchange rates changes. Profit/Loss on cancellation/renewal of forward exchange contract is recognised as income/expense for the period.

(Q) Cash and Cash Equivalents

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash on hand and cash at bank including fixed deposit with original maturity period of less than three months and short term highly liquid investments with as original maturity of three month or less.

(R) Measurement of Profit before Finance cost, Depreciation / Amortisation and Tax (PBFDT)

As permitted by the Guidance Note on the Revised Schedule VI of the Companies Act, 1956, The Company has elected to present PBFDT as separate line item on the face of the Statement of Profit and Loss. The Company measures PBFDT on the basis of Profit/Loss from continuing operations. In its measurement, the Company does not include depreciation and amortization expenses, finance costs and tax expenses.

(S) Cash flow Statement

Cash flow are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing of financing cash flows. The cash flows from operating, investing and finance activities of the Company are segregated on the available information.

(T) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity share outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(U) Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks, returns and the internal organization. The operating segments are the segments for which separate financial information is available and for which operating Profit/Loss amounts are evaluated regularly by the executive management in deciding how to allocate resource and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter

Segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocated to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities”.

(V) General

Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

Note - 2 : SHARE CAPITAL

Rs. in crores

Particulars	As at 30.09.2012		As at 31.03.2011	
	Number of shares	Rs.	Number of shares	Rs.
AUTHORISED				
Equity shares of Rs 5 each	231,000,000	115.50	280,000,000	140.00
6% Redeemable non cumulative non convertible preference shares of Rs.100 each	1,000,000	10.00	1,000,000	10.00
6% Redeemable non cumulative non convertible preference shares of Rs.1 each	250,000,000	25.00	Nil	Nil
		150.50		150.00
ISSUED AND SUBSCRIBED				
Equity shares of Rs.5 each	159,175,666	79.59	159,175,666	79.59
		79.59		79.59
FULLY PAID UP				
Equity shares of Rs.5 each	159,142,282	79.57	159,142,282	79.57
Equity shares forfeited [Rs.2000(p.y.Rs.2000)]	800		800	
		79.57		79.57
Preference shares to be issued (Refer note no.II below.)		24.71		Nil
Total		104.28		79.57

Notes :

- I) 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.
- II) The Modified rehabilitation Scheme in the form of Amalgamation of Saurashtra Chemicals Ltd (SCL) with the Company has been sanctioned by Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 22.01.2013. The Scheme has become effective from 09.02.2013. As per the Scheme, the Company will issue and allot 24,70,80,232 preference shares to the equity shareholders of SCL, as of the record date of SCL to be fixed, in the ratio of 1 (one) 6% Redeemable Non Cumulative Non Convertible Preference Shares of Rs. 1/- each fully paid-up against 1 equity shares of Rs.1 each fully paid up held by such members in SCL. The issue and allotment of preference shares as of date are pending.

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A) The Reconciliation of Number of Equity Shares outstanding at the beginning and at the end of the period

Particulars	As at 30.09.2012		As at 31.03.2011	
	Number of shares	Rs. In crores	Number of shares	Rs. In crores
Opening Balance	159,142,282	79.57	159,142,282	79.57
Closing Balance	159,142,282	79.57	159,142,282	79.57

B) Rights Preferences and restrictions attached to class of shares

The Company has one class of equity shares having par value of Rs.5 per share. Each member is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the members in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity members are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

C) The Company do not have any holding company

D) The details of Shareholders holding more than 5% of Equity Shares

Particulars	As at 30.09.2012		As at 31.03.2011	
	No. of shares held *	% of Total paid up Equity Share Capital	No. of shares held *	% of Total paid up Equity Share Capital
1. Smt. Shantaben K. Patel	23,137,881	14.54	23,137,881	14.54
2. Banihal Holdings Pvt. Ltd.	22,937,900	14.41	22,937,900	14.41
3. Dr. Karsanbhai K. Patel	19,133,836	12.02	12,769,300	8.02
4. Leh Holdings Pvt. Ltd.	16,443,900	10.33	16,443,900	10.33
5. Kargil Holdings Pvt. Ltd.	16,178,700	10.17	16,178,700	10.17
6. Uri Holdings Pvt. Ltd.	14,521,900	9.13	14,521,900	9.13
7. Shri Hirenbhai K. Patel	13,580,480	8.53	13,580,480	8.53
8. Shri Rakeshbhai K. Patel	12,959,200	8.14	12,959,200	8.14
9. Kulgam Holdings Pvt. Ltd.	12,003,900	7.54	12,003,900	7.54

* Includes Equity shares held as trustee and as member of AOP

E) Details of forfeited shares

Class of shares	As at 30.09.2012		As at 31.03.2011	
	Number of shares	Rs. In crores	Number of shares	Rs. In crores
Equity shares with voting rights	800	(Rs. 2000)	800	(Rs. 2000)

F) Details of Shares kept in abeyance due to court orders

Class of shares	As at 30.09.2012		As at 31.03.2011	
	Number of shares	Rs. In crores	Number of shares	Rs. In crores
Equity shares with voting rights	32,584	0.02	32,584	0.02

G) Equity shares allotted as fully paid up pursuant to scheme of arrangement without payment being received in cash during the period of five years immediately preceding 30.09.2012 being date of Balance Sheet.

	Number of shares As at 30.09.2012	Number of shares As at 31.03.2011
No of Equity shares	372,914	372,914

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Note - 3 : RESERVES AND SURPLUS

Rs. in crores

	As at 30.09.2012	As at 31.03.2011
Capital Reserve		
As per last Balance Sheet	363.13	360.66
Add : Adjustment on account of amalgamation	Nil	2.47
Closing balance	363.13	363.13
Debenture Redemption Reserve		
As per last Balance Sheet	Nil	Nil
Add : Transferred from statement of profit and loss	28.19	Nil
	28.19	Nil
Capital Redemption Reserve		
As per last Balance Sheet	2.81	2.81
Securities Premium Account		
As per last Balance Sheet	222.70	222.70
Currency fluctuation reserve		
As per last Balance Sheet	7.40	11.28
Add: Addition during the period	75.46	(3.88)
Closing Balance	82.86	7.40
General Reserve		
As per last Balance Sheet	1994.71	1999.98
Less: Adjustments on account of on account of acquisition of company	0.09	Nil
Less: Adjustment on account of amalgamation	Nil	5.27
Closing balance	1994.62	1994.71
Profit and loss account		
As per last Balance Sheet	246.08	148.36
Add: Profit for the period	51.14	94.92
Add: Adjustments on account of amalgamation	Nil	2.80
Less : Transferred to Debenture redemption reserve	28.19	Nil
Closing balance	269.03	246.08
Total	2963.34	2836.83

Note - 4 : LONG TERM BORROWINGS

Rs. in crores

	As at 30.09.2012	As at 31.03.2011
Other Loans and Advances		
Secured		
External commercial borrowings (ECBs) (Refer Note no. - I & X below)	176.20	512.90
Term Loan from banks (Refer Note no. - VI below)	50.88	89.19
Loan from Gujarat Housing Board (Refer Note no. - IX below)	(Rupees 8083)	Nil
Inter Corporate Deposit from Related Parties (Refer Note no. - II below & 42)	210.00	Nil
Vehicle loans (Refer Note no. - VIII below)	0.05	Nil
Unsecured		
Debentures (Refer Note no. - III & IV below)	152.89	Nil
Term loan from banks	Nil	33.45
Inter Corporate Deposit from Related Parties (Refer Note no. - V below & 42)	370.00	
Deferred sales tax liability (Refer Note no.- XI below)	0.04	0.04
Total	960.06	635.58

