

**33<sup>rd</sup>**  
**ANNUAL REPORT**  
**2012-2013**



**NIRMA LIMITED**

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**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 Shailesh V. Sonara  
 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 33<sup>rd</sup> Annual Report together with Audited Accounts of the Company for the 6 months period ended March 31, 2013. The highlights of financial performance of your Company are as under:

(₹ in crore)

	Consolidated		Standalone	
	2012-13 (6 Months)	2011-12 (18 Months)	2012-13 (6 Months)	2011-12 (18 Months)
Revenue from Operations (gross)	4399	8586	2458	6828
Operating Profit (EBITDA)	612	1193	460	964
Less: (i) Finance Cost	90	202	74	190
(ii) Depreciation and Amortization Expense	207	481	140	426
Profit Before Exceptional Items and Tax	315	510	246	348
Less: (i) Exceptional Items	Nil	(2)	Nil	(2)
(ii) Tax Expenses	100	104	69	55
(iii) Tax expense relating to prior years	3	356	3	356
Profit / (Loss) for the period	212	51	174	(61)

### DIVIDEND

In view of the requirements of funds for the operational purposes and for 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 March 31, 2013. No amount has been transferred to the General Reserve; however ₹ 38.56 crore has been transferred to Debenture Redemption Reserve for the referred period.



## **FINANCE**

Your Company continues to efficiently manage its resources to achieve cost effectiveness and maintains its financial risk profile over the medium term backed by the healthy cash generation. Nirma's admirable credit profile is reflected in its relationship with all the lenders. To meet additional working capital requirements, your company has enhanced its credit limits from the existing ₹ 1000 crore to ₹ 1400 crore in May 2013. Additionally ₹ 300 crore were raised through issue of Rated, Secured, Unlisted, Redeemable, Non-Convertible, Non-Cumulative Taxable Debentures on private placement basis for general corporate purpose. As on March 31, 2013, Company's total debt was at ₹ 1831.20 crore while gross debt to equity ratio including short term and long term debt was 0.62.

## **BUSINESS OVERVIEW**

The financial year under review was for the period of 6 months commencing from October 1, 2012 to March 31, 2013 as against 18 months of the previous year. Consequently the figures for current financial period are not comparable with those of the previous period.

### **Overview**

The economic growth in FY 2012-13 declined across almost all the sectors mainly on account of high inflation, wide fiscal deficit and unfavourable interest rate. The performance of your company is particularly noteworthy when view in backdrop of an extremely challenging business environment and competition.

On consolidated basis, your Company achieved Gross Revenue from Operations of ₹ 4399 crore for the six months period ended March 31, 2013. The consolidated revenue mainly derives from Soaps & Surfactants, Process Minerals and Pharma. The earning before finance cost, taxes, depreciation and amortization (EBITDA) for the period stood at ₹ 612 crore. Your Company registered a net profit after tax of ₹ 212 crore registering a creditable growth over the previous period despite the major cost elements of the Company continued their upward movement in the line with relatively stagnant economy and volatile foreign exchange rates.

On standalone basis, your Company recorded Gross Revenue from Operations of ₹ 2458 crore for the six months period March 31, 2013 registering a moderate increase over the previous period on annualized basis. The earning before finance cost, depreciation and amortization expense (EBITDA) was at ₹ 460 crore registering growth of nearly 43% over the previous period on annualized basis. The total operating expenses including finance cost was at ₹ 2143 crore. As a percentage of gross sale, it was 87%. Your Company registered net profit of ₹ 174 crore for the six months period under review. The networth of the Company stood at ₹ 2953 crore as of March 31, 2013.

## **SHARE CAPITAL**

During the period under review, your Company has issued and allotted 247080232 6% Redeemable Non Cumulative Non Convertible Preference Shares of ₹ 1/- each fully paid up to the equity shareholders of Saurashtra Chemicals Ltd (SCL) in the ratio of 1 (one) Preference Share of ₹ 1/- each against 1 (one) equity share of ₹ 1/- each consequent upon the amalgamation of SCL with the Company.

The Board of Directors has on May 13, 2013 approved the proposal for reduction of equity share capital held by non-promoter shareholders at a price of ₹ 225/- per equity share. The reduction of equity shares is subject to the approval of members, the Hon'ble High court of Gujarat and such other approval as may be required.

## **TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

During the period under review, no amount was required to be transferred to Investor Education and Protection Fund established by the Central Government, in compliance with Section 205(c) of the Companies Act, 1956.

# ***Nirma Limited***

## **DIRECTORS**

Shri Rajendra D. Shah, Shri Rakesh K. Patel and Shri Pankaj R. Patel, Directors of the Company, are liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment.

Shri Shailesh V. Sonara was appointed as an Additional Director on the Board of the Company on June 10, 2013. He has also been appointed as Whole time Director designated as Director (Environment and Safety) w.e.f. July 1, 2013 for the period of 5 years. The resolution seeking his appointment as Director and the Whole time Director will be incorporated in Notice of ensuing Annual General Meeting for approval of Members. Your directors recommend their appointments. As per section 274(1)(g) of the Companies Act, 1956, none of the directors are disqualified from being appointed/re-appointed as director.

## **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 March 31, 2013, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the Profit of the Company for the year ended on that date;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the directors had prepared the annual accounts of the Company on going concern basis.

## **SUBSIDIARY COMPANIES**

Siddhi Vinayak Cement Private Limited, Karnavati Holdings Inc., Searles Valley Minerals Inc., Searles Domestic Water Company LLC, Trona Railway Company LLC, Searles Valley Minerals Europe and Nirlife Mexico SA de CV 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 six months period ended March 31, 2013, 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**

Audit Committee consists of Shri Rajendra D. Shah, Chairman, Shri Kaushikbhai N. Patel and Shri Rakesh K. Patel. The role of Audit Committee is in conformity with the requirements of Section 292A of the Companies Act, 1956.

## **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**

There is no outstanding towards unclaimed deposit as on March 31, 2013.

## **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**

Shri Bhalchandra C. Desai has been appointed as the Cost Auditor for products covered under cost audit for financial year 2013-14.

## **INSURANCE**

Assets of the Company are adequately insured.

## **ACKNOWLEDGEMENT**

Your Directors take this opportunity to express their deep sense of gratitude to all the stakeholders including government authorities and lenders for their continued guidance and support. 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 : June 28, 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. Company used to make additional investments for energy efficient instruments, as and when required. The particulars with respect to conservation of energy as per Form A are given hereunder:

**Form: A**

<b>A.</b>	<b>Power &amp; Fuel Consumption</b>	<b>Current Period (6 Months)</b>	<b>Previous Year (18 Months)</b>
1.	Electricity		
	a] Purchased Units	<b>66850967</b>	229156409
	Total amounts ₹	<b>478450043</b>	1578289694
	Av.Rate/Unit ₹	<b>7.16</b>	6.89
	b] Own Generation	<b>130403321</b>	364816936
2.	Coal (MT)	<b>425704.34</b>	964918.83
	Total amounts ₹	<b>1573457098</b>	3724300748
	Av.Rate/Unit ₹	<b>3696.13</b>	3859.70
3.	Furnace Oil (KL)	<b>546.89</b>	2700.80
	Total amounts ₹	<b>23348818</b>	99208795
	Av.Rate/Unit ₹	<b>42693.58</b>	36733.14
4.	Others (L.P.G.) (MT)	<b>0.00</b>	1.20
	Total amounts ₹	<b>0</b>	58001
	Av.Rate/Unit ₹	<b>0.00</b>	48334.12
5.	Light Diesel Oil (KL)	<b>168.21</b>	674.46
	Total amounts ₹	<b>11474786</b>	38950429
	Av.Rate/Unit ₹	<b>68217.84</b>	57750.97
6.	Lignite (MT)	<b>56488.14</b>	487977.52
	Total amounts ₹	<b>120359524</b>	1439679121
	Av.Rate/Unit ₹	<b>2130.70</b>	2950.30
7.	Pet Coke (MT)	<b>52229.36</b>	139568.22
	Total amounts ₹	<b>340793812</b>	987021888
	Av.Rate/Unit ₹	<b>6524.95</b>	7071.97
8.	Natural Gas (MMBTU)	<b>741336</b>	1969723
	Total amounts ₹	<b>645655220</b>	1427383314
	Av.Rate/Unit ₹	<b>870.93</b>	724.66
9.	D.O.C.(KG)		
	Purchased Units	<b>659752</b>	2125396
	Total amounts ₹	<b>3859397</b>	11006088
	Av.Rate/Unit ₹	<b>5.85</b>	5.18



	Current Period (6 Months)					Previous Year (18 Months)				
	SAP	LAB	Soda Ash	Caustic Soda Lye	SSP	SAP	LAB	Soda Ash	Caustic Soda Lye	SSP
<b>B. Consumption per unit of production Standard (if any) #</b>	-	-	-	-	-	-	-	-	-	-
Product : *Sulphuric Acid / LAB / Soda Ash / Caustic Soda Lye / SSP	-	-	-	-	-	-	-	-	-	-
Electricity Units	56.33	496.36	139.50	2590.01	0.21	52.56	769.30	142.59	2553.39	0.22
Furnace Oil - kl/pmt	-	0.0002	0.001	-	-	-	0.0001	0.001	-	0.20
Coal	-	-	0.92	-	-	-	-	0.74	-	
D.O.C	-	-	-	-	0.25	-	-	-	-	-
Others (L.P.G.) mt/pmt	-	-	-	-	-	-	0.00001	-	-	-
Light Diesel Oil (KL)	-	0.00004	0.001	-	-	-	0.0014	0.001	-	-
Lignite / pmt	-	-	0.11	-	-	-	-	0.36	-	-
Pet coke / pmt	-	-	0.12	-	-	-	-	0.11	-	-
Natural Gas / pmmbtu	-	15.86	-	-	-	-	15.96	-	-	-

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

\* Sulphuric acid includes Oleum

## B) Technology Absorption

Form: B

### Technology Absorption, Adaptation and Innovation

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

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

#### Benefits derived as a result of the above efforts

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

#### Imported Technology

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

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

## ***Nirma Limited***

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 upgradation more faster.

#### **Expenditure on R & D**

No specific expenditure including capital and revenue expenditure was incurred on R&D.

### **C) Foreign Exchange Earnings and Outgo**

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

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

#### **Total foreign exchange used and earned.**

The required information in respect of foreign exchange earnings and outgo has been given in the Note No. 32 forming part of Accounts.



## INDEPENDENT AUDITORS' REPORT

To  
The Members  
Nirma Limited  
Ahmedabad

### 1. Report on the Financial Statements

We have audited the accompanying financial statements of Nirma Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the period then ended and a summary of significant accounting policies and other explanatory information.

### 2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("The Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 3. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 4. Emphasis of matter

Without qualifying our opinion we draw attention to Note no. 34 of 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.

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### **5. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the profit for the period ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

### **6. Report on Other Legal and Regulatory Requirements**

- A) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- B) As required by Section 227(3) of the Act, 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 purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act;
  - (e) On the basis of the written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.
  - (f) Since the central government has not issued any notification as to the rate at which the cess is to be paid under section 441 A of the Act nor has it issued any Rules under the said Section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

Place : Ahmedabad  
Date : June 28, 2013

**H. C. Shah**  
Proprietor  
Membership No. 36441

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to paragraph 6(A) of our report of even date.)

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 year, the Company has not given loan to any company, listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly clause (iii) (b) to (d) paragraph 4 of the Order is not applicable.  
(e) During the period, the company has taken unsecured loan from two parties amounting to ₹ 86.39 crore. The maximum amount involved during the period was ₹ 140.97 crore and the period-end balance of such loan taken was ₹ 54.35 crore. Further during the period, company has also taken unsecured loan from one company amounting to ₹ 72.08 crore. The maximum amount involved during the period was ₹ 101.60 crore and the period-end balance was ₹ 31.34 crore.  
(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.
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 ₹ 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.

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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.
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 31st March, 2013 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 ₹ 0.18 crore, ₹ 0.65 crore, ₹ 4.03 crore, ₹ 22.17 crore, ₹ 15.56 crore, and ₹ 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 (₹ in crore)
1.	Income Tax Act, 1961	Income Tax	Assessing Officer	23.96
			Commissioner Of Income Tax (Appeals)	137.46
			I.T.A. Tribunal	51.98
2.	Central Excise Act, 1944	Excise Duty and Service Tax	Tribunal	4.39
			Commissioner of Excise (Appeals)	0.79
			High Court	0.31
3.	Central Sales Tax Act and Sales Tax Act of various states	Central Sales Tax and Sales Tax	High Court	0.51
			Tribunal	4.07
			Appellate Board	0.98
			Commissioner	0.02
			Joint Commissioner	31.02
			Deputy Commissioner	0.45
4.	Wealth Tax Act, 1957	Wealth Tax	Assessing Officer	₹ 5440
5.	Customs Duty Act, 1962	Customs Duty	High Court	1.95
			Tribunal	0.40
			Commissioner	2.68
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 outstanding as on 31st March 2013 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 paragraph 4 of the order is not applicable.
14. The Company has maintained proper records of the transaction and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.
15. In our opinion and according to the information and explanations given to us, the terms and conditions of the corporate guarantee given by the Company, for various loans and import/inland letter of credit cum Bank guarantee 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 : June 28, 2013

**H. C. Shah**  
Proprietor  
Membership No. 36441

# Nirma Limited

## BALANCE SHEET AS AT 31ST MARCH 2013

₹ in crore

	Note No.	As at 31.03.2013	As at 30.09.2012
<b>EQUITY AND LIABILITIES</b>			
<b>A Shareholders' funds</b>			
Share capital	2	104.28	104.28
Reserves and surplus	3	2848.81	2666.63
<b>SUB TOTAL - A</b>		<b>2953.09</b>	2770.91
<b>B Non-current liabilities</b>			
Long-term borrowings	4	860.52	909.13
Deferred tax liabilities (Net)	5	368.52	345.86
Other long-term liabilities	6	131.63	115.95
Long-term provisions	7	28.89	27.69
<b>SUB TOTAL - B</b>		<b>1389.56</b>	1398.63
<b>C Current liabilities</b>			
Short-term borrowings	8	678.31	427.82
Trade payables	9	247.03	290.95
Other current liabilities	10	457.97	477.02
Short-term provisions	11	7.32	6.86
<b>SUB TOTAL - C</b>		<b>1390.63</b>	1202.65
<b>TOTAL - (A+B+C)</b>		<b>5733.28</b>	5372.19
<b>ASSETS</b>			
<b>D Non-current assets</b>			
Fixed assets	12		
Tangible assets		2027.45	2113.46
Intangible assets		35.69	50.33
Capital work-in-progress		272.36	205.11
Intangible assets under development		Nil	5.58
		<b>2335.50</b>	2374.48
Non-current investments	13	953.73	953.73
Long-term loans and advances	14	349.13	45.33
Other non-current assets	15	6.51	2.82
<b>SUB TOTAL - D</b>		<b>3644.87</b>	3376.36
<b>E Current assets</b>			
Current investments	16	Nil	22.00
Inventories	17	1045.23	1019.11
Trade receivables	18	565.52	488.11
Cash and bank balances	19	21.95	32.78
Short-term loans and advances	20	449.73	417.95
Other current assets	21	5.98	15.88
<b>SUB TOTAL - E</b>		<b>2088.41</b>	1995.83
<b>TOTAL - (D+E)</b>		<b>5733.28</b>	5372.19

Significant Accounting Policies  
The accompanying Notes no. 2 to 42 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

For and on behalf of the Board

**KALPESH A. PATEL**  
Executive Director

**Dr. K. K. PATEL**  
Chairman

**H. C. SHAH**  
Proprietor  
Membership No.36441

**PARESH SHETH**  
Company Secretary

**RAJENDRA D. SHAH**  
Director



**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON 31ST MARCH 2013**

₹ in crore

	Note No.	01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
<b>Revenue from operations</b>		<b>2457.98</b>	6827.69
Less : Excise duty		<b>234.55</b>	596.11
Net Revenue from Operations	22	<b>2223.43</b>	6231.58
Other income	23	<b>70.86</b>	58.49
<b>TOTAL REVENUE :</b>		<b>2294.29</b>	6290.07
<b>Expenses</b>			
Cost of materials consumed	24	<b>862.90</b>	2682.66
Purchases of stock-in-trade	25	<b>23.07</b>	103.95
Changes in inventories of finished goods work-in-progress and stock-in-trade	26	<b>(38.68)</b>	(88.32)
Employee benefits expense	27	<b>120.89</b>	321.51
Other expenses	28	<b>866.48</b>	2305.74
<b>TOTAL EXPENSES :</b>		<b>1834.66</b>	5325.54
<b>Profit before Finance costs, Depreciation, Exceptional Items and Tax</b>		<b>459.63</b>	964.53
Finance costs	29	<b>73.71</b>	190.24
Depreciation and amortisation expense		<b>139.63</b>	425.86
Profit before Exceptional Items and Tax		<b>246.29</b>	348.43
Add/(Less) : Exceptional items	30	<b>Nil</b>	2.03
<b>Profit before Tax</b>		<b>246.29</b>	350.46
<b>Tax expense:</b>			
Current tax		<b>51.00</b>	72.00
(Add): MAT credit entitlement		<b>(4.00)</b>	(72.00)
Tax expense relating to earlier years		<b>2.76</b>	356.06
Deferred tax		<b>22.66</b>	55.52
		<b>72.42</b>	411.58
<b>Profit/(Loss) for the Period</b>		<b>173.87</b>	(61.12)
<b>Earnings per share :</b>	39		
(Face value per share - ₹ 5)			
Basic & Diluted (in ₹ )		<b>10.93</b>	(3.84)

