

**42<sup>nd</sup>**  
**ANNUAL REPORT**  
**2021-2022**



**NIRMA LIMITED**

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**BOARD OF DIRECTORS**

Dr. K. K. Patel  
*Chairman*

Shri Rakesh K. Patel  
*Vice Chairman*

Shri Pankaj R. Patel  
*Non-executive Director*

Shri Kaushikbhai N. Patel  
*Non-executive Director*

Shri Vijay R. Shah  
*Independent Director*

Smt. Purvi A. Pokhariyal  
*Independent Director*

Shri Shailesh V. Sonara  
*Director (Environment & Safety)*

Shri Hiren K. Patel  
*Managing Director*

**CHIEF FINANCIAL OFFICER**

Shri Manan Shah

**COMPANY SECRETARY**

Shri Paresh Sheth

**STATUTORY AUDITORS**

Rajendra D. Shah & Co.  
Chartered Accountants  
Ahmedabad

**REGISTERED OFFICE**

Nirma House  
Ashram Road  
Ahmedabad - 380 009  
CIN – U24240GJ1980PLC003670  
Tel No.: +91 79 27546565 / 9000  
Website: www.nirma.co.in

**REGISTRARS AND SHARE TRANSFER AGENT**

Link Intime India Pvt. Ltd.

**For Equity Shares:**

5<sup>th</sup> floor, 506 to 508  
Amarnath Business Centre – 1  
Off C G Road, Ellisbridge,  
Ahmedabad – 380006  
Tel No.: +91 79 2646 5179  
Email:  
ahmedabad@linkintime.co.in

**For Debt Securities:**

247 Park, C-101 L.B.S. Marg  
Vikhroli (West),  
Mumbai 400083  
Tel No.: +91 22 4918 6000  
Email:  
ganesh.jadhav@linkintime.co.in

**DEBENTURE TRUSTEE**

IDBI Trusteeship Services Limited  
Asian Bldg., Ground Floor, 17, R. Kamani Marg,  
Ballard Estate, Mumbai 400001  
Tel No.: +91 22 4080 7000/ 7037  
Email: pradeep.hande@idbitrustee.com

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## Board's Report

To,

The Members,

Your Directors have the pleasure of presenting the 42<sup>nd</sup> Annual Report together with Audited financial statements for the financial year ended 31<sup>st</sup> March, 2022.

### FINANCIAL RESULTS

The financial performance of the Company is summarized below:

(₹ In crore)

Particulars	Consolidated		Standalone	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations	8963	7432	6515	5035
Other Income	158	181	148	171
Operating Profit (EBITDA)	1697	1670	1584	1464
Less: (i) Finance Cost	319	362	279	340
(ii) Depreciation & Amortization Exp.	878	596	612	376
Profit Before Tax	500	711	693	748
Less: Total Tax Expenses	146	220	212	216
Profit for the year	354	491	480	532

### DIVIDEND

With an objective of repayment and prepayment of debt and thereby to reduce the borrowing cost and further to strengthen the long term prospects, your Board of Directors have decided not to recommend any dividend on shares for the year ended 31<sup>st</sup> March, 2022.

During the previous financial year, your Company was not required to transfer any sum to Debenture Redemption Reserve (DRR) as per the provisions of the Company Act, 2013 ("the Act"). Consequent upon amendment in definition of listed Company w.e.f. 1<sup>st</sup> April, 2021 under the Act, your Company has transferred a sum of ₹ 23.67 crore to the DRR.

### FINANCIAL PERFORMANCE

**Consolidated financial performance:** On Consolidated basis, your Company has achieved Revenue from operations of ₹ 8963 crore for the financial year ended 31<sup>st</sup> March, 2022 as against ₹ 7432 crore in previous year, registering 20.60% rise over the previous year. Consolidated Earnings before Finance Cost, Taxes, Depreciation and Amortisation (EBITDA) grew by 1.67 % to ₹ 1697 crore in FY 2021-22 compared to ₹ 1670 crore in FY 2020-21. After providing for taxation of ₹ 146 crore, your Company registered a Net Profit of ₹ 354 crore in FY 2021-22 compared to ₹ 491 crore in previous year, mainly on account of increase in cost of material, depreciation and other expenses.