Notes:	As at 30.09.2012		As at 31.03.2011	
	Non Current	Current	Non Current	Current
I) The external commercial borrowings is due for repayment on 27.11.2013 for Rs.26.43 crores (US \$ 0.50 crore), on 27.05.2014 for Rs.114.53 crores (US \$ 2.17 crores) and on 16.06.2014 for Rs.35.24 crores(US \$ 0.66 crore). Secured by first pari-passu charge on movable plant and machineries situated at Bhavnagar, Gujarat and negative lien on shares of Karnavati Holdings Inc. USA, wholly owned subsidiary, held by the company.	176.20	281.92	512.90	Nil
II) Inter corporate deposits from related parties, vested on amalgamation of Saurashtra Chemicals Ltd, are secured by way of first legal/equitable mortgage/charge ranking pari passu on immovable properties of erstwhile Saurashtra Chemicals Ltd. and hypothecation/charge ranking pari passu on movable properties both present and future of erstwhile Saurashtra Chemicals Ltd. The rate of interest is 10% p.a. from appointed date.	210.00	0.93	Nil	Nil
III) 10.50% Unsecured Redeemable Non Convertible Debentures is redeemable at par on 30.05.2014.	150.00	Nil	Nil	Nil
IV) 0% Unsecured Redeemable Non Convertible Debenture is redeemable on 28.06.2014.	2.89	2.88	Nil	Nil
V) Unsecured inter corporate deposit from related parties, vested on amalgamation of Saurashtra Chemicals Ltd., carry interest @ 10% on Rs.223.17 crores and @ 9.50% on Rs.146.83 crores from appointed date.	370.00	Nil	Nil	Nil

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VI) Term Loan granted by BNP Paribas to Karnavati Holding 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. Interest at 1.75 % over LIBOR (2.22% & 2.60 % at March 31st, 2012 and 2011), due in three equal installment of USD 10 million on June 16, 2011, 2012 and 2013. Loan contains certain financial covenants relating to interest coverage, assets coverage and debt to net worth and has certain restrictions on transactions.	50.88	50.88	89.19	44.59
VII) Term Loan granted to KHI by Credit Agricole Corporate & Investment Bank is against the corporate guarantee of the Company. Interest payable quarterly at 2.50 % over LIBOR (3.24 % and 2.96 % at March31, 2012 and 2011), due in semi annual installments of USD 3.75 million beginning September 25, 2011 through March 25, 2013 subject to certain financial covenants.	Nil	38.16	33.45	33.45
VIII) Vehicle loans pertains to vehicals purchased in December 2009 and August 2011 and is secured by the underlying vehicle. The amount is payable in 35 and 60 installments respectively over a period from the date of purchase.	0.05	0.07	Nil	Nil
IX) Loan from Gujarat Housing Board Rs.8083 is secured by mortgage of related tenements and will be paid as per existing terms and conditions.				
X) External Commercial Borrowings have been fully hedged for interest rate fluctuation by way of interest rate swap.				
XI) 0% Deferred sales tax loan is repayable in six yearly equal installments of (Rs.0.01 crore) starting from 01.04.2015.				

Note - 5 : DEFERRED TAX LIABILITIES (Net)

Rs. in crores

	As at 30.09.2012	As at 31.03.2011
Deferred Tax Liabilities		
Related to fixed assets	421.67	336.54
Others	2.81	Nil
	424.48	336.54
Deferred Tax Assets		
Disallowance under Income Tax Act	24.27	41.39
Others	46.99	Nil
Carried forward MAT	Nil	12.35
Carried forward loss	5.80	Nil
	77.06	53.74
Net deferred tax liability	347.42	282.80

Note - 6 : OTHER LONG TERM LIABILITIES

Rs. in crores

	As at 30.09.2012	As at 31.03.2011
Trade Deposits	115.95	92.66
Others	53.11	22.60
Total	169.06	115.26

Note - 7 : LONG TERM PROVISIONS

Rs. in crores

	As at 30.09.2012	As at 31.03.2011
Provision for employee benefit (Refer note no. - 34)	35.82	22.45
Total	35.82	22.45

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Note - 8 : SHORT - TERM BORROWINGS

Rs. in crores

	As at 30.09.2012	As at 31.03.2011
Secured		
Working Capital Loans from Banks (Refer Note no. - I to IV below)		
Foreign currency Loan		
Packing credit	39.64	Nil
Local Currency Loan		
Cash credit accounts	118.29	359.04
Term loans	100.00	70.00
	257.93	429.04
Unsecured (Refer Note no. - V below & 42)		
Loan from Directors	144.32	82.80
Inter corporate deposits from related parties	101.89	3.59
	246.21	86.39
Total	504.14	515.43

Notes:

- I) The Short term loans and credit facilities from Banks are secured on pari-passu basis, by 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. Effective cost of the above bank loan is in the range of 7% to 15% p.a.
- II) Outstanding working capital facilities from banks part of cash credit accounts, Rs.8.68 crores is secured by lien of Fixed deposit of Rs.11 crores.
- III) Revolver Loan of US\$ 15 million equivalent to Rs. 76.32 crores (p.y.US\$ 15 Million, Rs.66.91 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. Interest payable monthly at 2.50% over three month LIBOR or the cost of funds, as defined (2.968% at March 31, 2012) .
- IV) Revolver Loan of US\$ 40 million, equivalent to Rs.203.52 as amended up to US\$ 65 millions, equivalent to Rs.330.72 crore on 30.05.2012 of Bank of America, N.A. being agent of the lenders, to SVM, is secured by accounts receivable, inventory, lien on deposit accounts and cash collaterals of SVM. The outstanding balance as of 30.05.2012 was US\$ 20.169 million, equivalent to Rs.113.17 crores.
- V) Effective cost of unsecured is in range of 8% to 10% p.a.

Note - 9 : TRADE PAYABLES

Rs in crores

	As at 30.09.2012	As at 31.03.2011
Trade payable	482.44	388.74
Total	482.44	388.74

Note - 10 : OTHER CURRENT LIABILITIES

Rs in crores

	As at 30.09.2012	As at 31.03.2011
Current maturities of long-term debt (ECBs) & others (Refer Note no - I, II & III below)	373.91	78.04
Current maturities of long-term debt from related parties (Refer Note no - IV below & 42)	0.93	Nil
Book credit in bank	0.62	Nil
Share application money due for refund (Refer Note no. - V)	15.37	Nil
Advances received from customers	40.78	43.08
Interest accrued but not due on borrowings	7.76	3.28
Statutory liabilities	119.72	60.73
Unpaid dividends	0.54	0.60
Creditors for Capital expenditure	22.81	6.19
Other payables	28.96	53.00
Total	611.40	244.92

Notes :

- I) The external commercial borrowings (ECBs) are due for repayment on 27.11.2012, 27.05.2013 and 16.06.2013 in installment of Rs.26.43 crores(US \$ 0.50 crores) Rs.220.25 crores(US \$ 4.17 crores), and Rs.35.24 crores(US \$ 0.66 crores) respectively.
- II) ECBs are Secured by first pari-passu charge on movable plant and machineries situated at Bhavnagar, Gujarat and negative lien on shares of Karnavati Holdings Inc. USA, holly owned subsidiary, held by the company.
- III) Non convertible Debentures of Rs.2.88 crores due for redemption on 28.06.2013.
- IV) Inter corporate deposits from related parties, vested on amalgamation of Saurashtra Chemicals Ltd, are secured by way of first legal/equitable mortgage/charge ranking pari passu on immovable properties of erstwhile Saurashtra Chemicals Ltd. and hypothecation/charge ranking pari passu on movable properties both present and future of erstwhile Saurashtra Chemicals Ltd. The rate of interest is 10% p.a. from appointed date.
- V) During previous year, erstwhile promoters had brought in share application money due to acquisition of Siddhi Vinayak Cement Private Limited by Company, the transaction do not take place and hence amount is due for the refund to them. There is no interest payable on the same.