Significant Accounting Policies

1

The accompanying Notes no. 2 to 42 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 : June 28, 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

# Nirma Limited

## Cash flow statement for the period ended on 31st March 2013

₹ in crore

		01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
<b>A</b>	<b>Cash flow from operating activities :</b>		
	Profit before tax	246.29	350.46
	Exceptional Items	Nil	(2.03)
	Exchange loss on revaluation on long term monetary items(Net)	19.91	65.19
	Depreciation and amortisation expense	139.63	425.87
	Interest Income	(62.65)	(39.62)
	Finance Cost	73.71	190.24
	Exchange fluctuation Loss ( Net )	7.19	4.77
	Profit on sale of assets	(0.07)	(0.85)
	Loss on sale of assets	0.07	0.13
	Dividend on non current investment	(0.11)	(0.22)
	Sundry Balances written off	(0.17)	Nil
	Provision for Doubtful advance	Nil	0.15
	Excess provision of Bad Debt written back	(0.11)	Nil
	Excess Provision of earlier year written back	(1.07)	Nil
	Doubtful advances written off	Nil	0.01
	Provision for Bad Debts	Nil	3.51
	Bad debts written off	0.90	6.35
	Depreciation written back during the period.	Nil	0.53
	Profit on sale of other current investment	(0.21)	(2.80)
		177.02	651.23
	Operating profit before working capital changes	423.31	1001.69
	Adjustments for :		
	Trade and other receivables	(42.92)	150.21
	Inventories	(26.12)	(173.79)
	Trade Payables, provisions and other liabilities	(61.83)	(111.79)
		(130.87)	(135.37)
	Cash generated from operations	292.44	866.32
	Finance cost	(63.27)	(97.12)
	Direct taxes paid	(57.71)	(72.79)
		(120.98)	(169.91)
	Net cash from operating activities	171.46	696.41
<b>B</b>	<b>Cash flow from investing activities :</b>		
	Purchase of fixed assets	(131.17)	(383.09)
	Sale of fixed assets	0.36	0.89
	Sale of current Investments	230.21	638.80
	Purchase of Non Current investments	Nil	(412.21)
	Purchase of current investments	(208.00)	(658.00)
	Interest received	9.95	39.72
	Dividend on non-current Investment	0.11	0.22
	Net cash used in investing activities	(98.54)	(773.67)
		72.92	(77.26)
<b>C</b>	<b>Cash flow from financing activities :</b>		
	Change in loans and advances	(286.67)	(55.05)
	Proceed from Short Term borrowings	412.10	312.95
	Repayment of Short Term borrowings	(167.17)	(333.51)
	Proceed from Long Term borrowings	732.49	160.02
	Repayment of Long Term borrowings	(774.46)	(54.78)
	Dividend paid	(0.04)	(0.06)
	Net cash used in financing activities	(83.75)	29.57
	<b>Net increase in cash and cash equivalents</b>	<b>(10.83)</b>	<b>(47.69)</b>
	Cash and cash equivalents (opening)	32.78	62.04
	Add : Opening balance acquired on amalgamation	Nil	18.43
	Cash and cash equivalents (closing)	21.95	32.78

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

As per our report of even date

For and on behalf of the Board

For Hemanshu Shah & Co.

**KALPESH A. PATEL**

**Dr. K. K. PATEL**

Chartered Accountants

Executive Director

Chairman

Firm Registration No. 122439W

**H. C. SHAH**

**PARESH SHETH**

**RAJENDRA D. SHAH**

Proprietor

Company Secretary

Director

Membership No.36441

## 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 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 realised 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 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 the acquisition of assets for processing and their realisation in cash and cash equivalent. The company considers its operating cycle as 12 months.

## ***Nirma Limited***

### **(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 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 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 period, 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.

<b>Assets</b>	<b>Estimated Use Life</b>
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 is 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 period 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 period.

**(J) Provisions and Contingent liabilities**

- (I) Provisions are recognised 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 recognised as an expense at the undiscounted amount in the Statement of 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 Statement of Profit and Loss for the period in which the employee has rendered services. The expenses are recognised 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 Statement of Profit and Loss.

**(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 46A 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 or 31.03.2020.
- (II) Exchange difference for other monetary items is dealt with in the Company's statement of 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 in one period and are capable of reversal in one or more subsequent periods.

Minimum Alternative Tax (MAT) credit is recognised 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 period 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

## ***Nirma Limited***

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 recognised over the life of the contracts. Exchange differences on such contracts are recognised in the Statement of 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 deposits 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 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 from 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 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".

**Note - 2 : SHARE CAPITAL**

₹ in crore

Particulars	As at 31.03.2013		As at 30.09.2012	
	Number of shares	₹	Number of shares	₹
<b>AUTHORISED</b>				
Equity shares of ₹ 5 each	231,000,000	115.50	231,000,000	115.50
6% Redeemable non cumulative non convertible preference shares of ₹ 100 each	1,000,000	10.00	1,000,000	10.00
6% Redeemable non cumulative non convertible preference shares of ₹ 1 each	250,000,000	25.00	250,000,000	25.00
		150.50		150.50
<b>ISSUED AND SUBSCRIBED</b>				
Equity shares of ₹ 5 each	159,174,866	79.59	159,175,666	79.59
6% Redeemable non cumulative non convertible preference shares of ₹ 1 each (Refer Note no. II below)	247,080,232	24.71	Nil	Nil
		104.30		79.59
<b>FULLY PAID UP</b>				
Equity shares of ₹ 5 each	159,142,282	79.57	159,142,282	79.57
Equity shares forfeited [₹ Nil (p.y. ₹ 2000)]	Nil		800	
6% Redeemable non cumulative non convertible preference shares of ₹ 1 each (Refer Note no. II below)	247,080,232	24.71	Nil	Nil
		104.28		79.57
Preference shares to be issued (Refer Note no. II below)	Nil	Nil	247,080,232	24.71
<b>Total</b>		104.28		104.28

**Notes:**

- I) Company has made allotment of 90998368 equity shares of ₹ 5 each on exercising option by the warrant holders at a premium of ₹ 40 per share (for share of ₹ 10 each). 32584 equity shares of ₹ 5 each were kept in abeyance due to court order.
- II) Company has made allotment of 247080232 6% Redeemable non cumulative non convertible preference shares of ₹ 1 each at par fully paid up against 1 equity share of ₹ 1 each fully paid up held by the shareholders of erstwhile Saurashtra Chemicals Limited on 31.03.2013 consequent upon the amalgamation.

## Nirma Limited

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

Particulars	As at 31.03.2013		As at 30.09.2012	
	Number of shares	₹ In crore	Number of shares	₹ In crore
<b>(A) Equity</b>				
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>(B) Preference</b>				
Opening Balance	Nil	Nil	Nil	Nil
Fresh Issue-allotted pursuant to amalgamation	247,080,232	24.71	Nil	Nil
Closing Balance	247,080,232	24.71	Nil	Nil

### B. Rights, Preferences and Restrictions attached to class of Shares

#### Equity Shares

The Company has one class of equity shares having par value of ₹ 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 share holding.

#### Preference Shares

Preference shares are redeemable at par at the end of five years from the date of allotment i.e. March 31, 2018, but may be redeemed at any time at the discretion of Board of Directors of the Company. These shares carry 6% non cumulative dividend per annum. The holders of Preference Shares shall in respect of such capital, have rights to vote only on the resolution placed before the Company which directly affects the rights attached to the Preference Shares. The Preference Shares carry a preferential rights in case of dividend. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares.

### C. The Company does not have any holding company.



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

(A) Equity Shares	As at 31.03.2013		As at 30.09.2012	
	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	23,319,881	14.65	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	19,599,510	12.32	19,133,836	12.02
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	13,094,824	8.23	12,959,200	8.14
9. Kulgam Holdings Pvt. Ltd.	12,024,849	7.55	12,003,900	7.54

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

(B) Preference Shares	As at 31.03.2013		As at 30.09.2012	
	No. of shares held	% of Total paid up Preference Share Capital	No. of shares held	% of Total Paid up Preference Share Capital
1. Nirma Chemical Works Pvt. Ltd.	87,931,375	35.59	Nil	Nil
2. Nirma Industries Pvt. Ltd.	55,255,300	22.36	Nil	Nil
3. Nirma Credit and Capital Pvt. Ltd.	45,532,500	18.43	Nil	Nil
4. Nirma Management Services Pvt. Ltd.	39,200,000	15.87	Nil	Nil

**E Details of forfeited shares**

Class of shares	As at 31.03.2013		As at 30.09.2012	
	Number of shares	₹ In crore	Number of shares	₹ In crore
Equity shares with voting rights*	Nil	Nil	800	( ₹ 2000 )

\* 800 Forfeited equity shares were cancelled on 12.12.2012 and amount received on such forfeited equity shares was transferred to Capital Reserve.

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

Class of shares	As at 31.03.2013		As at 30.09.2012	
	Number of shares	₹ In crore	Number of shares	₹ In crore
Equity shares with voting rights	32,584	0.02	32,584	0.02

**G 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 31.03.2013 being date of Balance Sheet**

	No. of shares As at 31.03.2013	No. of shares As at 30.09.2012
No of Equity shares	372,914	372,914
No of Redeemable non cumulative non convertible Preference Shares	247,080,232	Nil

## Nirma Limited

### Note - 3 : RESERVES AND SURPLUS

₹ in crore

	As at 31.03.2013	As at 30.09.2012
<b>Capital Reserve</b>		
As per last Balance Sheet	363.13	363.13
<b>Debenture Redemption Reserve</b>		
As per last Balance Sheet	28.19	Nil
Add : Transferred from Statement of profit and loss	38.56	28.19
Closing balance	66.75	28.19
<b>Capital Redemption Reserve</b>		
As per last Balance Sheet	2.81	2.81
<b>Securities Premium Account</b>		
As per last Balance Sheet	222.70	222.70
<b>General Reserve</b>		
As per last Balance Sheet	2005.24	2005.24
<b>Foreign Currency Monetary Item Translation Difference Account</b>		
As per last Balance Sheet	(24.65)	Nil
Add: Effect of foreign exchange rate variation during the period	(11.60)	(90.86)
Less: Written off to statement of profit and loss during the period	19.91	66.21
Closing balance	(16.34)	(24.65)
<b>Surplus as per the Statement of Profit and Loss</b>		
As per last Balance Sheet	69.21	158.52
Add : Profit/(Loss) for the period	173.87	(61.12)
	243.08	97.40
Less : Transferred to Debenture Redemption Reserve	38.56	28.19
Closing balance	204.52	69.21
<b>Total</b>	<b>2848.81</b>	<b>2666.63</b>

**Note - 4 : LONG TERM BORROWINGS**

₹ in crore

	As at 31.03.2013	As at 30.09.2012
<b>Other Loans and advances</b>		
<b>Secured</b>		
External commercial borrowings (ECBs) (Refer Notes no. - I & VII below)	153.79	176.20
Loan from Gujarat Housing Board (Refer Note no. - VI below)	(₹ 8083)	(₹ 8083)
Inter Corporate Deposit from Related Parties (Refer Notes no. - II below & 40)	Nil	210.00
<b>Unsecured</b>		
Debentures (Refer Notes no.- III & IV below)	152.89	152.89
Deferred sales tax liability (Refer Note no. - VIII below)	0.04	0.04
Inter Corporate Deposit from Related Parties (Refer Notes no. - V below & 40)	553.80	370.00
<b>Total</b>	<b>860.52</b>	<b>909.13</b>

**Notes:**

	As at 31.03.2013		As at 30.09.2012	
	Non Current	Current	Non Current	Current
I) The external commercial borrowings is due for repayment on 27.05.2014 for ₹ 117.60 crore (US \$ 2.17 crore) and on 16.06.2014 for ₹ 36.19 crore (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. [p.y. The external commercial borrowings were due for repayment on 27.11.2013 for ₹ 26.43 crore ( US \$ 0.50 crore), on 27.05.2014 for ₹ 114.53 crore (US \$ 2.17 crore) and on 16.06.2014 for ₹ 35.24 crore (US \$ 0.66 crore)].	153.79	289.49	176.20	281.92
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.	Nil	Nil	210.00	0.93
III) 10.50% Unsecured Redeemable Non Convertible Debentures Redeemable at par on 30.05.2014.	150.00	Nil	150.00	Nil
IV) 0% Unsecured Redeemable Non Convertible Debenture is redeemable at par on 28.06.2014.	2.89	2.88	2.89	2.88
V) Unsecured inter corporate deposit from related parties carry interest @ 10% on ₹ 485.17 crore (p.y. ₹ 223.17 crore) and @ 9.50% on ₹ 68.63 crore (p.y. ₹ 146.83 crore) from appointed date.	553.80	Nil	370.00	Nil
VI) Loan from Gujarat Housing Board ₹ 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 ₹ 0.01 crore starting from 01.04.2015.				

## Nirma Limited

### Note - 5 : DEFERRED TAX LIABILITIES (Net)

₹ in crore

	As at 31.03.2013	As at 30.09.2012
<b>Deferred Tax Liabilities</b>		
Related to fixed assets	385.33	367.51
	<b>385.33</b>	367.51
<b>Deferred Tax Assets</b>		
Disallowance under Income Tax Act	16.81	15.85
Carried forward loss	Nil	5.80
	<b>16.81</b>	21.65
<b>Net deferred tax liability</b>	<b>368.52</b>	345.86

### Note - 6 : OTHER LONG TERM LIABILITIES

₹ in crore

	As at 31.03.2013	As at 30.09.2012
Trade Deposits	131.63	115.95
<b>Total</b>	<b>131.63</b>	115.95

### Note - 7 : LONG TERM PROVISIONS

₹ in crore

	As at 31.03.2013	As at 30.09.2012
Provision for employee benefits (Refer note no. - 33)	28.89	27.69
<b>Total</b>	<b>28.89</b>	27.69

**Note - 8 : SHORT - TERM BORROWINGS**

₹ in crore

	As at 31.03.2013	As at 30.09.2012
<b>Secured</b>		
Working Capital Loans from Banks (Refer Notes no. - I & II below)		
<b>Foreign currency Loan</b>		
Packing credit	Nil	39.64
<b>Rupee Loan</b>		
Cash credit	293.65	41.97
Overdraft accounts	4.07	Nil
Term loans	240.00	100.00
	<b>537.72</b>	181.61
<b>Unsecured</b> (Refer Notes no. - III below & 40)		
Loan from Directors	54.35	144.32
Commercial Paper	38.32	Nil
Inter corporate deposits from related parties	47.92	101.89
	<b>140.59</b>	246.21
<b>Total</b>	<b>678.31</b>	427.82

**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 8% to 13% p.a.
- II) Outstanding working capital facilities from banks part of cash credit accounts ₹ 0.02 crore is secured by lien of fixed deposit of ₹ 0.15 crore and over draft accounts ₹ 4.07 crore is secured by lien of Fixed deposit of ₹ 10 crore.(p.y. Working capital facilities from banks part of cash credit accounts, ₹ 8.68 crore is secured by lien of fixed deposit of ₹ 11 crore).
- III) Effective cost of unsecured loan is in range of 8% to 10% p.a.

**Note - 9 : TRADE PAYABLES**

₹ in crore

	As at 31.03.2013	As at 30.09.2012
Trade payables	245.90	288.99
For Micro, small and medium enterprise (Refer Note no. - 38)	1.13	1.96
<b>Total</b>	<b>247.03</b>	290.95

**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.

## Nirma Limited

### Note - 10 : OTHER CURRENT LIABILITIES

₹ in crore

	As at 31.03.2013	As at 30.09.2012
<b>Current maturities of long-term debt</b>		
<b>Secured</b>		
External commercial borrowings (ECBs) (Refer Notes no. - I, II below)	289.49	281.92
Inter corporate deposit from related parties (Refer Notes no. - III below & 40)	Nil	0.93
<b>Unsecured</b>		
Debentures (Refer Note no. - IV below)	2.88	2.88
Inter corporate deposit from related party (Refer Notes no. - V below & 40)	0.01	Nil
Advances received from customers	21.23	40.78
Interest accrued but not due on borrowings	17.85	7.41
Statutory dues	112.30	118.17
Unpaid dividends	0.36	0.40
Redemption amount on NCD/SPN	0.14	0.14
Creditors for Capital expenditure	11.87	22.49
Other payables	1.84	1.90
<b>Total</b>	<b>457.97</b>	<b>477.02</b>

Notes :

- I) The external commercial borrowings (ECBs) are due for repayment on 27.05.2013, 16.06.2013 & 27.11.2013 in installment of ₹ 226.17 crore (US \$ 4.17 crore), ₹ 36.18 crore (US \$ 0.67 crore), and ₹ 27.14 crore (US \$ 0.50 crore) respectively. (p.y. The external commercial borrowings (ECBs) are due for repayment on 27.11.2012, 27.05.2013 & 16.06.2013 in installment of ₹ 26.43 crore (US \$ 0.50 crore) ₹ 220.25 crore (US \$ 4.17 crore), and ₹ 35.24 crore (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) Inter corporate deposits from related parties 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.
- IV) Non convertible Debenture of ₹ 2.88 crore is due for redemption on 28.06.2013.
- V) Unsecured inter corporate deposit from related parties carry interest @ 10%.