The Net Worth of the Company on a consolidated basis stood at ₹ 8111 crore as on 31<sup>st</sup> March, 2022.

**Standalone financial performance:** Your Company's Revenue from Operations registered at ₹ 6515 crore during the year as compared to ₹ 5035 crore of the previous year, an increase by 29.40% over the previous year. Standalone EBITDA grew by 8.19% compared to previous year and stood at ₹1584 crore in FY 2021-

22. Your company registered Net Profit of ₹ 480 crore for the FY 2021-22, which was affected mainly due to increase in cost of material, power & fuel cost, depreciation and other expenses, compared to previous year.

## **BUSINESS OVERVIEW**

Nirma continues to enjoy leadership position with diversified product portfolio, in FMCG sector toilet soaps, detergents, edible salt and industrial products like soda ash, caustic soda, phosphoric acid, linear alkyl benzene and bromine, having vast distribution network. Your Company is also one of the largest manufacturers of soda ash in the world, second largest manufacture of edible salt in the county, besides having considerable market presence in caustic soda, detergents, toilet soaps and LAB.

Your Company has production facilities in Bhavnagar for soda ash, caustic soda, purified phosphoric acid, bromine, salt and toilet soap, Porbandar for soda ash, Alindra for LAB and Mandali & Moraiya for detergent and soaps. It has business operations in USA too, thru its Wholly Owned Subsidiary, Karnavati Holdings Inc.

**Soaps & Surfactants:** Soaps and detergents is the one of the largest growing sector in Indian economy having double digit growth rate. Even though the outlook for the FMCG sector remains positive in the long term, the high inflation is a cause of concern for increase in the raw material prices. Also the competition remains a challenge.

Nirma has maintained its existing position as one of the prominent S&D players in the Indian market because of its strong brand. Its distributor network is one of the biggest strengths, to service the growing demand especially from rural consumers.

Backward and forward integration is the major strategic strength. Your company manufactures key raw materials, including soda ash and linear alkyl benzene (LAB), which are used to make detergents. Manufacturing of Purified Phosphoric Acid will consume significant part of chlorine produced by the Company. Captive production of raw materials ensures timely and adequate supply and facilitates, greater control over quality and raw material cost. The Company has also strengthened and established market position in Alkali Chemicals coupled with various cost initiatives that helped the company in earning better profit margins.

Nirma has a strong and established market position in the domestic soda ash business too. The forward and backward integration, coupled with various cost initiatives, helps the Company in commanding better profit margin. However, these strengths are partially offset by vulnerability of the soda ash segment to price fluctuations.

During the year under review, though the profitability of detergents, soaps and LAB were impacted due to substantial increase in input prices, the sales for some of the other products, such as soda ash and caustic soda showed an improvement during the same period, offsetting the impact in detergents, soaps and LAB segments. The integrated operations in soda ash and S&D segments; strong control over cost structure through Backward integration, a key strategic strength for the company, protected it from the steadily increasing raw material prices during the last few years.

Nirma has also expanded its caustic soda and soda ash capacities in March 2017, along with an addition to the captive power plant capacity and is expecting healthy demand for the consumer segment, along with continued buoyance in demand and prices for industrial products such as soda ash and caustic soda.

**Salt:** Your Company is the second largest player in the edible salt business in the country. The Company has large and entirely automated salt plant in Gujarat, which provide a steady supply of salt for soda ash production. The revenue from Salt registered at ₹ 274 crore during the year backed by strong demand for the product.

### **Other Chemicals:**

Your Company's operations are further backward integrated to manufacture n-paraffins and other chemicals too. It also manufactures various other chemicals and fertilizer products like single super phosphate, bromine etc. and has set up a food grade purified phosphoric acid plant. These products helped to strengthen the operations of the Company.

**Processed Minerals:** This business segment constitutes the Company's operations in USA through its subsidiary, which manufactures a range of processed minerals such as Boron, Natural Soda Ash and others.

**Utilities:** Power and Fuel are one of the key inputs for the various products manufactured by the Company. The Company has the flexibility to utilize a variety of fuels from 4000 GCV to 8500 GCV and is optimizing the

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fuel mix strategy to its full advantage. Your Company has power generation facilities with present installed capacity of more than 237 MW.