Note - 11 : SHORT TERM PROVISIONS

Rs. in crores

	As at 30.09.2012	As at 31.03.2011
Provision for employee benefits (Refer Note no. - 34)	23.76	15.69
Provision for tax (net)	32.58	Nil
Total	56.34	15.69

Note - 12 : FIXED ASSETS

Rs in crores

PARTICULARS	GROSS BLOCK (at cost)						DEPRECIATION						NET BLOCK			
	ASAT 01.04.2011	Addition / Adjustments during the period	Purchase of Company	Acquired on Amalgam- ation	Transla- tion Adjust- ments	Deduction / Adjustments during the period	AS AT 30.09.2012	AS AT 01.04.2011	Addition / Adjustments during the period	Purchase of Company	Acquired on Amalgam- ation	Translation Adjustments - Accumulated Depreciation	Deduction / Adjustments during the period	UP TO 30.09.2012	AS AT 30.09.2012	ASAT 31.03.2011
TANGIBLE ASSETS																
1. Freehold land	72.95	56.40	48.23	0.71	Nil	1.89	176.40	Nil	Nil	Nil	Nil	Nil	Nil	176.40	72.95	
2. Leasehold land (permanent)	0.13	Nil	Nil	0.15	Nil	Nil	0.28	Nil	Nil	0.15	Nil	Nil	0.15	0.13	0.13	
3. Building	557.41	6.47	Nil	12.83	6.28	0.15	582.84	207.42	31.70	5.82	2.06	0.08	246.92	335.92	349.99	
4. Plant & equipments	3603.05	228.65	0.04	665.06	27.18	0.17	4523.81	2064.87	344.33	207.32	4.66	0.12	2621.07	1902.74	1538.18	
5. Furniture & fittings	20.46	0.74	Nil	1.26	0.01	0.06	22.41	15.18	1.54	0.98	Nil	0.58	17.12	5.29	5.29	
6. Office equipments	0.41	0.43	0.04	Nil	Nil	Nil	0.88	0.09	0.08	0.01	Nil	Nil	0.18	0.70	0.32	
7. Vehicles	50.25	16.54	0.20	1.32	2.25	2.99	67.57	24.46	6.81	0.03	0.37	2.34	30.18	37.39	25.79	
TOTAL (A)	4304.66	309.23	48.51	681.33	35.72	5.26	5374.19	2312.02	384.46	0.05	215.12	7.09	2915.62	2458.57	1992.64	
INTANGIBLE ASSETS																
1. Goodwill	1.57	Nil	Nil	Nil	Nil	Nil	1.57	1.57	Nil	Nil	Nil	Nil	1.57	Nil	Nil	
2. Goodwill on Consolidation	532.79	Nil	Nil	Nil	75.08	Nil	607.87	115.44	38.19	Nil	18.60	Nil	172.23	435.64	417.35	
3. Goodwill on Amalgamation	Nil	92.14	Nil	Nil	Nil	Nil	92.14	Nil	46.07	Nil	Nil	Nil	46.07	46.07	Nil	
4. Trademark	429.17	Nil	Nil	Nil	Nil	Nil	429.17	429.17	Nil	Nil	Nil	Nil	429.17	Nil	Nil	
5. Licence fee	33.86	Nil	0.02	Nil	Nil	Nil	33.88	16.93	12.70	Nil	Nil	Nil	29.63	4.25	16.93	
6. Computer Software	7.00	0.92	Nil	Nil	0.05	Nil	7.97	6.95	0.03	Nil	Nil	Nil	6.98	0.99	0.05	
TOTAL (B)	1004.39	93.06	0.02	Nil	75.13	Nil	1172.60	570.06	96.99	Nil	18.60	Nil	685.65	486.95	434.33	
Total (A) + (B)	5309.05	402.29	48.53	681.33	110.85	5.26	6546.79	2882.08	481.45	0.05	215.12	25.69	3601.27	2945.52	2426.97	
Previous year	5031.53	292.05	Nil	Nil	(6.26)	8.27	5309.05	2493.14	392.44	Nil	(1.85)	1.65	2882.08	2426.97		
Capital work in progress														518.61	135.01	
Intangible assets under development														5.58	Nil	

Notes :

- Building includes (Rs.1000) in respect of shares held in co-op housing society.
- 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.Nil (p.y.28.68 crores) depreciation provided for previous year due to change in method of depreciation has been included under the heading depreciation during the period.
- Rs.0.09 crore (p.y.Rs.0.06 crore) depreciation provided during the period transferred to pre-operative expenses.
- Assets of amalgamating company are yet to be transferred in the name of the Company.
- Rs.0.54 crore depreciation written back during the period transferred to previous year income.

Note - 13 : NON CURRENT INVESTMENTS (At Cost)

Rs in crores

	As at 30.09.2012	As at 31.03.2011
(Long Term Investments)		
Trade Investments		
In Equity Shares of Associates Companies - Unquoted - fully paid up		
49% Share Nil FRM Trona Fuels LLC	3.27	Nil
1300000 1300000 Kanak Castor Products Pvt. Ltd. face value of Rs.10 (Including Goodwill of Rs.1.30 crores)	1.30	1.30
Add/Less : Share of profit/loss in associates	1.19	0.74
Total of Trade Investments (A)	5.76	2.04
Other Investments		
In Equity Shares - Quoted - fully paid up		
180914 Nil Torrent Pharmaceuticals Ltd. face value of Rs.5	12.10	Nil
	12.10	Nil
In Equity Shares - Listed but not quoted - fully paid up		
1000000 1000000 Inlac Granston Ltd. face value of Rs.10	1.00	1.00
Less : Provision for diminution in value	1.00	1.00
	Nil	Nil
In Equity Shares - Unquoted - fully paid up		
100 100 Nutan Nagarik Sahakari Bank Ltd. face value of Rs.25 [Rs.2500 (p.y.Rs.2500)]		
57020 57040 The Kalupur Comm. Co.op. Bank Ltd. face value of Rs.25	0.14	0.14
2200000 2200000 Gold Plus Glass Industry Ltd. face value of Rs.10	6.60	6.60
100000 100000 Enviro Infrastructure Company Ltd. face value of Rs.10	0.10	0.10
	6.84	6.84
Investments in Government securities (Unquoted)		
National Saving Certificate and Kisan Vikas Patra lodged with various authorities [Rs.33000 (p.y. Rs.42000)]		
Total of Other Investments (B)	18.94	6.84
Total (A) + (B)	24.70	8.88
Notes :		
I) Aggregate value of Unquoted Investments	13.60	9.88
II) Aggregate value of Quoted Investments	12.10	Nil
III) Market value of Quoted Investments	12.56	Nil
IV) Aggregate value of Diminution in value of investment	1.00	1.00

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Note - 14 : LONG-TERM LOANS AND ADVANCES

Rs in crores

	As at 30.09.2012	As at 31.03.2011
Unsecured, considered good		
Capital advances	57.96	64.36
Security deposits	1.35	Nil
Loans and advances to employees	0.02	Nil
Balance with Statutory authorities	19.48	15.00
Prepaid expense	0.22	Nil
Advance Income tax net of provisions	Nil	358.59
Foreign currency monetary item translation difference account (Refer Note no. - I below)	5.06	Nil
Total	84.09	437.95

Note :

- I) During the period ended on 30.09.2012 the company exercised the option granted vide notification F.no.17/133/2008/CL-V dated 29.12.2011 issued by the Ministry of Corporate Affairs and accordingly, the exchange difference arising on revaluation of long term foreign currency monetary items has been recognised over the shorter of the loan repayment period and 31.03.2020. The unamortised balance as at 30.09.2012 of Rs.24.64 crores previous year Nil is presented as "Foreign Currency Monetary Item Translation Difference Account".