### Note - 11 : SHORT TERM PROVISIONS

₹ in crore

	As at 31.03.2013	As at 30.09.2012
Provision for employee benefits (Refer Note no. - 33)	7.32	6.86
<b>Total</b>	<b>7.32</b>	<b>6.86</b>

**Note - 12 : FIXED ASSETS**

₹ in crore

PARTICULARS	GROSS BLOCK ( at cost )			DEPRECIATION / AMORTISATION			NET BLOCK			
	AS AT 01.10.2012	Addition/ Adjustments during the period	Acquired on Amalgamation	Deduction/ Adjustments during the period	AS AT 31.03.2013	AS AT 01.10.2012	Addition/ Adjustments during the period	UP TO 31.03.2013	AS AT 31.03.2013	AS AT 30.09.2012
<b>TANGIBLE ASSETS</b>										
1. Freehold Land	74.59	1.57	Nil	Nil	76.16	Nil	Nil	Nil	76.16	74.59
2. Leasehold Land (permanent)	0.28	Nil	Nil	Nil	0.28	0.15	Nil	0.15	0.13	0.13
3. Building	529.44	0.74	Nil	Nil	530.18	227.70	8.76	236.46	293.72	301.74
4. Plant & Equipments	4290.72	29.57	Nil	0.14	4320.15	2576.86	108.64	2685.47	1634.68	1713.86
5. Furniture & fittings	22.36	0.24	Nil	0.08	22.52	17.11	0.50	17.59	4.93	5.25
6. Office Equipments	0.42	Nil	Nil	Nil	0.42	0.14	0.02	0.16	0.26	0.28
7. Vehicles	43.93	1.98	Nil	1.29	44.62	26.32	1.83	27.05	17.57	17.61
<b>TOTAL ( A )</b>	4961.74	34.10	Nil	1.51	4994.33	2848.28	119.75	2966.88	2027.45	2113.46
<b>INTANGIBLE ASSETS</b>										
1. Goodwill	1.57	Nil	Nil	Nil	1.57	1.57	Nil	1.57	Nil	Nil
2. Goodwill on Amalgamation	92.14	Nil	Nil	Nil	92.14	46.07	15.36	61.43	30.71	46.07
3. Trademarks	429.17	Nil	Nil	Nil	429.17	429.17	Nil	429.17	Nil	Nil
4. Licence fees	33.86	Nil	Nil	Nil	33.86	29.63	4.23	33.86	Nil	4.23
5. Computer Software	7.01	5.25	Nil	Nil	12.26	6.98	0.30	7.28	4.98	0.03
<b>TOTAL ( B )</b>	563.75	5.25	Nil	Nil	569.00	513.42	19.89	533.31	35.69	50.33
<b>Total ( A ) + ( B )</b>	5525.49	39.35	Nil	1.51	5563.33	3361.70	139.64	3500.19	2063.14	2163.79
Previous year	4537.65	309.78	68.133	3.27	5525.49	2723.74	425.95	3361.70	2163.79	
Capital work in progress										
Intangible assets under development									272.36	205.11
									Nil	5.58

Notes :

- Building includes ( ₹ 1000) in respect of shares held in co-op housing society.
- Freehold land of ₹ 0.31 crore and part of the fixed assets of Demerged Undertaking are yet to be transferred in the name of the company.
- Capital work in progress includes ₹ 5.05 crore (p.y. ₹ 13.99 crore) interest capitalised during the year.
- ₹ 0.01 crore (p.y. ₹ 0.09 crore) depreciation provided during the period transferred to pre-operative expenses.
- Assets acquired on amalgamation are yet to be transferred in the name of the Company.
- Nil (p.y. ₹ 0.54 crore) depreciation written back during the period transferred to previous year adjustments.

# Nirma Limited

## Note - 13 : NON CURRENT INVESTMENTS (At Cost)

₹ in crore

			As at 31.03.2013	As at 30.09.2012
<b>(Long Term Investments)</b>				
<b>Trade Investments</b>				
<b>In Equity Shares of Subsidiary Companies - Unquoted - fully paid up</b>				
Current Period	Previous Year			
100010	100010	Karnavati Holdings Inc face value of US \$ 0.1 (p.y. US \$ 0.1) (Negative lien executed with lenders)	<b>533.38</b>	533.38
50000	50000	Nirlife Mexico, S.A. DE C.V face value of Peso 1	<b>0.02</b>	0.02
400000000	400000000	Siddhi Vinayak Cement Pvt. Ltd. face value of ₹ 10	<b>400.09</b>	400.09
			<b>933.49</b>	933.49
<b>In Equity Shares of Associates Companies - Unquoted - fully paid up</b>				
1300000	1300000	Kanak Castor Products Pvt. Ltd. face value of ₹ 10	<b>1.30</b>	1.30
		<b>Total of Trade Investments(A)</b>	<b>934.79</b>	934.79
<b>Other Investments</b>				
<b>In Equity Shares - Quoted - fully paid up</b>				
180914	180914	Torrent Pharmaceuticals Ltd. face value of ₹ 5	<b>12.10</b>	12.10
<b>In Equity Shares - Listed but not quoted - fully paid up</b>				
1000000	1000000	Inlac Granston Ltd. face value of ₹ 10	<b>1.00</b>	1.00
		Less : Provision for diminution in value	<b>1.00</b>	1.00
			<b>Nil</b>	Nil
<b>In Equity Shares - Unquoted - fully paid up</b>				
100	100	Nutan Nagarik Sahakari Bank Ltd. face value of ₹ 25 [₹ 2500 (p.y. ₹ 2500)]		
57020	57020	The Kalupur Comm. Co.op. Bank Ltd. face value each of ₹ 25	<b>0.14</b>	0.14
2200000	2200000	Gold Plus Glass Industry Ltd. face value of ₹ 10	<b>6.60</b>	6.60
100000	100000	Enviro Infrastructure Company Ltd. face value of ₹ 10	<b>0.10</b>	0.10
			<b>6.84</b>	6.84
<b>Investments in Government securities (Unquoted)</b>				
National Saving Certificate and Kisan Vikas Patra lodged with various authorities [₹ 33000 (p.y. ₹ 33000)]				
		<b>Total of Other Investments(B)</b>	<b>18.94</b>	18.94
		<b>Total(A) + (B)</b>	<b>953.73</b>	953.73
Notes :				
I) Aggregate value of Unquoted Investments			<b>942.63</b>	942.63
II) Aggregate value of Quoted Investments			<b>12.10</b>	12.10
III) Market value of Quoted Investments			<b>12.58</b>	12.56
IV) Aggregate value of Diminution in value of investment			<b>1.00</b>	1.00



**Note - 14 : LONG-TERM LOANS AND ADVANCES**

₹ in crore

	As at 31.03.2013	As at 30.09.2012
<b>Unsecured, considered good</b>		
Capital advances	19.53	28.80
Security deposits	1.48	1.29
Loans and advances to employees	0.01	0.02
Inter corporate deposits to related parties (Refer Note no. - 40)	324.61	Nil
Balance with Statutory authorities	Nil	15.00
Prepaid expense	0.09	0.22
Inter corporate deposit	3.41	Nil
<b>Total</b>	<b>349.13</b>	<b>45.33</b>

**Note - 15 : OTHER NON CURRENT ASSETS**

₹ in crore

	As at 31.03.2013	As at 30.09.2012
Bank deposit with original maturity more than 12 months	6.51	2.82
<b>Total</b>	<b>6.51</b>	<b>2.82</b>

**Note - 16 : CURRENT INVESTMENTS**

₹ in crore

	As at 31.03.2013	As at 30.09.2012
<b>Current Investments (At Cost)</b>		
<b>Current Period</b>		
<b>Previous Year</b>		
<b>In Mutual Fund - Quoted, fully paid up</b>		
Units		
Units		
Face value of ₹ 100 each		
Nil	1222275	Birla Sun Life Cash Plus -Growth
<b>Total</b>	<b>Nil</b>	<b>22.00</b>
<b>Total</b>	<b>Nil</b>	<b>22.00</b>
Notes :		
I) Market value of Quoted Investments	Nil	22.02
II) Aggregate value of Quoted Investments	Nil	22.00

## Nirma Limited

### Note - 17 : INVENTORIES

(At lower of cost and net realisable value)

₹ in crore

	As at 31.03.2013	As at 30.09.2012
Raw materials & Packaging materials [Includes goods in transit ₹ 1.12 crore (p.y. ₹ 0.11 crore)]	373.04	311.84
Work-in-progress	89.46	103.83
Finished goods	313.45	255.67
Stock-in-trade (Traded Goods)	9.41	14.14
Stores and spares	259.87	333.63
<b>Total</b>	<b>1045.23</b>	<b>1019.11</b>

### Note - 18 : TRADE RECEIVABLES

₹ in crore

	As at 31.03.2013	As at 30.09.2012
<b>More than six months</b>		
Unsecured, considered good	18.43	6.50
Unsecured considered Doubtful	4.55	4.66
	22.98	11.16
Less: Provision for doubtful trade receivables	4.55	4.66
	18.43	6.50
<b>Other Trade receivables</b>		
Unsecured, considered good (Refer Note no. - I below)	547.09	481.61
<b>Total</b>	<b>565.52</b>	<b>488.11</b>

Note :

- l) Trade receivables include ₹ 11.30 crore (p.y. ₹ 10.68 crore) on account of subsidy receivable from the Government.

**Note - 19 : CASH AND BANK BALANCES**

₹ in crore

	As at 31.03.2013	As at 30.09.2012
<b>Cash and cash equivalents</b>		
Balances with banks		
In current accounts	1.79	4.93
Less : Provision for Doubtful Bank Balances (Refer Note no. - 36)	0.59	0.59
	1.20	4.34
Cash on hand	0.67	0.77
	1.87	5.11
Other bank balances		
(i) In deposit accounts (With original maturity more than 3 months)	26.09	29.96
(ii) Others		
Unclaimed Dividend account	0.36	0.39
Secured premium notes money received and due for refund	0.14	0.14
Less : Bank deposits with original maturity more than 12 months (Transferred to other non current assets)	6.51	2.82
	20.08	27.67
<b>Total</b>	<b>21.95</b>	<b>32.78</b>
Notes :		
I) Earmarked balances with Banks	14.64	15.61
II) Earmarked balances with various Statutory Authorities	0.63	0.54
III) Earmarked balances with various Tender Authorities	0.52	0.10

**Note - 20 : SHORT TERM LOANS AND ADVANCES**

₹ in crore

	As at 31.03.2013	As at 30.09.2012
<b>(Secured, Considered good)</b>		
Inter Corporate Deposit	22.87	Nil
<b>(Unsecured, Considered good)</b>		
Loans & Advances	66.18	90.46
Loans and advances to related parties (Refer Note no. - 40)	20.17	18.86
Loans and advances to employees	2.29	2.05
Inter Corporate Deposit	37.18	54.83
Inter corporate deposits to related parties (Refer Note no. - 40)	Nil	12.89
Advances to Suppliers	46.88	53.86
Advances to Suppliers to related Parties (Refer Note no. - 40)	0.05	Nil
Balance with Statutory authorities	115.94	97.97
Security Deposits	2.20	2.35
MAT credit entitlement	80.00	76.00
Prepaid expenses	9.82	5.23
Advance Income tax net of provision	46.15	3.45
	449.73	417.95
<b>(Unsecured, Considered doubtful)</b>		
Loans & Advances	0.16	0.16
Less : Provision for doubtful advances	0.16	0.16
	Nil	Nil
<b>Total</b>	<b>449.73</b>	<b>417.95</b>

## Nirma Limited

### Note - 21 : OTHER CURRENT ASSETS

₹ in crore

	As at 31.03.2013	As at 30.09.2012
Interest accrued but not received	3.40	0.40
Other receivables	Nil	0.31
Income Receivable	2.56	8.72
Others	0.02	6.45
<b>Total</b>	<b>5.98</b>	<b>15.88</b>

### Note - 22 : REVENUE FROM OPERATIONS

₹ in crore

	01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
(a) Sale of Products	2178.49	6064.13
(b) Sale of Services	5.35	18.39
(c) Sale of Traded Goods	30.32	136.90
(d) Other Operating Revenues	9.27	12.16
<b>Total - Net Revenue from operations</b>	<b>2223.43</b>	<b>6231.58</b>

#### Notes

(i) <b>Details of Sale value of Goods Manufactured under broadheads</b>		
Detergents	601.96	1741.69
Toilet Soap	188.32	662.74
Linear Alkyl Benzene	208.43	530.53
Soda Ash	631.56	1767.06
Pharma Products	217.81	566.08
Refined Bicarbonate	11.07	33.26
Others	319.34	762.77
<b>Total - Sale of Manufactured Goods</b>	<b>2178.49</b>	<b>6064.13</b>
(ii) <b>Sale of services - Processing charges</b>	5.35	18.39
<b>Total - Sale of Services</b>	<b>5.35</b>	<b>18.39</b>
(iii) <b>Other operating revenues</b>		
Duty drawback and other export incentives	3.48	3.16
Scrap Sales	5.79	9.00
<b>Total - Other Operating Revenues</b>	<b>9.27</b>	<b>12.16</b>

Note :

l) Sales of product includes subsidy income of ₹ 9.17 crore (p.y. ₹ 36.34 crore) from Government.

**Note - 23 : OTHER INCOME**

₹ in crore

	01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
Interest income	62.65	39.62
Dividend From Long term investments	0.11	0.22
Net gain on sales of current investments	0.21	2.80
<b>Other non-operating income</b> (net of expenses directly attributable to such income)		
Profit on Sale of Assets	0.07	0.85
Claims and Refunds	4.24	4.31
Others	3.58	10.69
<b>Total</b>	<b>70.86</b>	<b>58.49</b>

**Note - 24 : COST OF MATERIALS CONSUMED**

₹ in crore

	01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
<b>Cost of Material Consumed</b> (Including Packaging Materials)	<b>862.90</b>	2682.66
<b>Details of Material Consumed</b>		
Chemicals and perfumes	630.01	1782.27
Oils and fats	74.49	449.82
Others	158.40	450.57
<b>Total</b>	<b>862.90</b>	2682.66

<b>Material consumed comprises:</b>		
Indigeneous	756.80	2238.47
Imported	106.10	444.19
<b>Total</b>	<b>862.90</b>	2682.66

<b>Material consumed comprises:</b>	<b>% of Consumption</b>	<b>% of Consumption</b>
Indigeneous	87.70	83.44
Imported	12.30	16.56
<b>Total</b>	<b>100.00</b>	100.00

## Nirma Limited

### Note - 25 : PURCHASE OF STOCK IN TRADE

₹ in crore

	01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
<b>Traded good:</b>		
Castor Oil	9.46	67.28
Pharma Products	11.03	29.36
Others	2.58	7.31
<b>Total</b>	<b>23.07</b>	<b>103.95</b>

### Note - 26 :

#### CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ in crore

	01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
<b>Inventories at the beginning of the period:</b>		
Finished goods [Include ₹ Nil (p.y. ₹ 23.67 crore) acquired on amalgamation]	255.67	194.41
Work-in-progress [Include ₹ Nil (p.y. ₹ 16.07 crore) acquired on amalgamation]	103.83	78.71
Stock-in-trade	14.14	12.20
<b>Total</b>	<b>373.64</b>	<b>285.32</b>
<b>Inventories at the end of the period:</b>		
Finished goods	313.45	255.67
Work-in-progress	89.46	103.83
Stock-in-trade	9.41	14.14
<b>Total</b>	<b>412.32</b>	<b>373.64</b>
<b>Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>	<b>(38.68)</b>	<b>(88.32)</b>

	01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
<b>Details of Inventories :</b>		
<b>Manufactured Goods</b>		
Detergents	54.31	48.26
Toilet Soap	52.49	64.20
Soda Ash	66.00	32.32
Linear Alkyl Benzene	80.63	44.90
Pharma Products	44.35	50.76
Others	15.67	15.23
<b>Total</b>	<b>313.45</b>	<b>255.67</b>
<b>Work-in-progress</b>		
Detergents	5.79	6.94
Toilet Soap	14.86	26.38
Soda Ash	28.20	33.68
Linear Alkyl Benzene	14.83	18.58
Pharma Products	16.86	10.26
Others	8.92	7.99
<b>Total</b>	<b>89.46</b>	<b>103.83</b>
<b>Traded Goods</b>		
Pharma Products	8.18	9.24
Castor Oil	0.70	4.90
Others	0.53	Nil
<b>Total</b>	<b>9.41</b>	<b>14.14</b>

**Note - 27 : EMPLOYEE BENEFITS EXPENSE**

₹ in crore

	01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
Salaries and wages	101.45	275.11
Contributions to provident and other funds (Refer Note no. - 33)	10.17	27.39
Staff welfare expense	9.27	19.01
<b>Total</b>	<b>120.89</b>	<b>321.51</b>