### FINANCE

Your Company ensures effective cost management through various initiatives and effective financial planning by timely estimation of capital requirements at the competitive rates. The utmost importance was given for monitoring the working capital requirements and timely availability of funds. The Company has well-organised system to facilitate day to day financial activities through a mix of internal cash accruals, short term and long term borrowings.

During the year under review, your Company has:

- raised short term funds by issuing Commercial Papers;
- prepaid term loans of ₹ 2550 crore of State Bank of India and ₹ 382.50 crore of the Hongkong and Shanghai Banking Corporation Limited.

Change in Credit rating during the year under review:

- India Ratings & Research Private Limited, credit rating agency has upgraded rating and reaffirmed outlook from Ind AA-/ Stable to Ind AA/ Stable for NCDs IV.
- ICRA limited has reaffirmed its ratings and assigned outlook ICRA AA/Negative to ICRA AA/Stable for long term banks facilities of ₹ 750 Crore.

As at 31<sup>st</sup> March, 2022, the credit ratings assigned to the Company for its borrowings including debt securities are:

- unsecured listed NCDs : CRISIL AA-/Negative and India Ratings AA/Stable
- secured listed NCDs: CRISIL AA/Negative
- long term banking facilities : CRISIL AA/Negative and ICRA AA/Stable
- short term rating : CRISIL A1+ and ICRA A1+

### Material Changes

After the end of the year under review, the Board of Directors of the Company has approved:

- to exercise "Call Option" at par, for 9000, 9.50% unsecured, listed Non-Convertible Debentures aggregating to ₹ 900 crore (NCDs series IV, Tranche 1), at the end of call tenor i.e. five years from the date of allotment. Accordingly, the date of redemption would be 6<sup>th</sup> July, 2022.
- to issue new listed, unsecured, Non-Convertible Debentures aggregating upto ₹ 150 Crore on a private placement basis.
- to subscribe 9% redeemable non-convertible non-cumulative Preference Shares aggregating to ₹ 100 crore to be issued by Aculife Healthcare Private Limited on private placement basis.

### SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURE

The Company has one Wholly Owned Subsidiary and four step down wholly owned subsidiaries as on 31<sup>st</sup> March, 2022.

Karnavati Holdings Inc. ("KHI"), USA (WOS of the Company), Searles Valley Minerals Inc. ("SVM"), USA (WOS of KHI) and Searles Domestic Water Company LLC, Trona Railway Company LLC & Searles Valley Minerals Europe (WOS of SVM), continued to be step down subsidiaries of the Company. FRM Trona Fuels LLC, USA, an associate of SVM, was dissolved on 1<sup>st</sup> February, 2022 since the refined coal project for which this associate was formed, ended in late 2021.

The highlights of performance of subsidiaries of the Company in the form of contribution of each of the subsidiaries and associates in terms of the revenue and profit is provided in Form AOC-1, which forms part of the Annual Report in terms of Section 129(3) of the Companies Act, 2013 ("the Act"). Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial

statements along with other documents required to be attached thereto and audited accounts in respect of subsidiaries, are available on the website of the Company.

### **SHARE CAPITAL**

As at 31<sup>st</sup> March, 2022, the paid up Equity Share Capital of the Company is ₹ 73.04 crore comprising of 14,60,75,130 Equity Shares of ₹ 5/- each. During the year under review, the Company has not issued shares or convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity or warrants.

During the year, the Company has credited (i) ₹ 2.83 crore lying unpaid/unclaimed under equity capital reduction made in March 2014 and (ii) ₹ 0.33 crore lying unpaid/unclaimed under redemption of preference shares made in April 2014, to the Investor Education and Protection Fund.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The members at the Annual General Meeting of the Company held on 6<sup>th</sup> September, 2021, have accorded their consent for re-appointment of Shri Hiren K. Patel as a Managing Director of the Company for further period of five years w.e.f. 1<sup>st</sup> May, 2021.

Shri Pankaj R. Patel, an Independent Director of the Company has completed two consecutive terms as an Independent Director on 31<sup>st</sup> March, 2022.