Note - 15 : OTHER NON CURRENT ASSETS

Rs in crores

	As at 30.09.2012	As at 31.03.2011
Balances with banks		
Bank deposit with maturity more than 12 months	2.82	1.30
Total	2.82	1.30

Note - 16 : CURRENT INVESTMENTS

Rs in crores

	As at 30.09.2012	As at 31.03.2011
Current Investments (At Cost)		
Current Period Previous Year		
In Mutual Fund - Quoted, fully paid up		
Units Units Face value of Rs.100 each		
1222275 Nil Birla Sun Life Cash Plus -Growth	22.00	Nil
Total	22.00	Nil
Notes :		
I) Market value of Quoted Investments	22.02	Nil
II) Aggregate value of Quoted Investments	22.00	Nil

Note - 17 : INVENTORIES

(At lower of cost and net realisable value)

Rs in crores

	As at 30.09.2012	As at 31.03.2011
Raw materials & Packaging materials (Include goods in transit Rs.0.11 crore(p.y.Rs.7.87 crores)	321.68	230.92
Work-in-progress	106.91	64.79
Finished goods	384.89	284.94
Stock-in-trade (Trading Goods)	14.14	12.20
Stores and spares	437.35	355.36
Total	1,264.97	948.21

Note - 18 : TRADE RECEIVABLES

Rs in crores

	As at 30.09.2012	As at 31.03.2011
More than six months		
Unsecured, considered good	6.50	26.94
Unsecured considered Doubtful	4.66	1.03
	11.16	27.97
Less: Provision for doubtful trade receivables	4.66	1.03
	6.50	26.94
Other Trade receivables		
Secured, considered good	780.93	592.36
Unsecured, considered good		
Total	787.43	619.30

- l) Trade receivables include Rs.10.68 crores (p.y. Rs.13.38 crores) on account of subsidy receivable from the Government.

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Note - 19 : CASH AND BANK BALANCES

Rs in crores

	As at 30.09.2012	As at 31.03.2011
Cash and cash equivalents		
Balances with banks		
In current accounts	45.00	110.16
Less : Provision for Doubtful Bank Balances	0.59	0.59
	44.41	109.57
Cash on hand	2.45	0.38
	46.86	109.95
Other bank balances		
(i) In deposit accounts (With original maturity more than 3 months)	29.96	1.33
(ii) Others		
Unclaimed Dividend account	0.39	0.46
Secured premium notes money received and due for refund	0.14	0.14
Less : Bank deposits with more than 12 months maturity (Transferred to other non current assets)	2.82	1.30
	27.67	0.63
Total	74.53	110.58
Notes :		
I) Earmarked balances with Banks	15.61	0.79
II) Earmarked balances with various Statutory Authorities	0.54	0.54
III) Earmarked balances with various Tender Authorities	0.10	Nil

Note - 20 : SHORT TERM LOANS AND ADVANCES

	As at 30.09.2012	As at 31.03.2011
(Unsecured and Considered good)		
Loans & Advances	90.46	98.70
Loans and advances to related parties (Refer note no. - 42)	18.32	Nil
Loans and advances to employees	2.05	1.39
Inter Corporate Deposit	54.83	23.69
Inter corporate deposits to related parties (Refer note no. - 42)	12.89	0.01
Advances to Suppliers	53.86	55.58
Advances to Suppliers to related parties (Refer note no. - 42)	Nil	169.71
Balance with Statutory authorities	97.97	67.15
Security Deposits	2.35	17.41
MAT credit entitlement	76.00	Nil
Prepaid expenses	56.06	12.38
Others	3.79	Nil
	468.58	446.02
(Unsecured, Considered doubtful)		
Loans & Advances	0.16	Nil
Less : Provision for doubtful advances	0.16	Nil
	Nil	Nil
Total	468.58	446.02

Note - 21 : OTHER CURRENT ASSETS

Rs in crores

	As at 30.09.2012	As at 31.03.2011
Interest accrued but not received	0.40	0.67
Other receivable	0.31	0.05
Foreign Currency Monetary Item Translation Difference Account (Refer note no. 14 - I)	19.59	Nil
Income Receivables	8.72	2.33
Others	6.45	Nil
Total	35.47	3.05

Note - 22 : REVENUE FROM OPERATIONS

Rs in crores

	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
(a) Sale of Products (Refer Note no. - I below)	8418.62	4823.17
(b) Sale of Services	18.39	8.56
(c) Sale of Traded Goods	136.95	60.52
(d) Other Operating Revenues	12.16	4.23
Total - Revenue from operations	8586.12	4896.48

Notes

(i)	Details of Sale value of Goods Manufactured under Broadheads		
	Detergents	1949.05	1124.32
	Toilet Soap	748.88	381.93
	Linear Alkyl Benzene	576.89	343.77
	Soda Ash	2904.74	1506.34
	Pharma Products	613.00	242.25
	Refined Bicarbonate	36.90	Nil
	Others	1589.16	1224.56
	Total - Sale of Manufactured Goods	8418.62	4823.17
(ii)	Sale of services - Processing charges	18.39	8.56
	Total - Sale of Services	18.39	8.56
(iii)	Other operating revenues		
	Duty drawback and other export incentives	3.16	Nil
	Scrap Sales	9.00	4.23
	Total - Other Operating Revenues	12.16	4.23

Note :

I) Sales of product includes subsidy income of Rs.36.34 crores (p.y.Rs.31.85 crores) from Government.

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Note - 23 : OTHER INCOME

Rs in crores

	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
Interest income	39.25	20.54
Exchange fluctuation gain (Net)	Nil	14.17
Dividend From Long term Investments	0.22	0.03
Net gain on sale of investments		
current investments	2.80	0.26
long-term investments	Nil	0.71
Other non-operating income (net of expenses directly attributable to such income)		
Profit on Sale of Assets	0.85	0.12
Claims and Refunds	4.31	2.07
Others	29.56	19.61
Total	76.99	57.51

Note - 24 : COST OF MATERIALS CONSUMED

Rs in crores

	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
Opening stock [Includes Rs.29.36 crores (p.y.Rs.Nil) acquired on amalgamation]	252.41	179.58
Add: Purchases	2865.75	1512.20
	3118.16	1691.78
Less: Closing stock	321.57	223.05
Cost of Material Consumed	2796.59	1468.73
Details of Material Consumed		
Chemicals and perfumes	1896.20	969.47
Oils and fats	449.82	219.81
Others	450.57	279.45
Other items		
Total	2796.59	1468.73

Note - 25 : PURCHASE OF TRADED GOODS

Rs in crores

	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
Traded good:		
Castor Oil	67.28	39.20
Pharma Products	29.36	7.29
Others	3.00	23.88
Total	99.64	70.37

Note - 26 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Rs in crores

	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
Inventories at the end of the period:		
Finished goods	384.89	284.94
Work-in-progress	106.91	64.79
Stock-in-trade	14.14	12.20
Total	505.94	361.93
Inventories at the beginning of the period:		
Finished goods (incudes Rs.23.67 crores acquired on amalgamation)	308.61	276.15
Work-in-progress (incudes Rs.17.36 crores acquired on amalgamation)	80.86	52.85
Stock-in-trade	12.20	2.75
Total	401.67	331.75
Changes in inventories of finished goods, work-in-progress and stock-in-trade	104.27	30.18

	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
Details of Inventories :		
Manufactured Goods		
Detergents	48.26	23.22
Toilet Soap	64.20	26.16
Soda Ash	80.54	73.81
Linear Alkyl Benzene	44.90	38.54
Pharma Products	50.76	16.75
Others	96.23	106.46
Total	384.89	284.94
Traded Goods :		
Soda Ash	Nil	5.43
Pharma Products	9.24	1.91
Castor Oil	4.90	3.91
Others	Nil	0.95
Total	14.14	12.20
Work-in-progress :		
Detergents	6.94	6.24
Toilet Soap	26.38	14.29
Soda Ash	33.68	17.89
Linear Alkyl Benzene	18.58	12.16
Pharma Products	10.26	8.72
Others	11.07	5.49
Total	106.91	64.79

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Note - 27 : EMPLOYEE BENEFITS EXPENSE