## Nirma Limited

### Note - 28 : OTHER EXPENSES

₹ in crore

	01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
Consumption of stores and spare parts	82.55	209.11
Power and fuel expenses	379.97	1071.21
Excise duty provided on stocks	18.16	7.69
Processing charges	16.08	42.29
Rent expenses	3.21	5.07
Repairs		
To building	2.57	7.54
To machinery	16.29	36.40
To others	1.97	5.06
	20.83	49.00
Insurance expenses	3.27	7.39
Rates and taxes	9.74	26.77
Payments to auditors		
Audit fees	0.13	0.42
Taxation matters	0.24	0.94
Other matters	Nil	0.02
	0.37	1.38
Cost Audit fees	0.05	0.01
	0.42	1.39
Directors' fees	0.03	0.05
Discount on sales	72.58	150.94
Commission on sales	5.00	20.01
Freight and transportation expenses	127.60	383.98
Sales tax expenses	7.31	10.86
Advertisement expenses	26.75	77.18
Exchange fluctuation loss (Net)	27.10	69.96
Loss on sales of assets	0.07	0.13
Donation	0.71	2.93
Donation to political party - Bhartiya Janta Party	0.50	Nil
Sales promotion expenses	6.31	11.03
Provision for bad debts	Nil	3.51
Bad debts written off	0.90	6.35
Other expenses [Net of Transport Income ₹ 1.13 crore (p.y. ₹ 3.91 crore)]*	57.39	148.89
<b>Total</b>	<b>866.48</b>	<b>2305.74</b>
* Includes prior period adjustments(net) (₹ 0.01 crore) (p.y. ₹ 0.20 crore)		

₹ in crore

Value of Stores and Spares Parts	01.10.2012 To 31.03.2013		01.04.2011 To 30.09.2012	
	% of Consumption	₹ in crore	% of Consumption	₹ in crore
Imported	9.05	7.47	21.62	45.20
Indigenous	90.95	75.08	78.38	163.91
	100.00	82.55	100.00	209.11



**Note - 29 : FINANCE COSTS**

₹ in crore

	<b>01.10.2012 To 31.03.2013</b>	01.04.2011 To 30.09.2012
Interest expense *	<b>71.64</b>	180.49
Other borrowing costs	<b>2.07</b>	9.75
<b>Total</b>	<b>73.71</b>	190.24
* Net of interest cost capitalised	<b>5.05</b>	13.99

**Note - 30 : EXCEPTIONAL ITEMS**

₹ in crore

	<b>01.10.2012 To 31.03.2013</b>	01.04.2011 To 30.09.2012
Excess provision of various expenses written back	<b>Nil</b>	2.03
<b>Total</b>	<b>Nil</b>	2.03

## Nirma Limited

### Note - 31 : CONTINGENT LIABILITIES NOT PROVIDED FOR IN ACCOUNTS

₹ in crore

	As at 31.03.2013	As at 30.09.2012
(A) Claims against the Company not acknowledged as debts		
(I) For custom duty	5.78	5.97
(II) For direct tax (*)	1456.00	1294.06
(III) For sales tax	59.30	57.12
(IV) For excise duty and service tax [appeals decided in favour of the Company ₹ 85.66 crore (p.y. ₹ 85.59 crore)]	156.13	145.08
(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 ₹ 4.71 crore (p.y. ₹ 4.71 crore) of the Demerged Undertaking, as per the Financial Statement of CHL as certified by Statutory Auditor of CHL	42.66	40.33
	<b>1724.37</b>	<b>1547.06</b>
(*) 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)	31.96	35.59
(C) For letters of credit	58.60	50.69
(D) For bank guarantee	62.85	54.22
(E) 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)	156.54	224.24
(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.		

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

₹ in crore

		01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
(A)	C.I.F. value of imports		
	Raw materials	99.88	376.88
	Spare parts	27.31	20.32
	Capital Goods	6.60	63.86
(B)	Expenditure in foreign currency		
	Interest	12.63	47.04
	Consulting and professional fee	0.52	0.58
	Royalty	Nil	17.83
	Others	8.45	19.05
(C)	Earnings in foreign currency		
	Export of goods	130.71	533.01
	Interest	0.01	0.43
	Commission	0.51	3.78
(D)	Dividend remitted in Foreign Currency	Nil	Nil

**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 period are as under:

₹ in crore

		01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
	Employer’s Contribution to Provident Fund	5.97	17.50
	Employer’s Contribution to Superannuation Fund	Nil	0.03

## Nirma Limited

### (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 recognised in the same manner as gratuity.

₹ in crore

	01.10.2012 To 31.03.2013		01.04.2011 To 30.09.2012	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
<b>a. Reconciliation of opening and closing balances of Defined Benefit obligation</b>				
Defined Benefit obligation at beginning of the period	38.36	15.15	16.09	6.34
Add : Balance acquired on amalgamation	Nil	Nil	12.98	2.23
Current Service Cost	1.69	1.28	4.62	3.32
Interest Cost	1.59	0.63	3.50	1.00
Actuarial (gain) / loss	(0.03)	(1.26)	5.47	4.51
Benefits paid	(1.87)	(0.82)	(4.30)	(2.25)
Defined Benefit Obligation at the period end	39.74	14.98	38.36	15.15
<b>b. Reconciliation of opening and closing balances of fair value of plan assets</b>				
Fair value of plan assets at beginning of the period	18.98	Nil	6.26	Nil
Add : Balance acquired on amalgamation	Nil	Nil	12.84	Nil
Expected return on plan assets	0.85	Nil	2.54	Nil
Actuarial gain/(loss)	(0.06)	Nil	0.05	Nil
Employers' contribution	Nil	Nil	0.28	Nil
Benefits paid	(1.25)	Nil	(2.99)	Nil
Fair value of plan assets at year end	18.52	Nil	18.98	Nil
<b>c. Reconciliation of fair value of assets and obligation</b>				
Fair value of plan assets	18.52	Nil	18.98	Nil
Present value of obligation	(39.74)	(14.98)	(38.36)	(15.15)
Amount recognised in Balance Sheet	(21.22)	(14.98)	(19.38)	(15.15)
<b>d. Expenses recognised during the period</b> (under the head of "Payments to and Provisions for Employees" - Refer Note no. - 27)				
Current Service Cost	1.69	1.28	4.62	3.32
Interest Cost	1.59	0.63	3.50	1.00
Expected return on plan assets	(0.85)	Nil	(2.54)	Nil
Actuarial (gain)/loss	0.03	(1.26)	5.42	4.51
Net Cost	2.46	0.65	11.00	8.83
<b>e. Investment Details:</b>				
<b>Invested with Life Insurance Corporation of India</b>	100%	Nil	100%	Nil
<b>Actuarial assumption</b>				
Discount rate (p.a.)	8.20%	8.20%	8.32%	8.32%
Discount rate of amalgamating company	Nil	Nil	8.25%	8.25%
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%

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. 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 - 36**

Bank Balance in current accounts includes ₹ 0.59 crore (p.y. ₹ 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**

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

**Note - 38**

Due to Micro, Small and Medium Enterprises

Under the Micro Small and Medium Enterprises Development Act. 2006, (MSMED) which came in to force from 2nd 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 MSMED Act 2006 is disclosed as below.

₹ in crore

Particulars	01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
Principal amount remaining unpaid to any supplier as at the period end.	1.13	1.96
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 period 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

## Nirma Limited

### Note - 39 : EARNINGS PER SHARE (EPS)

₹ In crore

		01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
(I)	Profit for basic and diluted earning per share (Loss)/Profit for the period (for basis) ( a ) (Loss)/Profit (for diluted) (b)	173.87 173.87	(61.12) (61.12)
(II)	Weighted average number of equity shares (Face value of ₹ 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 ₹ 5 per share) Basic (a/c) Diluted (b/d)	10.93 10.93	(3.84) (3.84)

### Note - 40

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, Kargil Holdings Pvt. Ltd., Uri Holdings Pvt. Ltd., Leh Holdings Pvt. Ltd., Banihal Holdings Pvt. Ltd. and Kulgam Holdings Pvt. Ltd. are holding totally 95.32% (p.y 94.82%) equity shares in the Company.

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

###### (a) Direct Holding

Karnavati Holdings Inc. USA, Nirlife Mexico, SA DE C.V, and Siddhi Vinayak Cement Pvt. Ltd.

###### (b) Indirect Holding

Searles Valley Minerals Inc. (SVM), USA (Wholly owned subsidiaries of Karnavati Holding Inc. USA).

Searles Domestic Water Company LLC, Trona Railway Company LLC and Searles Valley Minerals Europe ( Wholly owned by SVM)

##### (III) Associates Entities:

Kargil Holdings Pvt. Ltd., Uri Holdings Pvt. Ltd., Leh Holdings Pvt. Ltd., Banihal Holdings Pvt. Ltd., Kulgam Holdings Pvt. Ltd., Nirma Credit & Capital Pvt. Ltd., Nirma Industries Pvt. Ltd., Nirma Chemical Works Pvt. Ltd., Baeurer Infotech Ltd., Mahuva Port and Infrastructure Pvt. Ltd., Kanak Castor Products Pvt. Ltd., Navin Detergent Pvt. Ltd., Navin Overseas FZC, Nirma Education and Research Foundation, Nirma University, Nirma Labs, Trona Export Terminals LLC, USA and FRM Trona Fuels LLC,USA.

##### (IV) Key Management Personnel:

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

##### (V) Relatives:

Relatives of Key Management Personnel with whom transactions done during the said financial year.

Dr. Karsanbhai K. Patel, Shri Rakeshbhai K. Patel

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

(I) Subsidiary Companies:

₹ In crore

		<b>01.10.2012 To 31.03.2013</b>	01.04.2011 To 30.09.2012
1	Sales of store material (a) Siddhi Vinayak Cement Pvt. Ltd	<b>9.42</b>	44.12
2	Purchase of finished goods (a) Searles Valley Minerals Inc.	<b>2.56</b>	7.26
3	Interest income (a) Karnavati Holding Inc., USA (b) Siddhi Vinayak Cement Pvt. Ltd (c) Nirlife Mexico, SA DE C.V	<b>Nil</b> <b>10.94</b> <b>0.01</b>	0.43 0.01 (₹ 23372)
4	Sales of assets (a) Siddhi Vinayak Cement Pvt. Ltd	<b>0.17</b>	Nil
5	Commission income (a) Karnavati Holding Inc., USA (b) Siddhi Vinayak Cement Pvt. Ltd	<b>0.50</b> <b>0.39</b>	3.78 Nil
6	Share investment (a) Siddhi Vinayak Cement Pvt. Ltd (b) Nirlife Mexico, SA DE C.V	<b>Nil</b> <b>Nil</b>	400.09 0.02
7	ICD / Loan – given (a) Siddhi Vinayak Cement Pvt. Ltd (b) Nirlife Mexico, SA DE C.V	<b>301.87</b> <b>Nil</b>	423.86 0.54
8	ICD / Loan – recovered (a) Karnavati Holding Inc., USA (b) Siddhi Vinayak Cement Pvt. Ltd	<b>Nil</b> <b>Nil</b>	10.40 410.98
9	Closing balance – debit	<b>5.88</b>	17.55
10	Closing balance – credit	<b>0.30</b>	Nil
11	Closing balance – Guarantees	<b>156.42</b>	224.11

## Nirma Limited

### (II) Associates Entities

₹ In crore

		<b>01.10.2012 To 31.03.2013</b>	01.04.2011 To 30.09.2012
1	Sale of finished goods		
	(a) Kanak Castor Products Pvt. Ltd.	<b>0.28</b>	7.32
	(b) Navin Overseas FZC, UAE	<b>5.61</b>	0.59
2	Sale of material		
	(a) Kanak Castor Products Pvt. Ltd.	<b>0.08</b>	0.76
	(b) Nirma Education and Research Foundation	<b>(₹ 6590)</b>	0.71
3	Purchase of finished goods		
	(a) Kanak Castor Products Pvt. Ltd.	<b>0.02</b>	1.08
4	Purchase of materials		
	(a) Kanak Castor Products Pvt. Ltd.	<b>0.03</b>	0.21
	(b) Navin Overseas FZC, UAE	<b>16.43</b>	30.39
5	Exchange rate difference income		
	(a) Navin Overseas FZC, UAE	<b>0.01</b>	(₹ 32616)
6	Interest income		
	(a) Nirma Education and Research Foundation	<b>1.31</b>	0.21
7	Processing charges		
	(a) Kanak Castor Products Pvt. Ltd.	<b>2.88</b>	9.04
8	Interest expenses		
	(a) Kargil Holding Pvt. Ltd.	<b>2.53</b>	2.22
	(b) Nirma Chemical Works Pvt. Ltd.	<b>25.27</b>	71.28
	(c) Nirma Credit and Capital Pvt. Ltd.	<b>2.18</b>	6.18
	(d) Nirma Industries Pvt. Ltd.	<b>2.19</b>	6.24
9	ICD / Loan – taken		
	(a) Kargil Holding Pvt. Ltd.	<b>72.08</b>	213.33
	(b) Nirma Chemical Works Pvt. Ltd.	<b>17.00</b>	91.05
10	ICD / Loan – repaid		
	(a) Kargil Holding Pvt. Ltd.	<b>92.86</b>	168.32
	(b) Nirma Chemical Works Pvt. Ltd.	<b>75.75</b>	41.70
	(c) Nirma Credit and Capital Pvt. Ltd.	<b>4.50</b>	Nil
	(d) Nirma Industries Pvt. Ltd.	<b>26.00</b>	Nil
11	ICD / Loan – given		
	(a) Nirma Education and Research Foundation	<b>Nil</b>	18.32
12	Net closing balance – debit	<b>19.63</b>	18.77
13	Net closing balance – credit	<b>603.77</b>	683.75



**(III) Key Management Personnel**

₹ In crore

		01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
1	Salary expenses (a) Shri Hirenbhai K. Patel (b) Shri Kalpeshbhai A. Patel	0.41 0.26	1.19 0.72
2	ICD / Loan – taken (a) Shri Hirenbhai K. Patel	18.21	169.08
3	ICD / Loan – repaid (a) Shri Hirenbhai K. Patel	74.80	163.69
4	Interest expenses (a) Shri Hirenbhai K. Patel	1.17	3.63
5	Medical expenses (a) Shri Hirenbhai K. Patel	3.82	6.64
6	Net closing balance – credit	17.63	75.69

**(IV) Relatives**

₹ In crore

		01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
1	Directors' fees (a) Dr. Karsanbhai K. Patel (b) Shri Rakeshbhai K. Patel	(₹ 30000) (₹ 30000)	0.01 0.01
2	Interest expenses (a) Shri Rakeshbhai K. Patel	1.04	2.83
3	ICD / Loan – taken (a) Shri Rakeshbhai K. Patel	68.18	365.74
4	ICD / Loan – repaid (a) Shri Rakeshbhai K. Patel	98.42	312.80
5	Closing balance – credit	36.72	68.62

**Note - 41**

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 - 42**

(A) Figures of previous period have been regrouped wherever necessary. Figures of current period are for 01.10.2012 To 31.03.2013 and figures of previous period are for 01.04.2011 to 30.09.2012. Hence the figures of current period are not comparable with those of previous period.

(B) Figures have been presented in 'crore' of rupees with two decimals. Figures less than ₹ 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 : June 28, 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	Kamavati Holdings Inc.*	Searles Valley Minerals Inc.*	Trona Railway Company LLC*	Searles Domestic Water Company LLC*
Financial Year / period ended on	31.03.2013	31.03.2013	31.03.2013	31.03.2013
Number of shares in the subsidiaries held by Nirma Limited at the above date	100010	Nil	Nil	Nil
Percentage of Holding	100 ₹ in Crore	Nil	Nil	Nil
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		₹ in Crore	₹ in Crore	₹ in Crore
(i) For the current financial year	193.03	42.42	17.49	(0.17)
(ii) For the previous financial year since it becomes subsidiary	(33.36)	180.57	85.81	(0.01)
Net aggregate amount of Profits / (Losses) of subsidiary which has been dealt with in the Accounts of Holding Company				
(i) For the current financial year	Nil	Nil	Nil	Nil
(ii) For the previous financial year since it becomes subsidiary	Nil	Nil	Nil	Nil

Name of Subsidiaries	Searles Valley Minerals Europe*	Nirilife Mexico SA de CV#	Siddhi Vinayak Cement Pvt. Ltd.
Financial Year / period ended on	31.03.2013	31.03.2013	31.03.2013
Number of shares in the subsidiaries held by Nirma Limited at the above date	Nil	50000	400000000
Percentage of Holding	Nil	100	100
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		₹ in Crore	₹ in Crore
(i) For the current financial year	(0.15)	(0.03)	(9.24)
(ii) For the previous financial year since it becomes subsidiary	(0.18)	(0.02)	(5.25)
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
(ii) For the previous financial year since it becomes subsidiary	Nil	Nil	Nil

\* Converted in ₹ as per Exchange Rate of ₹ 54.28 per USD as on 31st March 2013

# Converted in ₹ as per Exchange Rate of ₹ 4.4059 per Mexican Pesos as on 31st March 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

Place : Ahmedabad  
Date : June 28, 2013

## INFORMATION ON SUBSIDIARIES

(₹ in crore)

Particulars	Karnavati Holdings Inc.*	Searles Valley Minerals Inc.*	Trona Railway Company LLC*	Searles Domestic Water Company LLC*
Financial Year / period ended on	31.03.2013	31.03.2013	31.03.2013	31.03.2013
Capital (including additional paid in capital)	(1) 678.51	917.12	159.78	2.02
Reserves (retained earnings)	(2) 403.93	(224.82)	103.30	(0.18)
Total Liabilities Excl. (1) & (2)	(3) 57.62	707.24	1.28	0.24
Total Assets	(4) 1140.06	1,399.54	264.36	2.08
Investments (other than investment in subsidiaries)	(5) Nil	4.06	Nil	Nil
Turnover	(6) Nil	1,910.51	56.46	3.39
Profit Before Taxation	(7) 191.65	74.67	17.49	(0.17)
Provision for Taxation	(8) (1.38)	32.25	Nil	Nil
Profit After Taxation	(9) 193.03	42.42	17.49	(0.17)
Proposed Dividend	(10) Nil	Nil	Nil	Nil

Particulars	Searles Valley Minerals Europe*	Nirlife Mexico SA de CV#	Siddhi Vinayak Cement Pvt. Ltd.
Financial Year / period ended on	31.03.2013	31.03.2013	31.03.2013
Capital (including additional paid in capital)	(1) 4.04	0.02	400.00
Reserves (retained earnings)	(2) (0.33)	(0.05)	(14.49)
Total Liabilities Excl. (1) & (2)	(3) 2.38	0.57	376.31
Total Assets	(4) 6.09	0.54	761.82
Investments (other than investment in subsidiaries)	(5) Nil	Nil	Nil
Turnover	(6) 15.00	Nil	Nil
Profit Before Taxation	(7) (0.13)	(0.03)	(9.24)
Provision for Taxation	(8) 0.02	Nil	Nil
Profit After Taxation	(9) (0.15)	(0.03)	(9.24)
Proposed Dividend	(10) Nil	Nil	Nil

\* Converted in ₹ as per Exchange Rate of ₹ 54.28 per USD as on 31st March 2013

# Converted in ₹ as per Exchange Rate of ₹ 4.4059 per Mexican Pesos as on 31st March 2013

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.