Considering rich experience and expertise of Shri Pankaj R. Patel in various areas and based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 30<sup>th</sup> May, 2022 appointed him as an additional director (non-executive & non independent). As per section 161 of the Act, he shall hold the office upto the ensuing Annual General Meeting and he is eligible for appointment as director at the said Meeting.

Pursuant to the provisions of Section 152 of the Act and Articles of Association of the Company, Shri Rakesh K. Patel (DIN 00760023), Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, has offered himself for re-appointment. Your directors recommend his re-appointment.

The Company has received declarations from all the Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013. Based on the declarations, the Board confirms that the Independent Directors fulfill the conditions of independence specified in Section 149(6) of the Act.

There has been no change in Key Managerial Personnel during the year under review. In terms of the provisions of Section 2(51) and Section 203 of the Act, Shri Hiren K. Patel, Managing Director, Shri Shailesh V. Sonara, Whole time Director, Shri Manan Shah, Chief Financial Officer and Shri Paresh Sheth, Company Secretary of the Company are the Key Managerial personnel of the Company.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3c) read with Section 134(5) of the Companies Act, 2013, your Directors state that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures for the year ended 31<sup>st</sup> March, 2022;
- b) the directors have 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 at the end of the financial year and of the profit of the company for that period;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis;
- e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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## NUMBER OF MEETINGS OF THE BOARD

During the year under review four meetings of Board of Directors were held on 25<sup>th</sup> June, 2021, 9<sup>th</sup> August, 2021, 28<sup>th</sup> October, 2021, 29<sup>th</sup> January, 2022. The gap between two meetings did not exceed one hundred and twenty days.

## COMMITTEES

Your Company has the following Committees to deal specific areas and activities in compliance with the provisions of the Act.

- i) Audit Committee
- ii) Nomination and Remuneration Committee
- iii) Corporate Social Responsibility Committee
- iv) Investment Committee

The Committees of the Board functions as per their respective charters as approved by the Board and as mandated under the Act. The Committees make informed decisions in line with the delegated authority. The minutes of the Committee Meetings were placed before the Board for review and noting.

### **Audit Committee:**

The Company's Audit committee comprised of below mentioned directors who have ability to read & understand the financial statement:

- (i) Shri Vijay R. Shah, Independent Director as Chairman,
- (ii) Smt. Purvi A. Pokhariyal, Independent Director as Member, and
- (iii) Shri Shailesh V. Sonara, Executive Director as Member.

The terms of reference of the Audit Committee covers the areas mentioned in Section 177 of the Act, inter-alia includes the following:

- examination of the financial statements and auditors report thereon;
- review and monitor auditors independence and performance, and effectiveness of audit process;
- recommendation for appointment, remuneration of auditors;
- scrutiny of inter-corporate loans and investments;
- review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations;
- approval or any subsequent modification of transactions with related parties;
- evaluation of internal financial controls and risk management system.

During the year under review, five meetings of the Audit Committee were held on 25<sup>th</sup> June, 2021, 9<sup>th</sup> August, 2021, 28<sup>th</sup> October, 2021, 29<sup>th</sup> January 2022, 29<sup>th</sup> March, 2022. The intervening gap between two meetings did not exceed one hundred and twenty days. All the recommendations made by the Audit Committee during the year under review were accepted by the Board. The Chairman of the Audit Committee attended the last Annual General Meeting held on 6<sup>th</sup> September, 2021.

There was no instance of fraud which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder during the year.

### **Nomination and Remuneration Committee:**

The Company's Nomination and Remuneration Committee ("NRC") comprises of non-executive directors:

- (i) Shri Kaushikbhai N. Patel, Director as Chairman;
- (ii) Shri Vijay R. Shah, Independent Director as member; and
- (iii) Smt. Purvi A. Pokhariyal, Independent Director as member.

The terms of reference of the NRC covers the areas mentioned in Section 178 of the Act, inter-alia includes:

- to formulate criteria for determining qualifications, positive attributes and independence of a Director;
- to identify persons who are qualified to become Directors and who may be appointed in Senior Management and to recommend to the Board their appointment /removal.
- to specify the manner for effective evaluation of performance of Board, its committees and individual directors.