Rs in crores

	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
Salaries and wages	551.20	375.00
Contributions to provident and other funds (Refer Note no. - 33)	47.03	29.74
Staff welfare expense	69.50	47.50
Total	667.73	452.24

Note - 28 : OTHER EXPENSES

Rs in crores

	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
Consumption of stores and spare parts	315.77	177.77
Power and fuel expenses	1,368.64	806.59
Excise duty provided on stocks	7.69	5.82
Processing charges	42.29	25.97
Rent expenses	68.64	62.93
Repairs and maintenance		
To building	15.18	4.38
To machinery	107.94	115.36
To others	8.22	4.67
	131.34	124.41
Insurance expenses	22.21	15.61
Rates and taxes	42.03	26.76
Payments to auditors		
Audit fees	1.19	0.78
Taxation matters	1.31	0.87
Other matters	1.34	0.06
Expenses reimbursed	Nil	0.01
	3.84	1.72
Cost Audit fees	0.01	0.01
	3.85	1.73
Directors' fees	0.05	0.04
Discount on sales	150.94	119.08
Commission on sales	24.55	9.38
Freight and transportation expenses	816.50	577.46
Sales tax expenses	10.86	14.33
Advertisement expenses	77.18	47.19
Exchange fluctuation loss (Net)	69.96	Nil
Loss on sales of assets	1.18	0.18
Donation	2.99	1.04
Sales promotion expenses	13.06	5.59
Provision for doubtful advances	0.15	Nil
Doubtful advances written off	0.01	0.05
Provision for Bad debts	3.51	1.54
Bad debts written off	6.35	71.69
Other expenses [Net of Transport Income Rs.3.91 crores(p.y.Rs.2.78 crores)] *	234.27	129.84
Total	3414.02	2153.31

* Includes prior period adjustments(net) (Rs.0.20 crore) (p.y. Rs.0.31 crore)

Note - 29 : FINANCE COST

Rs in crores

	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
Interest expense*	189.01	61.18
Other borrowing costs	13.64	8.84
Total	202.65	70.02
* Net of interest cost capitalised	15.90	10.72

Note - 30 : EXCEPTIONAL ITEMS

Rs in crores

	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
Excess provision of various expenses written back	2.03	Nil
Depreciation provided of earlier years	Nil	(28.68)
Total	2.03	(28.68)

Note - 31 : 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 where in the consolidation are drawn up to the year ended 31.03.2012 except Nirlife Mexico. Whose finance period end as on 30.09.2012, where as the reporting date of the Company is 30.09.2012.
- (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 period. Any exchange difference arising on consolidation is recognized in the statement of profit and loss, except in the case of foreign subsidies being non-integral foreign operation, which are recognized in the currency fluctuation reserve.

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- (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.*	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%
9	Siddhi Vinayak Cement Pvt. Ltd.*	India	100%
10	Nirlife Mexico, SA DE C.V*	Mexico	100%

* Subsidiary Company having 31.03.2012 reporting date.

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	FRM Trona Fuels LLC,USA	India	49%

Note - 32

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.

Note - 33: CONTINGENT LIABILITIES NOT PROVIDED FOR IN ACCOUNTS :

Rs. in crores

		As at 30.09.2012	As at 31.03.2011
(A)	Claims against the Company not acknowledged as debts		
	(I) For custom duty	5.97	1.60
	(II) For direct tax (*)	1294.06	1530.20
	(III) For sales tax	57.12	47.09
	(IV) For excise duty and service tax [appeals decided in favour of the Company Rs.85.59 crores (p.y. Rs.120.26 crores)]	145.08	122.74
	(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	40.33	14.42
		1547.07	1720.55
	(*) 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)	490.26	358.56
(C)	For letters of credit	85.98	161.92
(D)	For bank guarantee and bonds	54.22	31.12
(E)	Bills discounted with banks	Nil	6.96
(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.		

(G) Other Commitments
(I) Purchase Commitments

As of 31.03.2012, the foreign subsidiaries at USA has entered into supply contract to purchase natural gas and coal. The purchase commitments have been for amounts to be consumed within the normal production process and thus the company has determined that these contract meet normal purchases and sales exception as defined under U.S. generally accepted accounting principles. As such, these contract have been excluded from recognition within these financial statements until the actual contract are physically settled. The purchase commitment for coal is with one supplier and requires to purchase a minimum usage. Future minimum purchases remaining under this agreement are Rs.262.90 crores (\$ 51.67 million) through 31.12.2014. The foreign subsidiaries' at USA natural gas purchase commitment at 31.03.2012 was Rs.5.38 crores (\$ 1.06 million).

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(II) Minimum Annual Guaranty

Foreign subsidiaries' at USA shipments through the San Diego and Long Beach, California ports require a minimum annual guaranty (MAG). The Port of San Diego require that the foreign subsidiaries at USA ship a minimum amount of tons at a fixed wharfage charge through the port on an annual basis through expiration of the agreement. The Port of Long Beach required that the foreign subsidiaries at USA ship an annual minimum tonnage through the port at the basis rates. The San Diego port agreement expires in January 2018 and the Long Beach port agreement expires in March 2016. foreign subsidiaries at USA recorded Rs. 2.59 crores (\$ 0.51 million) and Rs. 2.81 crores (\$ 0.63 million) in unfulfilled MAG commitments as of 31.03.2012 and 2011, respectively, which is included in accounts payable. Future annual MAG commitments on the San Diego and Long Beach port aggregate Rs. 36.60 crores (\$ 7.19 million) (payable Rs. 6.37 crores (\$ 1.25 million) per year through expiration in January, 2018) and Rs. 25.28 crores (\$ 4.97 million) (payable Rs. 6.32 crores (\$ 1.24 million) per year through expiration in March 2016), respectively.

Note - 34

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

	Rs. in crores	
	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
Employer's Contribution to Provident Fund	17.50	8.18
Employer's Contribution to Superannuation Fund	0.03	Nil

(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

	01.04.2011 to 30.09.2012			01.04.2010 To 31.03.2011		
	Gratuity (Funded)	Leave Encashment (Unfunded)	Long Term Employee Benefits (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)	Long Term Employee Benefits (Unfunded)
	(India)	(India)	(Foreign)	(India)	(India)	(Foreign)
a. Reconciliation of opening and closing balances of Defined Benefit obligation						
Defined Benefit obligation at beginning of the Period	16.09	6.34	9.03	13.15	5.00	9.43
Add : Balance acquired on amalgamation	12.98	2.23	Nil	Nil	Nil	Nil
Current Service Cost	4.64	3.32	1.57	1.88	1.75	1.88
Past Services Cost	0.08	Nil	Nil	Nil	Nil	Nil
Interest Cost	3.50	1.00	0.30	1.05	0.42	0.30
Actual (gain) / loss	5.48	4.51	(1.35)	0.69	(0.05)	(1.21)
Benefits paid	(4.30)	(2.25)	(1.49)	(0.68)	(0.78)	1.31
Exchange Rate Difference	Nil	Nil	1.21	Nil	Nil	(2.68)
Defined Benefit Obligation at the period end	38.47	15.15	9.27	16.09	6.34	9.03
b. Reconciliation of opening and closing balances of fair value of plan assets						
Fair value of plan assets at beginning of the period	6.26			6.06		
Add : Balance acquired on amalgamation	12.84			Nil		
Expected return on plan assets	2.54			0.57		
Actuarial gain / (loss)	0.05			0.02		
Employer contribution	0.28			0.29		
Benefits paid	(2.99)			(0.68)		
Fair value of plan assets at the period end	18.98			6.26		
c. Reconciliation of fair value of assets and obligation						
Fair value of plan assets	18.98	Nil	Nil	6.26	Nil	Nil
Present value of obligation	(38.47)	(15.15)	(9.27)	(16.09)	(6.34)	(9.03)
Amount recognised in Balance Sheet	(19.49)	(15.15)	(9.27)	(9.83)	(6.34)	(9.03)
d. Expenses recognised during the period (under the head of "Payments to and Provisions for Employees" – Refer Note no.27)						
Current Service Cost	4.64	3.32	1.57	1.88	1.75	1.88
Interest Cost	3.50	1.00	0.30	1.05	0.42	0.30
Expected return on plan assets	(2.54)	Nil	Nil	(0.57)	Nil	Nil
Actuarial (gain) / loss	5.43	4.51	(1.35)	0.67	(0.05)	(1.21)
Net Cost	11.03	8.83	0.52	3.03	2.12	0.97
e. Investment Details:						
Invested with Life Insurance Corporation of India	100%			100%		
Actuarial assumption						
Discount rate (p. a.)	8.32%	8.32%	3.09%	8.32%	8.32%	3.09%
Discount rate of amalgamating company	8.25%	8.25%	Nil	Nil	Nil	Nil
Expected rate of return on plan assets (p. a.)	9.25%	Nil	Nil	9.25%	Nil	Nil
Rate of escalation in salary (p. a.)	6.00%	6.00%	4.00%	6.00%	6.00%	4.00%

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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.