**INDEPENDENT AUDITORS' REPORT**

To  
The Board of Directors  
Nirma Limited  
Ahmedabad

**1. Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Nirma Limited ("the Company"), and its subsidiaries (collectively referred to as "the group") which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the period then ended and a summary of significant accounting policies and other explanatory information.

**2. Management's Responsibility for the Consolidated Financial Statement**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("The Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**3. Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**4. Emphasis of Matter**

Without qualifying our opinion, we draw attention to Note no. 35 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. Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors of the financial statements/Consolidated Financial Statements of the subsidiaries and associates as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- (b) 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
- (c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the period ended on that date.

## 6. Other Matters

We did not audit the financial statements/ Consolidated Financial Statements of certain subsidiaries, whose financial statements/ Consolidated Financial Statements reflect total assets (net) of ₹ 2192.48 crore as at March 31, 2013, total revenue (net) of ₹ 1972.52 crore and net cash flows amounting to ₹ 20.28 crore for the period ended on that date. 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.

Our opinion is not qualified in respect of other matters.

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

Place : Ahmedabad  
Date : June 28, 2013

**H. C. Shah**  
Proprietor  
Membership No. 36441

# Nirma Limited - Consolidated

## BALANCE SHEET AS AT 31ST MARCH, 2013

₹ in crore

	Note no	As at 31.03.2013	As at 30.09.2012
<b>EQUITY AND LIABILITIES</b>			
<b>A Shareholders' funds</b>			
Share capital	2	104.28	104.28
Reserves and surplus	3	3203.66	2938.69
<b>SUB TOTAL - A</b>		<b>3307.94</b>	<b>3042.97</b>
<b>B Non-current liabilities</b>			
Long-term borrowings	4	1040.62	960.06
Deferred tax liabilities (Net)	5	384.99	347.42
Other long-term liabilities	6	196.01	169.06
Long-term provisions	7	37.96	35.82
<b>SUB TOTAL - B</b>		<b>1659.58</b>	<b>1512.36</b>
<b>C Current liabilities</b>			
Short-term borrowings	8	684.95	504.14
Trade payables	9	410.64	482.29
Other current liabilities	10	563.44	612.15
Short-term provisions	11	25.37	55.74
<b>SUB TOTAL - C</b>		<b>1684.40</b>	<b>1654.32</b>
<b>TOTAL - (A+B+C)</b>		<b>6651.92</b>	<b>6209.65</b>
<b>ASSETS</b>			
<b>D Non-current assets</b>			
Fixed assets	12		
Tangible assets		2417.30	2458.57
Intangible assets		459.34	486.95
Capital work-in-progress		878.86	518.61
Intangible assets under development		Nil	5.58
		<b>3755.50</b>	<b>3469.71</b>
Non-current investments	13	25.77	24.70
Long-term loans and advances	14	120.28	79.03
Other non-current assets	15	19.21	2.82
<b>SUB TOTAL - D</b>		<b>3920.76</b>	<b>3576.26</b>
<b>E Current assets</b>			
Current investments	16	Nil	22.00
Inventories	17	1349.74	1264.97
Trade receivables	18	868.14	787.43
Cash and cash equivalents	19	43.42	74.53
Short-term loans and advances	20	462.55	468.58
Other current assets	21	7.31	15.88
<b>SUB TOTAL - E</b>		<b>2731.16</b>	<b>2633.39</b>
<b>TOTAL - (D+E)</b>		<b>6651.92</b>	<b>6209.65</b>
Significant Accounting Policies	1		
The accompanying Notes no. 2 to 42 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

For and on behalf of the Board

**KALPESH A. PATEL**  
Executive Director

**Dr. K. K. PATEL**  
Chairman

**H. C. SHAH**  
Proprietor  
Membership No.36441

**PARESH SHETH**  
Company Secretary

**RAJENDRA D. SHAH**  
Director

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON 31ST MARCH 2013**

₹ in crore

	Note no	01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
<b>Revenue from operations (gross)</b>		<b>4398.65</b>	8586.12
Less : Excise duty		<b>234.55</b>	596.11
Net Revenue from Operations	22	<b>4164.10</b>	7990.01
Other income	23	<b>88.27</b>	76.99
<b>TOTAL REVENUE :</b>		<b>4252.37</b>	8067.00
<b>Expenses</b>			
Cost of materials consumed	24	<b>999.59</b>	2799.77
Purchases of stock-in-trade	25	<b>24.41</b>	99.64
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	<b>(79.04)</b>	(104.27)
Employee benefits expenses	27	<b>488.37</b>	667.73
Other expenses	28	<b>2206.78</b>	3410.84
<b>TOTAL EXPENSES :</b>		<b>3640.11</b>	6873.71
<b>Profit before Finance cost , Depreciation, Exceptional Items and Tax</b>		<b>612.26</b>	1193.29
Finance cost	29	<b>90.50</b>	202.65
Depreciation and amortisation expense		<b>206.60</b>	481.36
Add : Share of Profit in Associates		<b>0.28</b>	0.45
<b>Profit before Exceptional Items and Tax</b>		<b>315.44</b>	509.73
Add/(Less) : Exceptional items	30	<b>Nil</b>	2.03
<b>Profit before Tax</b>		<b>315.44</b>	511.76
<b>Tax expense:</b>			
Current tax		<b>67.13</b>	111.47
(Add): MAT credit Entitlement		<b>(4.00)</b>	(72.00)
Tax expense relating to prior years		<b>2.76</b>	356.06
Deferred tax		<b>37.51</b>	65.09
		<b>103.40</b>	460.62
<b>Profit for the Period</b>		<b>212.04</b>	51.14
<b>Earnings per share :</b>	39		
(Face value per share - ₹ 5)			
Basic & Diluted (in ₹)		<b>13.32</b>	3.21

Significant Accounting Policies

1

The accompanying Notes no. 2 to 42 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 : June 28, 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

# Nirma Limited - Consolidated

## Cash flow statement for the period ended 31st March, 2013

₹ in crore

		01.10.2012 TO 31.03.2013	01.04.2011 TO 30.09.2012
<b>A</b>	<b>Cash flow from operating activities :</b>		
	Profit before tax	315.44	511.76
	Exceptional Items	Nil	(2.03)
	Exchange loss on revaluation on long term monetary items (Net)	19.91	65.19
	Depreciation and amortisation expense	206.60	481.36
	Interest Income	(51.70)	(39.20)
	Finance Cost	90.50	202.65
	Exchange fluctuation Loss (Net)	6.77	4.77
	Profit on sale of assets	(0.07)	(0.85)
	Loss on sale of assets	7.92	1.18
	Loss on reclassification of assets held for sale	0.27	Nil
	Dividend on non current investment	(0.11)	(0.22)
	Sundry Balances written off	(0.17)	Nil
	Provision for Doubtful advance	Nil	0.15
	Excess provision of Bad Debt written back	(0.11)	Nil
	Excess Provision of earlier year written back	(1.07)	Nil
	Doubtful advances written off	Nil	0.01
	Provision for Bad Debts	Nil	3.51
	Bad debts written off	0.90	6.35
	Depreciation written back during the period.	Nil	0.53
	Share of Profit in associates	(0.28)	(0.45)
	Currency Fluctuation Reserve	44.63	75.46
	Profit on sale of other long term investment	Nil	Nil
	Profit on sale of other current investment	(0.21)	(2.80)
	Operating profit before working capital changes	323.78	795.61
	Adjustments for :	639.22	1307.37
	Trade and other receivables	(89.03)	11.06
	Inventories	(84.77)	(206.25)
	Trade Payables, provisions and other liabilities	(121.15)	19.83
	Cash generated from operations	(294.95)	(175.36)
	Finance cost	344.27	1132.01
	Direct taxes paid	(78.58)	(109.18)
		(57.22)	(142.09)
	Net cash from operating activities	(135.80)	(251.27)
		208.47	880.74
<b>B</b>	<b>Cash flow from investing activities :</b>		
	Purchase of fixed assets	(515.63)	(887.84)
	Sale of fixed assets	Nil	1.82
	Sale of current Investments	230.21	638.80
	Purchase of Non Current investments	Nil	(28.26)
	Purchase of current investments	(208.81)	(658.00)
	Interest received	9.96	39.30
	Dividend on non current investment	0.11	0.22
	Net cash used in investing activities	(484.16)	(893.96)
		(275.69)	(13.22)
<b>C</b>	<b>Cash flow from financing activities :</b>		
	Change in loans and advances	27.23	(41.62)
	Share application money due for refund	(15.37)	Nil
	Proceed from Short Term borrowings	418.74	322.38
	Repayment of Short Term borrowings	(243.49)	(333.51)
	Proceed from Long Term borrowings	866.81	160.03
	Repayment of Long Term borrowings	(809.29)	(148.99)
	Dividend paid	(0.04)	(0.06)
	Net cash used in financing activities	244.58	(41.77)
	<b>Net increase in cash and cash equivalents</b>	<b>(31.11)</b>	<b>(54.99)</b>
	Cash and cash equivalents (opening)	74.53	110.58
	Add : Opening balance acquired on amalgamation	Nil	18.43
	Add : Opening balance acquired on acquisition	Nil	0.51
	Cash and cash equivalents (closing)	43.42	74.53

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

As per our report of even date

For and on behalf of the Board

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

**KALPESH A. PATEL**  
Executive Director

**Dr. K. K. PATEL**  
Chairman

**H. C. SHAH**  
Proprietor  
Membership No.36441

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

## ***Nirma Limited - Consolidated***

### **(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, Karnavati Holding Inc, Searles Valley Minerals Inc, Searles Domestic Water Company LLC, Trona Railway Company 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.

<b>Assets</b>	<b>Estimated Use Life</b>
Trade Marks	: 8 Years
Software	: 6 Years
License Fee	: 4 Years
Goodwill	: 10 Years
Goodwill on amalgamation	: 3 Years
Goodwill on Consolidation	: 13 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 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 is 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 period 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 period.

**(J) Provisions and Contingent liabilities**

- (I) Provisions are recognised 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 statement of 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 statement of profit and loss for the period in which the employee has rendered services. The expenses are recognised 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 statement profit and loss.

**(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 46A 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 gain/(loss) 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 Statement of 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 in one period and are capable of reversal in one or more subsequent periods.

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Minimum Alternative Tax ( MAT ) credit is recognised 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 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 recognised over the life of the contracts. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the period which the exchange rates changes. Profit/Loss on cancellation/renewal of forward exchange contract is recognized 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 deposits 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 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 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**

₹ in crore

Particulars	As at 31.03.2013		As at 30.09.2012	
	Number of shares	₹	Number of shares	₹
<b>AUTHORISED</b>				
Equity shares of ₹ 5 each	231,000,000	115.50	231,000,000	115.50
6% Redeemable non cumulative non convertible preference shares of ₹ 100 each	1,000,000	10.00	1,000,000	10.00
6% Redeemable non cumulative non convertible preference shares of ₹ 1 each	250,000,000	25.00	250,000,000	25.00
		150.50		150.50
<b>ISSUED AND SUBSCRIBED</b>				
Equity shares of ₹ 5 each	159,174,866	79.59	159,175,666	79.59
6% Redeemable non cumulative non convertible preference shares of ₹ 1 each (Refer Note no. - II below)	247,080,232	24.71	Nil	Nil
		104.30		79.59
<b>FULLY PAID UP</b>				
Equity shares of ₹ 5 each	159,142,282	79.57	159,142,282	79.57
Equity shares forfeited [₹ Nil (p.y. ₹ 2000)]	Nil		800	
6% Redeemable non cumulative non convertible preference shares of ₹ 1 each (Refer Note no. - II below)	247,080,232	24.71	Nil	Nil
		104.28		79.57
Preference shares to be issued (Refer Note no. - II below)	Nil	Nil	247,080,232	24.71
<b>Total</b>		104.28		104.28

**Notes :**

- I) Company has made allotment of 90998368 equity shares of ₹ 5 each on exercising option by the warrant holders at a premium of ₹ 40 per share (for share of ₹ 10 each). 32584 equity shares of ₹ 5 each were kept in abeyance due to court order.
- II) Company has made allotment of 247080232 6% Redeemable non cumulative non convertible preference shares of ₹ 1 each at par fully paid up against 1 equity share of ₹ 1 each fully paid up held by the shareholders of erstwhile Saurashtra Chemicals Limited on 31.03.2013 consequent upon the amalgamation.

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

Particulars	As at 31.03.2013		As at 30.09.2012	
	Number of shares	₹ in crore	Number of shares	₹ in crore
<b>(A) Equity</b>				
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>(B) Preference</b>				
Opening Balance	Nil	Nil	Nil	Nil
Fresh Issue - allotted pursuant to amalgamation	247,080,232	24.71	Nil	Nil
Closing Balance	247,080,232	24.71	Nil	Nil

### B) Rights Preferences and restrictions attached to class of shares

#### Equity Shares

The Company has one class of equity shares having par value of ₹ 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.

#### Preference Shares

Preference shares are be redeemable at par at the end of five years from the date of allotment i.e. March 31, 2018, but may be redeemed at any time at the discretion of Board of Directors of the Company. These shares would carry 6% non cumulative dividend per annum. The holders of Preference Shares shall in respect of such capital, have a right to vote only on the resolution placed before the Company which directly affects the rights attached to the Preference Shares. The Preference Shares carry a preferential right in case of dividend. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares.

### C) The Company do not have any holding company

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

(A) Equity Shares	As at 31.03.2013		As at 30.09.2012	
	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	23,319,881	14.65	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	19,599,510	12.31	19,133,836	12.02
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	13,094,824	8.23	12,959,200	8.14
9. Kulgam Holdings Pvt. Ltd.	12,024,849	7.55	12,003,900	7.54

\* Includes Equity Shares held as trustee of trust and as member of AOP

(B) Preference Shares	As at 31.03.2013		As at 30.09.2012	
	No. of shares held	% of Total paid up Preference Share Capital	No. of shares held	% of Total paid up Preference Share Capital
1. Nirma Chemical Works Pvt. Ltd.	87,931,375	35.59	Nil	Nil
2. Nirma Industries Pvt. Ltd.	55,255,300	22.36	Nil	Nil
3. Nirma Credit and Capital Pvt. Ltd.	45,532,500	18.43	Nil	Nil
4. Nirma Management Services Pvt. Ltd.	39,200,000	15.87	Nil	Nil

**E) Details of forfeited shares**

Class of shares	As at 31.03.2013		As at 30.09.2012	
	Number of shares	₹ in crore	Number of shares	₹ in crore
Equity shares with voting rights	Nil	Nil	800	( ₹ 2000 )

\* 800 Forfeited equity shares were cancelled on 12.12.2012 and amount received on such forfeited equity shares was transferred to Capital Reserve.