Note - 35

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.

Note - 36

All of the vouchers, documents, data, records and books of accounts for the period from the Appointed Date of Demerger i.e. 01.12.2004 and up to and including the effective Date i.e. 07.03.2007 in relation to Demerged Undertaking are yet to be received from CHL.

Note - 37

Bank Balance in current accounts includes Rs 0.59 crores (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.

Note - 38

Income-tax Department passed orders making various disallowances/additions for different earlier assessment years. The Company is contesting disputes in appeals which are pending at various levels. Against the liabilities, the Company has written off taxes, by way of abundant caution, for Rs. 356.06 crores pending final outcome of appeals. The necessary adjustments, if any, will be made on finality of appeals.

Note - 39

As regards the Cement Project at Mahuva, the Ministry of Environmental & Forests *MoEF) had cancelled the Environment Clearance (EC) granted to the Project, pursuant to which, Company has filed an Appeal before the National Green Tribunal (NGT), which is pending.

Note - 40

The Board for Industrial and Financial Reconstruction (BIFR) has sanctioned the Modified Rehabilitation Scheme (MRS) in the nature of amalgamation of Saurashtra Chemicals Ltd. (SCL) with the Company vide its order dated 22.01.2013. The appointed date of the said MRS is 01.04.2011. Consequently, the financial of the Company for period ended on 30.09.2012 includes the financial of SCL with effect from 01.04.2011 with the following principal terms:

- (A) The assets and liabilities of SCL have been transferred and vested in the Company at the book value.
- (B) The difference between the net assets taken over and purchase consideration (i.e. shares to be allotted by the Company to the shareholders of SCL) has been transferred to goodwill.
- (C) All reserves except the statutory reserves of the transferor Company stood cancelled.
- (D) The Company has acquired assets of Rs.755.70 crores and liability of Rs.823.13 crores of SCL pursuant to the MRS. The Company to issue and allot 247080232 Preference shares to the equity shareholders of SCL in ratio of 1(one) 6% Redeemable non cumulative, non convertible Shares of Re.1(one) each fully paid up for every 1 (one) equity share at Re.1 each fully paid up by the members in SCL as of the record date. This has resulted into goodwill of Rs.92.14 crores.

The Company has decided to amortise the goodwill over the period of three years. Accordingly Rs.46.07 crores is debited to statement of profit and loss.

Note - 41 : EARNINGS PER SHARE (EPS)

Rs. In crores

		01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
(I)	Profit for basic and diluted earning per share		
	Net profit (for basic) (a)	51.14	94.92
	Net profit (for diluted) (b)	51.14	94.92
(II)	Weighted average number of equity shares (Face value of Rs.5 per share)		
	For Basic earning per share (c) (No)	159142282	159142282
	For Diluted earnings per share (d) (No)	159142282	159142282
(III)	Earnings per share (Weighted Average) (Face value of Rs.5 per share)		
	Basic (a/c)	3.21	5.96
	Diluted (b/d)	3.21	5.96

Note - 42

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 94.82 % * (p.y 90.82%)equity shares in the Company.

- * The increase in the Promoters' shareholding during the year was on account of acquisition of shares by promoters-acquirers under Exit Offer pursuant to Securities and 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 & Capital Pvt. Ltd., Nirma Industries Pvt. Ltd., Nirma Chemical Works Pvt. Ltd.,Saurashtra Chemicals Ltd. (merged with the Company w.e.f 01.04.2011), 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, FRM Trona Fuels LLC,USA, Navin Detergent Pvt. Ltd. and Navin Overseas FZC, UAE.

(III) Key Management Personnel:

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

(IV) Relatives

Relatives of Key Management Personnel with whom transactions done during the said financial year
Dr. Karsanbhai K. Patel and Shri Rakeshbhai K. Patel

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

(I) Associates Entities:

Rs. In crores

		01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
1	Sale of finished goods (a) Kanak Castor Products Pvt. Ltd. (b) Navin Overseas FZC, UAE (c) Saurashtra Chemicals Ltd.	7.32 0.59 Nil	6.18 Nil 2.54
2	Sale of material (a) Kanak Castor Products Pvt. Ltd. (b) Nirma Education Research Foundation (c) Saurashtra Chemicals Ltd.	0.86 0.71 Nil	0.49 Nil 2.73
3	Purchase of finished goods (a) Kanak Castor Products Pvt. Ltd. (b) Saurashtra Chemicals Ltd.	1.08 Nil	Nil 58.75
4	Purchase of materials (a) Kanak Castor Products Pvt. Ltd. (b) Navin Overseas FZC, UAE (c) Saurashtra Chemicals Ltd.	0.21 30.39 Nil	0.67 Nil 7.97
5	Rent Expenses (a) Saurashtra Chemicals Ltd.	Nil	0.03
6	Purchase of assets (Vested due to demerger) (a) Nirma Credit and Capital P.Ltd.	Nil	2.25
7	Purchase of DEPB license (a) Kanak Castor Products Pvt. Ltd.	0.01	0.17
8	Interest income (a) Nirma Education Research Foundation	0.21	Nil
9	Processing charges (a) Kanak Castor Products Pvt. Ltd.	9.04	6.63
10	Interest expenses (a) Kargil Holding Pvt. Ltd. (b) Nirma Chemical Works Pvt. Ltd. (c) Nirma Credit and Capital Pvt. Ltd. (d) Nirma Industries Pvt. Ltd.	2.22 71.28 6.18 6.24	2.89 Nil Nil Nil
11	ICD / Loan – taken (a) Kargil Holding Pvt. Ltd. (b) Nirma Chemical Works Pvt. Ltd.	213.33 91.05	46.55 Nil
12	ICD / Loan – repaid (a) Kargil Holding Pvt. Ltd (b) Nirma Chemical Works Pvt. Ltd	168.32 41.70	70.68 Nil
13	ICD / Loan – given (a) Nirma Education Research Foundation	18.32	Nil
14	Net closing balance – debit	18.77	183.87
15	Net closing balance – credit	683.75	6.30

Note: Previous year figures include transactions with erstwhile Saurashtra Chemicals Ltd.

(II) Key Management Personnel

Rs. In crores

		01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
1	Salary expenses (a) Shri Hirenbbhai K. Patel (b) Shri Kalpeshbbhai A. Patel	1.19 0.72	0.61 0.67
2	ICD / Loan – taken (a) Shri Hirenbbhai K. Patel	169.08	79.10
3	ICD / Loan – repaid (a) Shri Hirenbbhai K. Patel	163.69	83.10
4	Interest expenses (a) Shri Hirenbbhai K. Patel	3.63	6.73
5	Medical expenses (a) Shri Hirenbbhai K. Patel	6.64	Nil
6	Net closing balance – credit	75.69	68.80

(III) Relatives

Rs. In crores

		01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
1	Directors' fees (a) Dr. Karsanbbhai K. Patel (b) Shri Rakeshbhai K. Patel	0.01 0.01	0.01 0.01
2	Interest expenses (a) Dr. Karsanbbhai K. Patel (b) Shri Rakeshbhai K. Patel	Nil 2.83	0.06 7.14
3	ICD / Loan – taken (a) Dr. Karsanbbhai K. Patel (b) Shri Rakeshbhai K. Patel	Nil 365.74	16.65 119.27
4	ICD / Loan – repaid (a) Dr. Karsanbbhai K. Patel (b) Shri Rakeshbhai K. Patel	Nil 312.80	16.65 216.80
5	Closing balance – credit	68.62	14.00

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Note - 43 : 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:

Particulars	Rs.in crores	
	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
Not later than one year	0.05	0.05
Later than one year and not later than five years	0.04	0.08
Later than five years	0.01	0.01
Lease payment recognised in P & L account	0.06	0.05

Note - 44

Siddhi Vinayak Cement Private Limited has become a subsidiary of Company with effect from 1.10.2011.

Nirlife Mexico SA de CV, Mexico, has become a wholly owned subsidiary with effect from 01.04.2011.

Searles Valley Minerals Inc., NATI LLC and Searles Valley Residences LLC, a step down subsidiaries in USA, have been merged with and into Searles Valley Minerals Operations Inc. with effect from 01.04.2012 EST which is the same as effective as of the close of the business, 31.03.2012 Subsequently, the name of Searles Valley Minerals Operations Inc., was changed to Searles Valley Minerals Inc., effective as of 02.04.2012.

SVM with other partner collectively formed FRM Trona Fuels LLC in USA on 26.10.2011 to lease, develop, construction, own and operate a refined coal facility at Trona manufacturing site in USA. SVM is owner of 49 % of the said LLC.

Note - 45

During the period ended as on 30.09.2012, the revised Scheduled VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of financial statement, hence financial statements have been prepared as per notified Schedule VI. This has significantly impacted the disclosure and presentation made in the Financial statements, previous year figures have been regrouped/reclassified, wherever necessary, to correspond with the current period's classification/disclosure. During the period there is amalgamation of Saurashtra Chemicals Ltd., with the Company and the figures of current period are for 01.04.2011 to 30.09.2012 hence the figures of current period are not comparable with those of previous year.

Note No - 46 : SEGMENT INFORMATION FOR THE PERIOD ENDED 30th SEPTEMBER, 2012 :
(A) Information about Primary Business Segment

Rs. in crores

	Soaps & Surfactants		Pharma		Processed Minerals		Other Businesses		Unallocated		Total	
	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
Segment revenue												
External	5138.30	2631.45	640.56	321.26	1758.43	1522.50	452.71	276.10	NIL	NIL	7990.01	4751.31
Intra segment	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Inter segment (+)	6.16	4.91	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	6.16	4.91
Total revenue	5138.30	2631.45	640.56	321.26	1758.43	1522.50	452.71	276.10	NIL	NIL	7990.01	4751.31
Segment Result												
Segment result	650.75	202.10	(20.61)	(41.51)	173.14	62.97	95.27	50.21	0.03	NIL	898.58	273.77
Unallocated expenditure net of												
unallocated income	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	186.20	75.95	186.20	75.95
Interest expenses	NIL	NIL	5.07	2.10	12.43	17.27	0.02	NIL	224.38	49.83	241.90	69.20
Interest income	NIL	NIL	0.41	0.18	0.05	0.09	NIL	NIL	38.79	19.73	39.25	20.00
Profit after interest but before exceptional items and tax	650.75	202.10	(25.27)	(43.43)	160.76	45.79	95.25	50.21	(371.76)	(106.05)	509.73	148.62
Exceptional items	2.03	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	2.03	NIL
Profit before tax	652.78	202.10	(25.27)	(43.43)	160.76	45.79	95.25	50.21	(371.76)	(106.05)	511.76	148.62
Tax Expenses												
- Current tax	NIL	NIL	NIL	NIL	39.47	NIL	NIL	NIL	72.00	22.47	111.47	22.47
- Mat credit Entitlement	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	(72.00)	NIL	(72.00)	NIL
- Tax expenses relating to prior years	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	356.06	NIL	356.06	NIL
- Deferred tax	NIL	NIL	NIL	NIL	9.57	NIL	NIL	NIL	55.52	2.87	65.09	2.87
Profit/(Loss) for the Period	652.78	202.10	(25.27)	(43.43)	111.72	45.79	95.25	50.21	(783.34)	(131.39)	51.14	123.28
Less : Depreciation provided / written back of earlier years	NIL	(28.68)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	(28.68)
Add : Provision of taxation for earlier year written back	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.32	NIL	0.32
Net Profit	652.78	173.42	(25.27)	(43.43)	111.72	45.79	95.25	50.21	(783.34)	(131.07)	51.14	94.92
Other information												
Segment assets	2903.68	2325.97	751.76	664.56	1416.07	1183.47	743.89	396.27	395.69	587.43	6211.09	5157.70
Segment liabilities	743.71	271.90	156.06	101.71	606.44	1069.38	24.51	8.70	1612.75	789.61	3143.47	2241.30
Capital expenditure	216.32	55.30	133.33	25.00	56.15	56.43	374.31	67.10	2.80	0.63	782.91	204.46
Depreciation and amortisation	322.75	234.06	83.66	61.72	55.40	49.37	17.86	17.17	1.69	1.38	481.36	363.70
Non-cash expenses other than depreciation and amortisation	0.01	1.54	NIL	NIL	9.57	15.44	NIL	NIL	55.52	(12.52)	65.10	4.46

Nirma Limited - Consolidated

(B) Information about secondary geographic segment

Rs in crores

	India		USA		Others		Total	
	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011	01.04.2011 To 30.09.2012	01.04.2010 To 31.03.2011
	Revenue							
External	6231.58	3228.81	1743.91	1511.44	14.52	11.06	7990.01	4751.31
Inter segment	NIL	Nil	5.67	12.78	NIL	NIL	5.67	12.78
Total revenue	6231.58	3228.81	1743.91	1511.44	14.52	11.06	7990.01	4751.31
Other information								
Carrying amount of fixed assets	2373.99	1993.69	718.56	632.65	210.26	NIL	3302.81	2626.34
Capital Expenditure	404.78	148.03	56.15	56.43	155.57	NIL	616.50	204.46

* External revenue is after elimination of Inter segment turnover of Rs 6.16 crores (p.y. Rs.4.91 crores)

Notes:

- The company is organised into four main business segments, namely:
 - Soaps & Surfactants includes detergents, toilet soap and its ingredients.
 - Pharma Business.
 - Processed Minerals- Operations at USA
 - 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.