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

Class of shares	As at 31.03.2013		As at 30.09.2012	
	Number of shares	₹ in crore	Number of shares	₹ in crore
Equity shares with voting rights	32,584	0.02	32,584	0.02

**G) 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 31.03.2013 being date of Balance Sheet.**

	Number of shares As at 31.03.2013	Number of shares As at 30.09.2012
No of Equity shares	372,914	372,914
No of Redeemable non cumulative non convertible Preference Shares	247,080,232	Nil

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### Note - 3 : RESERVES AND SURPLUS

₹ in crore

	As at 31.03.2013	As at 30.09.2012
<b>Capital Reserve</b>		
As per last Balance Sheet	363.13	363.13
<b>Debenture Redemption Reserve</b>		
As per last Balance Sheet	28.19	Nil
Add : Transferred from statement of profit and loss	38.56	28.19
	66.75	28.19
<b>Capital Redemption Reserve</b>		
As per last Balance Sheet	2.81	2.81
<b>Securities Premium Account</b>		
As per last Balance Sheet	222.70	222.70
<b>Currency fluctuation reserve</b>		
As per last Balance Sheet	82.86	7.40
Add: Addition during the period	44.62	75.46
Closing Balance	127.48	82.86
<b>General Reserve</b>		
As per last Balance Sheet	1994.62	1994.71
Less: Adjustments on account of acquisition of company	Nil	(0.09)
Closing balance	1994.62	1994.62
<b>Foreign Currency Monetary Item Translation Difference Account</b>		
As per last Balance Sheet	(24.65)	Nil
Add: Effect of foreign exchange rate variation during the period	(11.60)	(90.86)
Less: Written off to statement of profit and loss during the period	19.91	66.21
Closing balance	(16.34)	(24.65)
<b>Surplus as per the Statement of Profit and Loss</b>		
As per last Balance Sheet	269.03	246.08
Add: Profit for the period	212.04	51.14
	481.07	297.22
Less : Transferred to Debenture redemption reserve	38.56	28.19
Closing balance	442.51	269.03
<b>Total</b>	<b>3203.66</b>	<b>2938.69</b>



**Note - 4 : LONG TERM BORROWINGS**

₹ in crore

	As at 31.03.2013	As at 30.09.2012
<b>Other Loans and Advances</b>		
<b>Secured</b>		
External commercial borrowings (ECBs) (Refer Notes no. - I & XI below)	153.79	176.20
Term Loan from banks (Refer Notes no. - II & VIII below)	180.07	50.88
Loan from Gujarat Housing Board (Refer Note no. - X below)	(₹ 8083)	(₹ 8083)
Inter Corporate Deposit from Related Parties (Refer Notes no. - III below & 40)	Nil	210.00
Vehicle loans (Refer Note no. - IV below)	0.03	0.05
<b>Unsecured</b>		
Debentures (Refer Notes no. - V & VI below)	152.89	152.89
Inter Corporate Deposit from Related Parties (Refer Notes no. - VII below & 40)	553.80	370.00
Deferred sales tax liability (Refer Note no. - XII below)	0.04	0.04
<b>Total</b>	<b>1040.62</b>	<b>960.06</b>

Notes:	As at 31.03.2013		As at 30.09.2012	
	Non Current	Current	Non Current	Current
I) The external commercial borrowings is due for repayment on 27.05.2014 for ₹ 117.60 crore (US \$ 2.17 crore) and on 16.06.2014 for ₹ 36.19 crore(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. [p.y. The external commercial borrowings were due for repayment on 27.11.2013 for ₹ 26.43 crore (US \$ 0.50 crore), on 27.05.2014 for ₹ 114.53 crore (US \$ 2.17 crore) and on 16.06.2014 for ₹ 35.24 crore(US \$ 0.66 crore)].	153.79	289.49	176.20	281.92
II) Revolving credit facility secured by accounts receivable and inventory of the company, interest paid monthly at 1% over prime, 2% over 1-month LIBOR, or a mix of the two rates, as defined (4.25% weighted average rate at March 31, 2013), due May 30, 2017. The facility allows the Company to borrow the lesser of ₹ 352.82 crore( US \$ 65,000,000) or the borrowing base, as defined, through May 30, 2017 subject to certain financial covenants. Available borrowing as of March 31, 2013 and 2012 were ₹ 71.82 crore (US \$ 13,233,000) and ₹ 147.98 crore ( US \$ 27,262,000), respectively. The revolving credit facility waives certain covenants when borrowing availability is in excess of ₹ 35.28 crore (US \$ 6,500,000).	180.07	Nil	Nil	Nil
III) 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.	Nil	Nil	210.00	0.93

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IV)	Vehicle loans pertain to vehicles 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.	0.03	0.02	0.05	0.07
V)	10.50% Unsecured Redeemable Non Convertible Debentures is redeemable at par on 30.05.2014.	150.00	Nil	150.00	Nil
VI)	0% Unsecured Redeemable Non Convertible Debenture is redeemable at par on 28.06.2014.	2.89	2.88	2.89	2.88
VII)	Unsecured inter corporate deposit from related parties carry interest @ 10% on ₹ 485.17 crore (p.y. ₹ 223.17 crore) and @ 9.50% on ₹ 68.63 crore (p.y. ₹ 146.83 crore) from appointed date.	553.80	Nil	370.00	Nil
VIII)	Term Loan granted by BNP Paribas to Karnavati Holding Inc.(KHI) is secured by first pari-passu charge on fixed assets of KHI and Searles Valley Minerals Inc.(SVM), pledge of shares of SVM held by KHI and corporate guarantee of the Company and SVM. Interest at 1.75% over LIBOR (2.22% & 2.60% at March 31st, 2012 and 2011), due in three equal installment of ₹ 54.28 crore (USD 10 million) on June 16, 2013. Loan contains certain financial covenants relating to interest coverage, assets coverage and debt to net worth and has certain restrictions on transactions.	Nil	54.28	50.88	50.88
IX)	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	Nil	Nil	38.16
X)	Loan from Gujarat Housing Board ₹ 8,083 is secured by mortgage of related tenements and will be paid as per existing terms and conditions.				
XI)	External Commercial Borrowings have been fully hedged for interest rate fluctuation by way of interest rate swap.				
XII)	0% Deferred sales tax loan is repayable in six yearly equal installment of ₹ 0.01 crore starting from 01.04.2015.				

### Note - 5 : DEFERRED TAX LIABILITIES (Net)

₹ in crore

	As at 31.03.2013	As at 30.09.2012
<b>Deferred Tax Liabilities</b>		
Related to fixed assets	453.66	421.67
Others	3.70	2.81
	<b>457.36</b>	<b>424.48</b>
<b>Deferred Tax Assets</b>		
Disallowance under Income Tax Act	25.54	24.27
Others	46.83	46.99
Carried forward MAT	Nil	Nil
Carried forward loss	Nil	5.80
	<b>72.37</b>	<b>77.06</b>
<b>Net deferred tax liability</b>	<b>384.99</b>	<b>347.42</b>

**Note - 6 : OTHER LONG TERM LIABILITIES**

₹ in crore

	As at 31.03.2013	As at 30.09.2012
Trade Deposits	131.63	115.95
Others	64.38	53.11
<b>Total</b>	<b>196.01</b>	<b>169.06</b>

**Note - 7 : LONG TERM PROVISIONS**

₹ in crore

	As at 31.03.2013	As at 30.09.2012
Provision for employee benefit (Refer note no. - 34)	37.96	35.82
<b>Total</b>	<b>37.96</b>	<b>35.82</b>

**Note - 8 : SHORT - TERM BORROWINGS**

₹ in crore

	As at 31.03.2013	As at 30.09.2012
<b>Secured</b>		
Working Capital Loans from Banks (Refer Notes no. - I & IV below)		
<b>Foreign currency Loan</b>		
Packing credit	Nil	39.64
<b>Local Currency Loan</b>		
Cash credit accounts	293.65	118.29
Over draft from bank	4.07	Nil
Term loans	240.00	100.00
	<b>537.72</b>	<b>257.93</b>
<b>Unsecured</b> (Refer Notes no. - V, VI below & 40)		
Over draft from bank	6.64	Nil
Commercial paper	38.32	Nil
Loan from Directors	54.35	144.32
Inter corporate deposits from related parties	47.92	101.89
	<b>147.23</b>	<b>246.21</b>
<b>Total</b>	<b>684.95</b>	<b>504.14</b>

## 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 8% to 13% p.a.
- II) Outstanding working capital facilities from banks part of cash credit accounts ₹ 0.02 crore is secured by lien of fixed deposit of ₹ 0.15 crore and over draft accounts ₹ 4.07 crore is secured by lien of Fixed deposit of ₹ 10 crore.

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- III) Revolver Loan of USD 15 million equivalent to ₹ 76.32 crore (p.y. ₹ 66.91 crore) 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 USD 40 million, equivalent to ₹ 203.52 as amended up to USD 65 millions, equivalent to ₹ 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 USD 20.169 million, equivalent to ₹ 113.17 crore.
- V) Effective cost of unsecured is in range of 8% to 10% p.a.
- VI) Overdraft from bank granted against the corporate guarantee of the company.

### Note - 9 : TRADE PAYABLES

₹ in crore

	As at 31.03.2013	As at 30.09.2012
Trade payable	410.64	482.29
<b>Total</b>	<b>410.64</b>	<b>482.29</b>

### Note - 10 : OTHER CURRENT LIABILITIES

₹ in crore

	As at 31.03.2013	As at 30.09.2012
<b>Current maturities of long-term debt</b>		
<b>Secured</b>		
External commercial borrowings (ECBs) (Refer Notes no. - I & II below)	289.49	281.92
Term loan [Refer Notes - 4 (VIII & IX)]	54.28	89.04
Inter corporate deposit from related parties [Refer Notes no. - 4 (III) & 40]	Nil	0.93
Vehicle loans [Refer Note no. - 4 (IV)]	0.02	0.07
<b>Unsecured</b>		
Debentures (Refer Note no. - III below)	2.88	2.88
Inter corporate deposit from related parties (Refer Note no. - IV below & 40)	0.01	Nil
Book credit in bank	5.75	0.62
Share application money due for refund (Refer Note no. - V below)	Nil	15.37
Advances received from customers	21.23	40.78
Interest accrued but not due on borrowings	19.68	7.76
Statutory liabilities	121.12	119.72
Unpaid dividends	0.36	0.40
Redemption amount on NCD/SPN	0.14	0.14
Creditors for Capital expenditure	39.07	22.81
Other payables	9.41	29.71
<b>Total</b>	<b>563.44</b>	<b>612.15</b>

#### Notes :

- I) The external commercial borrowings (ECBs) are due for repayment on 27.05.2013, 16.06.2013 and 27.11.2013 in installment of ₹ 226.17 crore (US \$ 4.17 crore), ₹ 36.18 crore (US \$ 0.67 crore) and ₹ 27.14 crore (US \$ 0.50 crore) respectively. [p.y. The external commercial borrowings (ECBs)

were due for repayment on 27.11.2012, 27.05.2013 and 16.06.2013 in installment of ₹ 26.43 crore (US \$ 0.50 crore), ₹ 220.25 crore (US \$ 4.17 crore) and ₹ 35.24 crore (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 Debentures of ₹ 2.88 crore due for redemption on 28.06.2013.
- IV) Unsecured inter corporate deposit from related parties carry interest @ 10%.
- 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 did not take place and hence amount was due for the refund to them, which has been repaid during the current year.

**Note - 11 : SHORT TERM PROVISIONS**

₹ in crore

	As at 31.03.2013	As at 30.09.2012
Provision for employee benefits (Refer Note no. - 34)	25.37	23.76
Provision for tax (net)	Nil	32.58
<b>Total</b>	<b>25.37</b>	<b>55.74</b>



**Note - 13 : NON CURRENT INVESTMENTS (At Cost)**

₹ in crore

			As at 31.03.2013	As at 30.09.2012
<b>(Long Term Investments)</b>				
Current Period	Previous Year			
<b>Trade Investments</b>				
<b>In Equity Shares of Associates Companies - Unquoted - fully paid up</b>				
49% Share	49% Share	FRM Trona Fuels LLC	4.06	3.27
1300000	1300000	Kanak Castor Products Pvt. Ltd. face value of ₹ 10 (Including Goodwill of ₹ 1.30 crore)	1.30	1.30
		Add/Less : Share of profit/loss in associates	1.47	1.19
<b>Total of Trade Investments (A)</b>			<b>6.83</b>	<b>5.76</b>
<b>Other Investments</b>				
<b>In Equity Shares - Quoted - fully paid up</b>				
180914	180914	Torrent Pharmaceuticals Ltd. face value of ₹ 5	12.10	12.10
<b>In Equity Shares - Listed but not quoted - fully paid up</b>				
1000000	1000000	Inlac Granston Ltd. face value of ₹ 10	1.00	1.00
		Less : Provision for diminution in value	1.00	1.00
			Nil	Nil
<b>In Equity Shares - Unquoted - fully paid up</b>				
100	100	Nutan Nagarik Sahakari Bank Ltd. face value of ₹ 25 [₹ 2500 (p.y. ₹ 2500)]		
57020	57020	The Kalupur Comm. Co.op. Bank Ltd. face value of ₹ 25	0.14	0.14
2200000	2200000	Gold Plus Glass Industry Ltd. face value of ₹ 10	6.60	6.60
100000	100000	Enviro Infrastructure Company Ltd. face value of ₹ 10	0.10	0.10
			<b>6.84</b>	<b>6.84</b>
<b>Investments in Government securities (Unquoted)</b>				
National Saving Certificate and Kisan Vikas Patra lodged with various authorities [₹ 33000 (p.y. ₹ 33000)]				
<b>Total of Other Investments (B)</b>			<b>18.94</b>	<b>18.94</b>
<b>Total (A) + (B)</b>			<b>25.77</b>	<b>24.70</b>
Notes :				
I) Aggregate value of Unquoted Investments			14.67	13.60
II) Aggregate value of Quoted Investments			12.10	12.10
III) Market value of Quoted Investments			12.58	12.56
IV) Aggregate value of Diminution in value of investment			1.00	1.00

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### Note - 14 : LONG-TERM LOANS AND ADVANCES

₹ in crore

	As at 31.03.2013	As at 30.09.2012
<b>Unsecured, considered good</b>		
Capital advances	89.33	57.96
Security deposits	1.52	1.35
Loans and advances to employees	0.01	0.02
Inter corporate deposits	3.41	Nil
Balance with Statutory authorities	25.92	19.48
Prepaid expense	0.09	0.22
<b>Total</b>	<b>120.28</b>	<b>79.03</b>

### Note - 15 : OTHER NON CURRENT ASSETS

₹ in crore

	As at 31.03.2013	As at 30.09.2012
Bank deposit with original maturity more than 12 months	19.21	2.82
<b>Total</b>	<b>19.21</b>	<b>2.82</b>

### Note - 16 : CURRENT INVESTMENTS

₹ in crore

	As at 31.03.2013	As at 30.09.2012
<b>Current Investments (At Cost)</b>		
Current Period Previous Year In Mutual Fund - Quoted, fully paid up		
NIL 1222275 Face value of ₹ 100 each		
Birla Sun Life Cash Plus -Growth	Nil	22.00
<b>Total</b>	<b>Nil</b>	<b>22.00</b>
Notes :		
I) Market value of Quoted Investments	Nil	22.02
II) Aggregate value of Quoted Investments	Nil	22.00

### Note - 17 : INVENTORIES

(At lower of cost and net realisable value)

₹ in crore

	As at 31.03.2013	As at 30.09.2012
Raw materials & Packaging materials (Include goods in transit ₹ 1.12 crore (p.y. ₹ 0.11 crore)	382.78	321.68
Work-in-progress	92.11	106.91
Finished goods	483.54	384.89
Stock-in-trade (Trading Goods)	9.33	14.14
Stores and spares	381.98	437.35
<b>Total</b>	<b>1349.74</b>	<b>1264.97</b>



**Note - 18 : TRADE RECEIVABLES**

₹ in crore

	As at 31.03.2013	As at 30.09.2012
<b>More than six months</b>		
Unsecured, considered good	18.43	6.50
Unsecured considered Doubtful	4.55	4.66
	<b>22.98</b>	11.16
Less: Provision for doubtful trade receivables	4.55	4.66
	<b>18.43</b>	6.50
<b>Other Trade receivables</b>		
Secured, considered good		
Unsecured, considered good (Refer Note no. - I below)	849.71	780.93
<b>Total</b>	<b>868.14</b>	787.43

- I) Trade receivables include ₹ 11.30 crore (p.y. ₹ 10.68 crore) on account of subsidy receivable from the Government.