- Segment Revenue in each of the above segment primarily includes sales in the respective segments.
- 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
- Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

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 : February 13, 2013

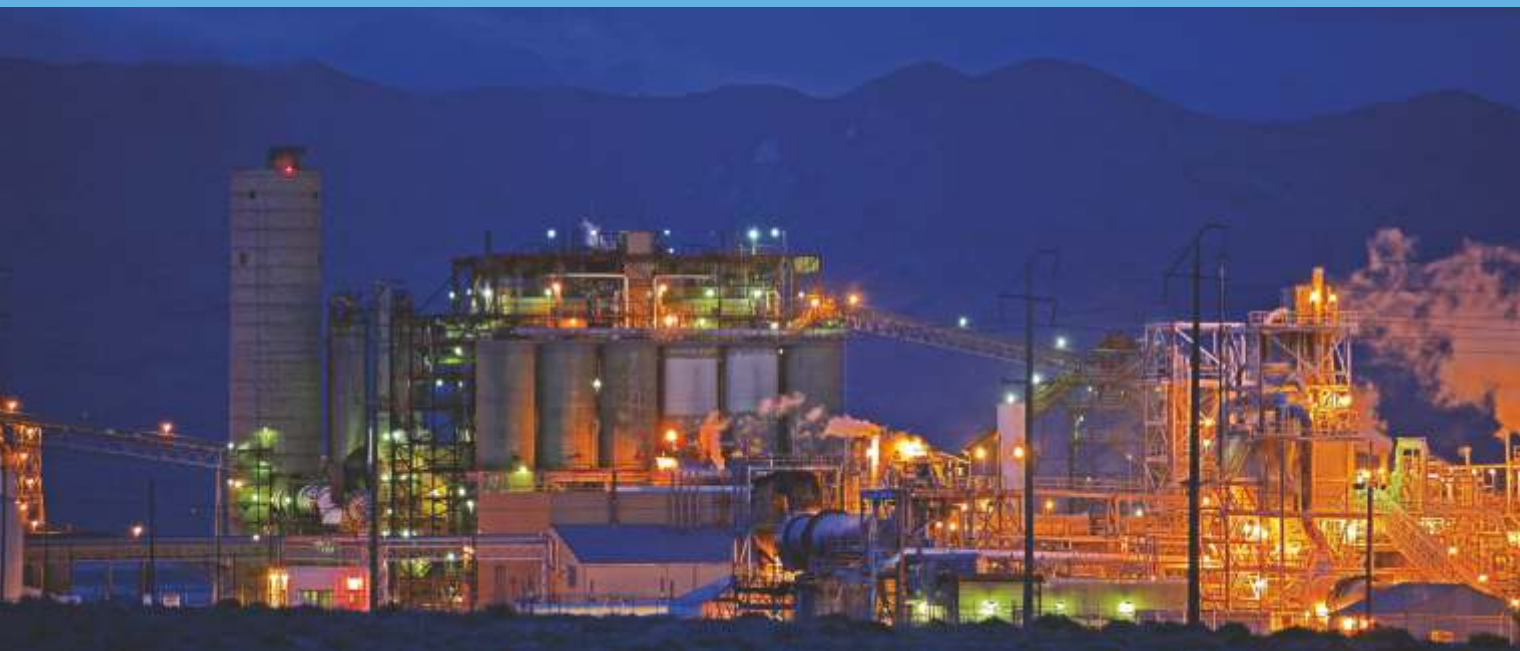
For and on behalf of the Board

KALPESH A. PATEL
Executive Director

Dr. K. K. PATEL
Chairman

PARESH SHETH
Company Secretary

RAJENDRA D. SHAH
Director





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health is happiness...



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



NOTICE

NOTICE is hereby given that the Thirty Second Annual General Meeting of the Members of Nirma Limited will be held on Monday, the March 25, 2013 at 11.00 A.M. at Thakorbbhai Desai Hall, Nr. Law Garden, Ellisbridge, Ahmedabad - 380 006 to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit & Loss for the 18 Months period ended September 30, 2012, the Balance Sheet as at that date and Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Kalpesh A. Patel, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Shrenikbhai K. Lalbhai, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Chinubhai R. Shah, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditor 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.”

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

Registered Office :

Nirma House, Ashram Road,
Ahmedabad - 380 009

Place: Ahmedabad

Date : February 13, 2013

PARESH SHETH
Company Secretary

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HERSELF/HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies in order to be effective must be received by the Company at its registered office not less than forty eight hours before the aforesaid meeting. Proxies submitted on behalf of companies, societies etc. must be supported by appropriate resolution / authority as applicable. Corporate members are requested to send duly certified copy of the resolution authorizing their representatives to attend and vote at the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, March 16, 2013 to Monday, March 25, 2013, 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, 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 29.09.2006 for the financial year 2005-06, will become part of the IEPF on 29.10.2013 while the dividend declared on 09.03.2007 for the financial year 2006-07, will become part of the IEPF on 08.04.2014. Those members who have so far not encashed this dividend warrants and / or dividend warrants for the financial year 2007-08 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 32nd 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. Details of director seeking re-appointment at Annual General Meeting are annexed hereto and form part of 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 AGM Notice

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

Name of Director	Shri Kalpesh A. Patel	Shri Shrenikbhai K. Lalbhai	Shri Chinubhai R. Shah
Date of Birth	30.08.1967	28.12.1925	04.06.1937
Date of Appointment	01.04.1994	19.11.1994	06.06.2002
Qualification	B.E. (Chemical), M.B.A. (Marketing)	M.B.A. (Harvard University), M.S., M.I.T	M.A., LL.M, F.C.S., Life Fellow AIMA
Directorship in Other Companies	Adi Finchem Ltd. The Pharmaceuticals Form-Fill-Seal Association of India Nirlife Mexico S.A. de C.V.	Anukul Investments Pvt. Ltd. Able Investment Pvt. Ltd. Animesh Holdings Pvt. Ltd. Sonalank Inv. & Tra. Pvt. Ltd.	Apollo Hospitals International Ltd. Arman Lease & Finance Ltd. Cadila Pharmaceuticals Ltd. Doshion Pvt. Ltd. G.S.E.C. Ltd. Gujarat NRE Coke Ltd. Gulmohar Greens-Golf & Country Club Ltd. Meghmani Organics Ltd. Meghmani Finchem Ltd. Saline Area Vitalization Enterprise Ltd. Shilp Gravures Ltd.
Chairmanship / Membership of Committees of other Companies	CHAIRMAN <u>Remuneration Committee</u> Adi Finchem Ltd. MEMBER <u>Audit Committee</u> Adi Finchem Ltd.	Nil	CHAIRMAN <u>Audit Committee</u> Cadila Pharmaceuticals Ltd. Shilp Gravures Ltd. <u>Shareholders Committee</u> Arman Lease & Finance Ltd. Meghmani Organics Ltd. MEMBER <u>Audit Committee</u> Arman Lease & Finance Ltd. G.S.E.C. Ltd. Gujarat NRE Coke Ltd. Meghmani Organics Ltd.
No. of Shares Held	Nil	Nil	Nil

Nirma Limited

Brief Profile	He has wide and varied experience in the production and operations. He has also been instrument in bringing Global Technologies and Project Management of Size and Scale. Currently, he is looking after Healthcare Division and Lab Division of the Company	He is well known industrialist and MBA from Harvard University. He is having a financial expertise and has provided exemplary leadership in the corporate sector. He is a person upholding the highest virtues	He obtained M.A. Degree with first position from Gujarat University and a gold medalist having obtained first position in LL.M. Examination with distinction. He was subsequently admitted as a fellow member of the ICSI. Life fellowship was conferred on him by All India Management Association in recognition of his outstanding contribution to the professional management movement. He worked for more than 30 years on top position in industry and holds directorship in many well-known companies. He taught at the IIM, Ahmedabad regular MBA classes for more than 12 years and was a member of the board of governors of IIM, Ahmedabad. He was also national president of All India Management Association. He was twice elected as president of ICSI. He was a public trustee on the Board of Ahmedabad Stock Exchange for 5 years. He served on the Direct Tax Advisory Committee of the Ministry of Finance and Company Law Advisory Committee of the Ministry of Corporate Affairs.
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Registered Office :
Nirma House, Ashram Road,
Ahmedabad - 380 009

Place : Ahmedabad
Date : February 13, 2013

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

PARESH SHETH
Company Secretary



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 SECOND ANNUAL GENERAL MEETING of the Company to be held at Thakorbhai Desai Hall, Nr. Law Garden, Ellisbridge, Ahmedabad - 380 006 on Monday, the 25th March, 2013 at 11.00 a.m. and at any adjournment thereof.

Signed this day of 2013.

Signature

Affix Rs. 1/- Revenue Stamp

* 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 SECOND ANNUAL GENERAL MEETING of the Company held at Thakorbhai Desai Hall, Nr. Law Garden, Ellisbridge, Ahmedabad - 380 006 on Monday, the 25th March, 2013.

* 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 :