**Note - 19 : CASH AND BANK BALANCES**

₹ in crore

	As at 31.03.2013	As at 30.09.2012
<b>Cash and cash equivalents</b>		
Balances with banks		
In current accounts	22.23	45.00
Less : Provision for doubtful bank balances	0.59	0.59
	<b>21.64</b>	44.41
Cash on hand	1.70	2.45
	<b>23.34</b>	46.86
Other bank balances		
In deposit accounts (With original maturity more than 3 months)	38.77	29.96
Unclaimed Dividend account	0.36	0.39
Secured premium notes money received and due for refund	0.14	0.14
Less : Bank deposits with original maturity more than 12 months (Transferred to other non current assets)	19.19	2.82
	<b>20.08</b>	27.67
<b>Total</b>	<b>43.42</b>	74.53
Notes :		
I) Earmarked balances with Banks	14.64	15.61
II) Earmarked balances with various Statutory Authorities	12.78	0.54
III) Earmarked balances with various Tender Authorities	0.52	0.10

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### Note - 20 : SHORT TERM LOANS AND ADVANCES

₹ in crore

	As at 31.03.2013	As at 30.09.2012
<b>(Secured and Considered good)</b>		
Inter Corporate Deposit	22.87	Nil
<b>(Unsecured, Considered good)</b>		
Loans and advances	66.18	90.46
Loans and advances to related parties (Refer Note no. - 40)	19.63	18.32
Loans and advances to employees	2.30	2.05
Inter Corporate deposit	37.18	54.83
Inter Corporate deposit to related parties (Refer Note no. - 40)	Nil	12.89
Advance to suppliers	46.88	53.86
Balance with statutory authorities	115.94	97.97
Security deposits	2.20	2.35
MAT credit entitlement	80.00	76.00
Prepaid expenses	34.81	56.06
Advance Income tax net of provision	26.14	Nil
Others	8.42	3.79
	<b>462.55</b>	<b>468.58</b>
<b>(Unsecured and Considered doubtful)</b>		
Loans and advances	0.16	0.16
Less : Provision for doubtful advances	0.16	0.16
	Nil	Nil
<b>Total</b>	<b>462.55</b>	<b>468.58</b>

### Note - 21 : OTHER CURRENT ASSETS

₹ in crore

	As at 31.03.2013	As at 30.09.2012
Interest accrued but not received	3.39	0.40
Other receivable	Nil	0.31
Income Receivable	2.56	8.72
Reclassification to assets held for sale	1.34	Nil
Others	0.02	6.45
<b>Total</b>	<b>7.31</b>	<b>15.88</b>

**Note - 22 : REVENUE FROM OPERATIONS**

₹ in crore

		01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
(a)	Sale of Products (Refer Note no. - I below)	4117.42	7820.60
(b)	Sale of Services	5.35	18.39
(c)	Sale of Traded Goods	32.06	138.86
(d)	Other Operating Revenues	9.27	12.16
<b>Total - Net Revenue from Operations</b>		<b>4164.10</b>	<b>7990.01</b>

**Notes**

<b>(i)</b>	<b>Details of Sale value of Goods Manufactured under Broadheads</b>		
	Detergents	601.96	1741.69
	Toilet Soap	188.32	662.74
	Linear Alkyl Benzene	208.43	530.53
	Soda Ash	1690.15	2740.76
	Pharma Products	217.81	566.08
	Refined Bicarbonate	11.07	33.26
	Others	1199.68	1545.54
	<b>Total - Sale of Manufactured Goods</b>	<b>4117.42</b>	<b>7820.60</b>
<b>(ii)</b>	<b>Sale of services - Processing charges</b>	<b>5.35</b>	<b>18.39</b>
	<b>Total - Sale of Services</b>	<b>5.35</b>	<b>18.39</b>
<b>(iii)</b>	<b>Other operating revenues</b>		
	Duty drawback and other Export Incentives	3.48	3.16
	Scrap Sales	5.79	9.00
	<b>Total - Other Operating Revenues</b>	<b>9.27</b>	<b>12.16</b>

Note : I) Sales of products includes subsidy income of ₹ 9.17 crore (p.y. ₹ 36.34 crore) from Government.

**Note - 23 : OTHER INCOME**

₹ in crore

		01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
	Interest income	51.70	39.25
	Dividend From Long term Investments	0.11	0.22
	<b>Net gain on sale of investments</b>		
	current investments	0.21	2.80
	<b>Other non-operating income</b>		
	<b>(net of expenses directly attributable to such income)</b>		
	Profit on Sale of Assets	0.07	0.85
	Claims and Refunds	4.24	4.31
	Others	31.94	29.56
	<b>Total</b>	<b>88.27</b>	<b>76.99</b>

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### **Note - 24 : COST OF MATERIALS CONSUMED**

₹ in crore

	<b>01.10.2012 To 31.03.2013</b>	01.04.2011 To 30.09.2012
<b>Cost of Material Consumed</b>	<b>999.59</b>	2799.77
<b>Details of Material Consumed</b>		
Chemicals and perfumes	<b>766.70</b>	1,899.38
Oils and fats	<b>74.49</b>	449.82
Others	<b>158.40</b>	450.57
<b>Total</b>	<b>999.59</b>	2,799.77

### **Note - 25 : PURCHASE OF TRADED GOODS**

₹ in crore

	<b>01.10.2012 To 31.03.2013</b>	01.04.2011 To 30.09.2012
<b>Traded Good:</b>		
Castor Oil	<b>9.46</b>	67.28
Pharma Products	<b>11.03</b>	29.36
Others	<b>3.92</b>	3.00
<b>Total</b>	<b>24.41</b>	99.64

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

₹ in crore

	01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
<b>Inventories at the beginning of the period:</b>		
Finished Goods [Include ₹ Nil (p.y. ₹ 23.67 crore) acquired on amalgamation]	<b>384.89</b>	308.61
Work-in-Progress [Include ₹ Nil (p.y. ₹ 17.36 crore) acquired on amalgamation]	<b>106.91</b>	80.86
Stock-in-Trade	<b>14.14</b>	12.20
<b>Total</b>	<b>505.94</b>	401.67
<b>Inventories at the end of the period :</b>		
Finished Goods	<b>483.54</b>	384.89
Work-in-Progress	<b>92.11</b>	106.91
Stock-in-Trade	<b>9.33</b>	14.14
<b>Total</b>	<b>584.98</b>	505.94
<b>Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</b>	<b>(79.04)</b>	(104.27)

	01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
<b>Details of Inventories :</b>		
<b>Manufactured Goods</b>		
Detergents	<b>54.31</b>	48.26
Toilet Soap	<b>52.49</b>	64.20
Soda Ash	<b>140.36</b>	80.54
Linear Alkyl Benzene	<b>80.63</b>	44.90
Pharma Products	<b>44.35</b>	50.76
Others	<b>111.40</b>	96.23
<b>Total</b>	<b>483.54</b>	384.89
<b>Work-in-progress</b>		
Detergents	<b>5.79</b>	6.94
Toilet Soap	<b>14.86</b>	26.38
Soda Ash	<b>28.20</b>	33.68
Linear Alkyl Benzene	<b>14.83</b>	18.58
Pharma Products	<b>16.86</b>	10.26
Others	<b>11.57</b>	11.07
<b>Total</b>	<b>92.11</b>	106.91
<b>Traded Goods</b>		
Pharma Products	<b>8.18</b>	9.24
Castor Oil	<b>0.70</b>	4.90
Others	<b>0.45</b>	Nil
<b>Total</b>	<b>9.33</b>	14.14

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### Note - 27 : EMPLOYEE BENEFITS EXPENSE

₹ in crore

	01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
Salaries and wages	395.86	544.56
Contributions to provident and other funds (Refer Note no. - 34)	26.32	47.03
Staff welfare expense	66.19	76.14
<b>Total</b>	<b>488.37</b>	<b>667.73</b>

### Note - 28 : OTHER EXPENSES

₹ in crore

	01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
Consumption of stores and spare parts	198.59	315.77
Power and fuel expenses	716.08	1368.64
Excise duty provided on stocks	18.16	7.69
Processing charges	16.08	42.29
Rent expenses	77.55	68.64
Repairs and maintenance		
To building	3.77	15.18
To machinery	223.97	107.94
To others	3.65	8.22
	<b>231.39</b>	<b>131.34</b>
Insurance expenses	20.29	22.21
Rates and taxes	42.40	42.03
Payments to auditors		
Audit fees	1.63	1.19
Taxation matters	1.21	1.31
Other matters	0.51	1.34
	<b>3.35</b>	<b>3.84</b>
Cost Audit fees	0.05	0.01
	<b>3.40</b>	<b>3.85</b>
Directors' fees	0.03	0.05
Discount on sales	72.58	150.94
Commission on sales	10.10	24.55
Freight and transportation expenses	568.47	816.50
Sales tax expenses	7.31	10.86
Advertisement expenses	26.87	77.18
Exchange fluctuation loss (Net)	26.68	69.96
Loss on sales of assets	8.19	1.18
Donation	0.74	2.99
Donation to Political Party - Bhartiya Janata Party	0.50	Nil
Sales promotion expenses	8.94	13.06
Provision for Bad debts	Nil	3.51
Bad debts written off	0.90	6.35
Other expenses * [Net of Transport Income ₹ 1.13 crore(p.y. ₹ 3.91 crore)]	151.53	231.25
<b>Total</b>	<b>2206.78</b>	<b>3410.84</b>

\* Includes prior period adjustments (net) ₹ 0.01 crore (p.y. ₹ 0.20 crore).

**Note - 29 : FINANCE COST**

₹ in crore

	01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
Interest expense*	80.15	189.01
Other borrowing costs	10.35	13.64
<b>Total</b>	<b>90.50</b>	<b>202.65</b>
* Net of interest cost capitalised	6.63	15.90

**Note - 30 : EXCEPTIONAL ITEMS**

₹ in crore

	01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
Excess provision of various expenses written back	Nil	2.03
<b>Total</b>	<b>Nil</b>	<b>2.03</b>

**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 period ended on 31.03.2013,
- (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, associate 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 unrealised profits /losses on intra group transactions as per Accounting Standard - AS 21 on 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 recognised 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 period. All assets and liabilities are converted at rates prevailing at the end of the period. Any exchange difference arising on consolidation is recognised in the statement of profit and loss, except in the case of foreign subsidiaries being non-integral foreign operation, which are recognised in the currency fluctuation reserve.

## ***Nirma Limited - Consolidated***

- (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 associate and the share of net assets at the time of acquisition of shares in the associate 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**

<b>Sr. No.</b>	<b>Name of the Subsidiaries</b>	<b>Country of incorporation</b>	<b>Proportion of Ownership Interest</b>
1	Karnavati Holdings Inc.	USA	100%
2	Searles Valley Minerals Inc.	USA	100%
3	Searles Valley Minerals Europe.	France	100%
4	Searles Domestic Water Company LLC	USA	100%
5	Trona Railway Company LLC	USA	100%
6	Siddhi Vinayak Cement Pvt. Ltd.	India	100%
7	Nirlife Mexico, SA DE C.V	Mexico	100%

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

<b>Sr. No</b>	<b>Name of the Associate Company</b>	<b>Country of incorporation</b>	<b>Proportion of Ownership Interest</b>
1	Kanak Castor Products Pvt. Ltd	India	26%
2	FRM Trona Fuels LLC,USA	USA	49%

**Note - 32**

In the past, fixed assets of Searles Valley Minerals Operations Inc and other entities were written off on 31.03.2004 on acquisition of foreign subsidiaries by the previous owner. Fixed assets are not restated in accounts.



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

₹ in crore

	As at 31.03.2013	As at 30.09.2012
<b>(A)</b> Claims against the Company not acknowledged as debts		
(I) For custom duty	5.78	5.97
(II) For direct tax (*)	1456.00	1294.06
(III) For sales tax	59.30	57.12
(IV) For excise duty and service tax [appeals decided in favour of the Company ₹ 85.66 crore (p.y. ₹ 85.59 crore)]	156.13	145.08
(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 ₹ 4.71 crore (p.y. ₹ 4.71 crore) of the Demerged Undertaking, as per the Financial Statement of CHL as certified by Statutory Auditor of CHL	42.66	40.33
	<b>1724.37</b>	<b>1547.07</b>
(*) 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>(B)</b> Estimated amount of contracts, remaining to be executed, on capital account (net of payment)	<b>345.37</b>	490.26
<b>(C)</b> For letters of credit	<b>102.22</b>	85.98
<b>(D)</b> For bank guarantee and bonds	<b>62.85</b>	54.22
<b>(E)</b> 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.		
<b>(F)</b> Claims against the company not acknowledged as debt- relating to land	<b>Not Ascertainable</b>	

**(G) Other Commitments**
**(I) Purchase Commitments**

As of March 31, 2013, the foreign subsidiaries at USA has entered into supply contracts 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 contracts meet normal purchases and sales exceptions as defined under U.S. generally accepted accounting principles. As such, these contracts have been excluded from recognition within these financial statements until the actual contracts are physically settled. The purchase commitment for coal is with one supplier and requires the Company to purchase a minimum usage. Future minimum purchases remaining under this agreement are ₹ 186.26 Crore (\$ 34.31 millions) (p.y. ₹ .262.90 Crore (\$ 51.67 millions) through December 31, 2014. The foreign subsidiaries' at USA natural gas purchase commitment at March 31, 2013 was ₹ 4.64 Crore (\$ 0.86 million) (p.y. ₹ 5.38 Crore (\$ 1.06 millions)

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### (II) Minimum Annual Guarantee

Foreign subsidiaries' at USA shipments through the San Diego and Long Beach, California ports require a minimum annual guarantee (MAG). The Port of San Diego requires that the Company 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 requires that the Company 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 ₹ 3.52 Crore (\$ 0.65 million) [p.y. ₹ 2.59 Crore (\$ 0.51 million)] and ₹ 2.77 Crore (\$ 0.51 million) [p.y. ₹ 2.81 Crore (\$ 0.63 million)] is unfulfilled MAG commitments as of March 31, 2013 and 2012, respectively, which is included in accounts payable. Future annual MAG commitments on the San Diego and Long Beach ports aggregate ₹ 6.79 Crore (\$ 1.25 million) [p.y. ₹ 36.60 Crore (\$ 7.19 million)] and ₹ 6.74 Crore (\$ 1.24 million) [p.y. ₹ 25.28 Crore (\$ 4.97 million)] per year, respectively. The MAG commitments will continue for each port until the Company and the port reach a mutual agreement to end the MAG.

### 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

	₹ in crore	
	01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
Employer's Contribution to Provident Fund	5.97	17.50
Employer's Contribution to Superannuation Fund	Nil	0.03

#### (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 recognises each period of service to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

₹ in crore

	01.10.2012 to 31.03.2013			01.04.2011 To 30.09.2012		
	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 )
<b>a. Reconciliation of opening and closing balances of Defined Benefit obligation</b>						
Defined Benefit obligation at beginning of the Period	38.47	15.15	9.27	16.09	6.34	9.03
Add : Balance acquired on amalgamation	Nil	Nil	Nil	12.98	2.23	Nil
Current Service Cost	1.72	1.28	2.75	4.64	3.32	1.57
Past Services Cost	Nil	Nil	Nil	0.08	Nil	Nil
Interest Cost	1.60	0.63	0.25	3.50	1.00	0.30
Actual (gain) / loss	(0.02)	(1.26)	(0.24)	5.48	4.51	(1.35)
Benefits paid	(1.87)	(0.82)	(2.16)	(4.30)	(2.25)	(1.49)
Exchange Rate Difference	Nil	Nil	0.62	Nil	Nil	1.21
Defined Benefit Obligation at the period end	39.90	14.98	10.49	38.47	15.15	9.27
<b>b. Reconciliation of opening and closing balances of fair value of plan assets</b>						
Fair value of plan assets at beginning of the period	18.98	Nil	Nil	6.26	Nil	Nil
Add : Balance acquired on amalgamation	Nil	Nil	Nil	12.84	Nil	Nil
Expected return on plan assets	0.85	Nil	Nil	2.54	Nil	Nil
Actuarial gain / (loss)	(0.06)	Nil	Nil	0.05	Nil	Nil
Employer contribution	Nil	Nil	Nil	0.28	Nil	Nil
Benefits paid	(1.25)	Nil	Nil	(2.99)	Nil	Nil
Fair value of plan assets at the period end	18.52	Nil	Nil	18.98	Nil	Nil
<b>c. Reconciliation of fair value of assets and obligation</b>						
Fair value of plan assets	18.52	Nil	Nil	18.98	Nil	Nil
Present value of obligation	(39.90)	(14.98)	(10.49)	(38.47)	(15.15)	(9.27)
Amount recognised in Balance Sheet	(21.38)	(14.98)	(10.49)	(19.49)	(15.15)	(9.27)
<b>d. Expenses recognised during the period</b> (under the head of "Payments to and Provisions for Employees" – Refer Note no.27)						
Current Service Cost	1.72	1.28	2.75	4.64	3.32	1.57
Interest Cost	1.60	0.63	0.25	3.50	1.00	0.30
Expected return on plan assets	(0.85)	Nil	Nil	(2.54)	Nil	Nil
Actuarial (gain) / loss	0.04	(1.26)	(0.24)	5.43	4.51	(1.35)
Net Cost	2.51	0.65	2.76	11.03	8.83	0.52
<b>e. Investment Details:</b>						
Invested with Life Insurance Corporation of India	100%			100%		
<b>Actuarial assumption</b>						
Discount rate (p. a.)	8.20%	8.20%	3.04%	8.32%	8.32%	3.09%
Discount rate of amalgamating company	Nil	Nil	Nil	8.25%	8.25%	Nil
Discount rate of Sidhhi Vinayak Cement Pvt. Ltd.	8.00%	8.00%	Nil	8.50%	8.50%	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%

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.

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### 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 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 ₹ 0.59 crore (p.y. ₹ 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

As regards the Cement Project at Mahuva, the Ministry of Environmental & Forests had cancelled the Environment Clearance granted to the Project, pursuant to which, Company has files an appeal before the National Green Tribunal, which is pending.

### Note - 39 : EARNINGS PER SHARE (EPS)

₹ in crore

		01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
(I)	Profit for basic and diluted earning per share		
	Net profit (for basic) ( a )	212.04	51.14
	Net profit (for diluted) (b)	212.04	51.14
(II)	Weighted average number of equity shares (Face value of ₹ 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 ₹ 5 per share)		
	Basic (a/c)	13.32	3.21
	Diluted (b/d)	13.32	3.21

### Note - 40

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, Kargil Holdings Pvt. Ltd., Uri Holdings Pvt. Ltd., Leh Holdings Pvt. Ltd., Banihal Holdings Pvt. Ltd. and Kulgam Holdings Pvt. Ltd. are holding totally 95.32% (p.y 94.82%) equity shares in the Company.

##### (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., Baeurer Infotech Ltd., Mahuva Port and Infrastructure Pvt. Ltd., Kanak Castor Products Pvt. Ltd., Navin Detergent Pvt. Ltd., Navin Overseas FZC, Nirma Education and Research Foundation, Nirma University, Nirma Labs, Trona Export Terminals LLC, USA and FRM Trona Fuels LLC,USA.

**(III) Key Management Personnel:**

Shri Hirenbbhai K. Patel - Managing Director

Shri Kalpeshbbhai A. Patel - Executive Director

**(IV) Relatives**

Relatives of Key Management Personnel with whom transactions done during the said financial year

Dr. Karsanbbhai K. Patel, Shri Rakeshbhai K. Patel

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

₹ in crore

		01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
1	Sale of finished goods (a) Kanak Castor Products Pvt. Ltd. (b) Navin Overseas FZC, UAE	0.28 5.61	7.32 0.59
2	Sale of material (a) Kanak Castor Products Pvt. Ltd. (b) Nirma Education and Research Foundation	0.08 (₹ 6590)	0.86 0.71
3	Purchase of finished goods (a) Kanak Castor Products Pvt. Ltd.	0.02	1.08
4	Purchase of materials (a) Kanak Castor Products Pvt. Ltd. (b) Navin Overseas FZC, UAE	0.03 16.43	0.21 30.39
5	Exchange rate difference income (a) Navin Overseas FZC, UAE	0.01	(₹ 32616)
6	Interest income (a) Nirma Education and Research Foundation	1.31	0.21
7	Processing charges (a) Kanak Castor Products Pvt. Ltd.	2.88	9.04
8	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.	2.53 25.27 2.18 2.19	2.22 71.28 6.18 6.24
9	ICD / Loan – taken (a) Kargil Holding Pvt. Ltd. (b) Nirma Chemical Works Pvt. Ltd.	72.08 17.00	213.33 91.05
10	ICD / Loan – repaid (a) Kargil Holding Pvt. Ltd (b) Nirma Chemical Works Pvt. Ltd (c) Nirma Credit and Capital P. Ltd. (d) Nirma Industries P. Ltd.	92.86 75.75 4.50 26.00	168.32 41.70 Nil Nil
11	ICD / Loan – given (a) Nirma Education and Research Foundation	Nil	18.32
12	Net closing balance – debit	19.63	18.77
13	Net closing balance – credit	603.77	683.75

## Nirma Limited - Consolidated

### (II) Key Management Personnel

₹ in crore

		01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
1	Salary expenses (a) Shri Hirenbhai K. Patel (b) Shri Kalpeshbhai A. Patel	0.41 0.26	1.19 0.72
2	ICD / Loan – taken (a) Shri Hirenbhai K. Patel	18.21	169.08
3	ICD / Loan – repaid (a) Shri Hirenbhai K. Patel	74.80	163.69
4	Interest expenses (a) Shri Hirenbhai K. Patel	1.17	3.63
5	Medical expenses (a) Shri Hirenbhai K. Patel	3.82	6.64
6	Net closing balance – credit	17.63	75.69

### (III) Relatives

₹ in crore

		01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
1	Directors' fees (a) Dr. Karsanbhai K. Patel (b) Shri Rakeshbhai K. Patel	(₹ 30000) (₹ 30000)	0.01 0.01
2	Interest expenses (a) Shri Rakeshbhai K. Patel	1.04	2.83
3	ICD / Loan – taken (a) Shri Rakeshbhai K. Patel	68.18	365.74
4	ICD / Loan – repaid (a) Shri Rakeshbhai K. Patel	98.42	312.80
5	Closing balance – credit	36.72	68.62

### Note - 41 : 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:

₹ in crore

Particulars	01.10.2012 To 31.03.2013	01.04.2011 To 30.09.2012
Not later than one year	0.06	0.05
Later than one year and not later than five years	0.14	0.04
Later than five years	0.04	0.01
Lease payment recognised in P & L account	0.13	0.08

**Note - 42 : SEGMENT INFORMATION FOR THE PERIOD ENDED 31st MARCH, 2013**

**(A) Information about Primary Business Segment**

₹ in crore

	Soaps & Surfactants		Pharma		Processed Minerals		Other Businesses		Unallocated		Total	
	01.10.2012 to 31.03.2013	01.04.2011 to 30.09.2012	01.10.2012 to 31.03.2013	01.04.2011 to 30.09.2012	01.10.2012 to 31.03.2013	01.04.2011 to 30.09.2012	01.10.2012 to 31.03.2013	01.04.2011 to 30.09.2012	01.10.2012 to 31.03.2013	01.04.2011 to 30.09.2012	01.10.2012 to 31.03.2013	01.04.2011 to 30.09.2012
<b>Segment revenue</b>												
External	1826.68	5138.30	239.32	640.56	1940.67	1758.43	157.43	452.71	NIL	NIL	4164.10	7990.01
Intra segment	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Intra segment (*)	2.25	6.16	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	2.25	6.16
<b>Total revenue</b>	<b>1826.68</b>	<b>5138.30</b>	<b>239.32</b>	<b>640.56</b>	<b>1940.67</b>	<b>1758.43</b>	<b>157.43</b>	<b>452.71</b>	<b>NIL</b>	<b>NIL</b>	<b>4164.10</b>	<b>7990.01</b>
<b>Segment Result</b>												
Segment result	354.61	650.75	1.93	(20.61)	106.36	173.14	22.53	95.27	NIL	NIL	485.43	898.55
Unallocated expenditure net of												
unallocated income	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	225.42	225.42	131.19	225.42
Interest expenses	NIL	NIL	2.95	5.07	16.78	12.43	0.06	0.02	185.13	185.13	90.50	202.65
Interest income	NIL	NIL	1.28	0.41	NIL	0.05	NIL	NIL	38.79	38.79	51.70	39.25
<b>Profit after Interest but before exceptional items and tax</b>	<b>354.61</b>	<b>650.75</b>	<b>0.26</b>	<b>(25.27)</b>	<b>89.58</b>	<b>160.76</b>	<b>22.47</b>	<b>95.25</b>	<b>(151.48)</b>	<b>(371.76)</b>	<b>315.44</b>	<b>509.73</b>
Exceptional Items	NIL	2.03	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	2.03
<b>Profit before tax</b>	<b>354.61</b>	<b>652.78</b>	<b>0.26</b>	<b>(25.27)</b>	<b>89.58</b>	<b>160.76</b>	<b>22.47</b>	<b>95.25</b>	<b>(151.48)</b>	<b>(371.76)</b>	<b>315.44</b>	<b>511.76</b>
<b>Tax Expenses</b>												
- Current tax	NIL	NIL	NIL	NIL	16.13	39.47	NIL	NIL	51.00	72.00	67.13	111.47
- Mat credit Entitlement	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	(4.00)	(72.00)	(4.00)	(72.00)
- Tax expenses relating to prior years	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	2.76	356.06	2.76	356.06
- Deferred tax	NIL	NIL	NIL	NIL	14.85	9.57	NIL	NIL	22.66	55.52	37.51	65.09
<b>Profit/(Loss) for the Period</b>	<b>354.61</b>	<b>652.78</b>	<b>0.26</b>	<b>(25.27)</b>	<b>58.60</b>	<b>111.72</b>	<b>22.47</b>	<b>95.25</b>	<b>(223.90)</b>	<b>(783.34)</b>	<b>212.04</b>	<b>51.14</b>
<b>Net Profit</b>	<b>354.61</b>	<b>652.78</b>	<b>0.26</b>	<b>(25.27)</b>	<b>58.60</b>	<b>111.72</b>	<b>22.47</b>	<b>95.25</b>	<b>(223.90)</b>	<b>(783.34)</b>	<b>212.04</b>	<b>51.14</b>
<b>Other information</b>												
Segment assets	2856.51	2903.68	785.39	751.76	1485.38	1416.07	1108.33	743.89	488.70	395.69	6724.30	6211.09
Segment liabilities	1130.57	743.71	163.56	156.06	568.51	606.44	57.26	24.51	1496.44	1612.75	3416.35	3143.47
Capital expenditure	37.94	216.32	21.62	133.33	83.67	56.15	452.35	374.31	39.34	2.80	634.93	782.91
Depreciation and amortisation	106.03	322.75	27.28	83.66	66.77	55.40	6.08	17.86	0.44	1.69	206.60	481.36
Non-cash expenses other than depreciation and amortisation	0.59	10.04	(0.54)	(1.85)	14.43	9.57	0.27	NIL	50.33	127.31	65.08	145.07

## Nirma Limited - Consolidated

### (B) Information about secondary geographic segment

₹ in crore

	India		USA		Others		Total	
	01.10.2012 to 31.03.2013	01.04.2011 to 30.09.2012	01.04.2012 to 31.03.2013	01.04.2011 to 31.03.2012	01.10.2012 to 31.03.2013	01.04.2011 to 30.09.2012	01.10.2012 to 31.03.2013	01.04.2011 to 30.09.2012
	<b>Revenue</b>							
External	2223.43	6231.58	1927.01	1743.91	13.66	14.52	4164.10	7990.01
Inter segment	NIL	NIL	2.59	5.67	NIL	NIL	2.59	5.67
Total revenue	2223.43	6231.58	1927.01	1743.91	13.66	14.52	4164.10	7990.01
<b>Other information</b>								
Carrying amount of fixed assets	2974.72	2584.25	780.78	718.56	NIL	NIL	3755.50	3302.81
Capital Expenditure	551.26	726.76	83.67	56.15	NIL	NIL	634.93	782.91

\* External revenue is after elimination of Inter segment turnover of ₹ 2.25 crore (p.y. ₹ 6.16 crore)

#### 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 : June 28, 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





## NOTICE

**NOTICE** is hereby given that the Thirty Third Annual General Meeting of the Members of Nirma Limited will be held on Monday, the September 30, 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 6 months period ended on March 31, 2013, the Balance Sheet as at that date and Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Rajendra D. Shah, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Rakesh K. Patel, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Pankaj R. Patel, 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.”

### **SPECIAL BUSINESS**

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

**“RESOLVED THAT** Shri Shailesh V. Sonara, who was appointed by the Board of Directors as an Additional Director of the Company with effect from June 10, 2013 pursuant to Section 260 of the Companies Act, 1956 and who holds the office until the date of ensuing Annual General Meeting and in respect of whom, the Company has received a notice from a member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to retire by rotation.”

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution:-**

**“RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 311 read with schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred as “the Act”) including any statutory modification or re-enactment thereof, for the time being in force, and subject to such other permissions, consents and approvals as may be necessary, the consent of the members of the Company be and is hereby accorded for the appointment of Shri Shailesh V. Sonara, who was appointed by the Board of Directors as Whole time Director designated as Director (Environment and Safety) for the period of 5 years with effect from July 1, 2013 on the terms and conditions set out in the explanatory statement annexed to the notice convening this Annual General Meeting with liberty to the Board of Directors (hereinafter referred to as “the Board” which expression shall be deemed to include Remuneration Committee) to alter and vary the terms and conditions of the said appointment in such manner as may be permissible and desirable.”

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

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

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

Place : Ahmedabad  
Date : August 24, 2013

**PARESH SHETH**  
Company Secretary

## ***Nirma Limited***

### **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. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the aforesaid item no. 6 & 7 is annexed herewith.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 21, 2013 to Monday, September 30, 2013, both days inclusive for the purpose of Annual General Meeting.
4. 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).
5. 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.
6. 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 33<sup>rd</sup> Annual General Meeting.
7. Shareholders desiring any information as regards the Accounts or operations of the Company are requested to write to the Company 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.
8. Details of director seeking reappointment at Annual General Meeting are annexed hereto and form part of Notice.
9. Members are requested to handover the duly filled attendance slip at the entrance of the meeting hall and to bring copy of the Annual Report with them at the Annual General Meeting.

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

## **Annexure to Notice Explanatory Statement**

As required by Section 173(2) of the Companies Act 1956, the following Explanatory Statement set out all material facts relating to the business mentioned under item no.6 & 7 of the accompanying Notice dated August 24, 2013

### **ITEM NO.6 & 7**

Shri Shailesh V. Sonara was appointed as an Additional Director of the Company with effect from June 10, 2013 by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and Article 21 of the Articles of Association of the Company. In terms of Section 260 of the Companies Act, 1956, Shri Shailesh V. Sonara holds office up to the date of ensuing Annual General Meeting of the Company. The Company has received a Notice under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of Director of the Company. Further, the Board at its meeting held on June 28, 2013 has also appointed Shri Shailesh V. Sonara as Whole Time Director designated as Director (Environment and Safety) on the following terms and conditions:

#### **Period:**

For the period of 5 years w.e.f. July 1, 2013 as Whole Time Director designated as Director (Environment and Safety).

#### **Remuneration:**

1. Rs. 50000 p.m. as salary (Rupees Fifty thousand only) or such higher amount as may be approved by the Board from time to time
2. the perquisites, benefits and allowance as permissible in accordance with the Rules of the Company or as may be agreed by the Board from time to time
3. In addition to above, he shall be entitled for Company's contribution to Provident Fund, Superannuation Fund, leave encashment and payment of gratuity as per the Rules of the Company
4. Overall Remuneration:  
The aggregate of salary, together with perquisites, allowance, benefits and amenities payable to Shri Shailesh V. Sonara in any financial year shall not exceed the limits prescribed from time to time under Section 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act for the time being in force
5. Minimum Remuneration:  
In the absence or inadequacy of profits in any year, the remuneration by way of salary, perquisites, benefits, allowances and amenities will be in accordance with and shall not exceed, the limits prescribed under the Companies Act, 1956 including any modification(s) or reenactment thereof for the time being in force
6. Shri Shailesh V. Sonara shall not be entitled to any sitting fees for attending meetings of the Board or Committees thereof
7. The perquisites shall be valued in terms of actual expenditure incurred by the Company and shall be evaluated wherever applicable as per the Income Tax Act, 1961 or rules made thereunder and any modification thereof;

Shri Shailesh V. Sonara, is B.E. (Electricals) and LL.B. having rich and varied experience in handling of plants, compliance of laws and regulatory affairs. He is associated with Nirma group since many years in advisory capacity.

The above details may be considered as an abstract required under section 302 of the Companies Act, 1956.

Members' approval is sought by way of an ordinary resolution proposed under item no. 6 and by way of special resolution proposed under item no. 7.

Except Shri Shailesh V. Sonara, none of the directors of the company is concerned and interested in the aforesaid resolutions.

# Nirma Limited

## Annexure to AGM Notice

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

Name of Director	Shri Rajendra D. Shah	Shri Rakesh K. Patel	Shri Pankaj R. Patel
Date of Birth	29.04.1934	18.07.1972	16.03.1953
Date of Appointment	22.12.1994	04.02.1997	28.10.2006
Qualification	B.Com, F.C.A.	B.Com., M.B.A.(Marketing)	Master in Pharmacy
Directorship in Other Companies	Nirma Labs	Nirma Industries Pvt. Ltd. Uri Holdings Pvt. Ltd. Kargil Holdings Pvt. Ltd. Nirma Labs	Cadila Healthcare Ltd. Torrent Power Ltd. Vadilal Chemicals Ltd. Karnavati Club Ltd. Zydus Wellness Ltd. Torrent Energy Ltd. Zydus Hospitals and Healthcare Research Pvt. Ltd. Zydus Infrastructure Pvt. Ltd. Pripan Investment Pvt. Ltd. Cadmach Machinery Co. Pvt. Ltd. MabS Biotech Pvt. Ltd. Cadila Laboratories Pvt. Ltd. Western Ahmedabad Effluent Conveyance Co. Pvt. Ltd. Zydus Nycomed Healthcare Pvt. Ltd. Zydus Hospitals (Vadodara) Pvt. Ltd. Zydus Hospitals (Rajkot) Pvt. Ltd. Bayer Zydus Pharma Pvt. Ltd. Zydus France S.A.S (France) Zydus Pharmaceuticals USA Inc. (USA) Zydus Healthcare S.A. (Pty) Limited (South Africa) Zydus International Pvt. Ltd. (Ireland) Zydus Netherlands B.V., The Netherlands Zydus Noveltch Inc. (USA) Zydus Healthcare (U.S.A.) LLC (Member of Board of Managers)
Chairmanship / Membership of Committees of other Companies	Nil	Nil	Chairman Shareholders' Committee Torrent Power Ltd.  Member Shareholders' Committee Cadila Healthcare Ltd.  Remuneration Committee Torrent Power Ltd. Zydus Wellness Ltd.
No. of Shares Held	Nil	13094824*	Nil
Brief Profile	He is a practicing chartered accountant and having wide experience in the areas of the auditing, taxation and finance.  He has also served as an expert faculty with academic institutions and shared his knowledge with larger student community. He is also a member of governing council of Nirma University.	He is an Industrialist having vast experience in production, logistic and human resource function. Also associated with various Management and Industrial Chapters.	He spearheads Zydus Cadila, one of India's leading pharmaceutical groups and a global healthcare company with operations in more than 50 countries worldwide. With an experience spanning over 35 years in the Indian pharmaceutical industry, he combines both research and techno-commercial expertise.  He is associated to various educational institutions and is on the advisory committees and academic councils of several educational institutions.

\* Includes shares held as member of association of persons and trustee of trust.

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

Place : Ahmedabad  
Date : August 24, 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 THIRD ANNUAL GENERAL MEETING of the Company to be held at Thakorbbhai Desai Hall, Nr. Law Garden, Ellisbridge, Ahmedabad - 380 006 on Monday, the September 30, 2013 at 11.00 a.m. and at any adjournment thereof.

Signed this ..... day of ..... 2013.

Signature .....

Affix  
15 Paisa  
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 THIRD ANNUAL GENERAL MEETING of the Company held at Thakorbbhai Desai Hall, Nr. Law Garden, Ellisbridge, Ahmedabad - 380 006 at 11.00 a.m. on Monday, the September 30, 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)

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**Nirma Limited**

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