**The salient features of the Nomination and Remuneration Policy and changes therein:**

The Company's Nomination and Remuneration Policy had been formulated and maintained inter alia to meet the objectives:

- to ensure that level and composition of remuneration is reasonable and sufficient to attract and motivate Directors, Key Managerial Personnel;
- to ensure balance between fixed and incentive pay for remuneration to Directors, key managerial personnel and senior management, reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The salient features of the policy *inter alia* include:

- the role of the Committee to formulate criteria for determining qualifications, positive attributes and independence of director, to identify persons qualified to become directors, senior management & recommend their appointment and removal to the Board and also to recommend policy relating to remuneration of Directors, Key Managerial Personnel and Other Employees;
- Term and Tenure for Managing Director, Whole Time Directors and Independent Directors;
- Policy for remuneration to Director, Key Managerial Personnel and Senior Management.

During the year under review, one meeting of NRC was held on 7<sup>th</sup> April, 2021. The Nomination and Remuneration Policy of the Company is available on the website of the Company viz. [www.nirma.co.in](http://www.nirma.co.in).

**Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee ("CSR Committee") has been constituted by the Board in compliance with the requirements of Section 135 of the Act read with Rules thereof. Smt. Purviben A. Pokhariyal an Independent Director has been appointed as a member of the CSR Committee vice Shri Pankaj R. Patel w.e.f. 1<sup>st</sup> April, 2022, who was retired as an Independent Director on completion of his consecutive two terms.

The reconstituted CSR Committee comprises of:

- (i) Shri K. K. Patel, as Chairman;
- (ii) Smt. Purviben A. Pokhariya, Independent Director as member; and
- (iii) Shri Hiren K. Patel, Managing Director as member.

The Company has formulated CSR Policy, which is uploaded on the website of the Company viz. [www.nirma.co.in](http://www.nirma.co.in).

During the year under review, three meetings of CSR Committee were held on 25<sup>th</sup> June, 2021, 28<sup>th</sup> October, 2021 and 29<sup>th</sup> January, 2022.

**Investment Committee**

The Board has constituted "Investment Committee of Directors" entrusted with clearly defined roles and powers with specified limits mainly relating to borrow / invest funds, to grant / avail loan, to provide security etc. This committee comprises of the below mentioned directors as members:

- (i) Shri Rakesh K. Patel
- (ii) Shri Hiren K. Patel
- (iii) Shri Shailesh V. Sonara and
- (iv) Shri Kaushikbhai N. Patel

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Three meetings of the Investment Committee were held on 7<sup>th</sup> April, 2021, 27<sup>th</sup> December, 2021 and 30<sup>th</sup> March, 2022 during the year under review.

### **PERFORMANCE EVALUATION**

NRC is carrying out annual evaluation of the performance of the Board, its Committees and of individual director ("Evaluation") in accordance with the provisions of section 178 and as per the powers delegated by the Board.

For the year under review, NRC has carried out Evaluation of the Board and Committees focusing on various aspects such as structure, meetings, functions and effectiveness, monitoring and managing conflict of interest, performance of Board Committees etc. Further, the parameters for Evaluation of the Directors inter alia includes effective participation and utilization of knowledge/expertise; constructive contribution in meetings; and independence of judgement & influence on the business activities of the Company.

Evaluation was carried out after taking feedback from the directors and the Committee members, found satisfactory and the Board of Directors expressed their satisfaction with the evaluation process.

In a separate meeting of Independent Directors held on 23<sup>rd</sup> March, 2022, without the presence of Non-Independent Directors and members of the management, evaluation of performance of non-Independent Directors, the Board as a whole and the Chairman of the Company was carried out for the year 2021-22.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 (3) of The Companies (Accounts) Rules, 2014 is annexed to this Report as Annexure - I and forms part of this Report.

### **AUDITOR & AUDITORS' REPORT**

In pursuance to the provisions of Section 139 of the Act, read with rules made thereunder, M/s. Rajendra D. Shah & Co., Chartered Accountants (Firm Registration No. 108363W) were appointed as Auditors of the Company to hold office for five years from the conclusion of 37<sup>th</sup> Annual General Meeting held with respect to the financial year 2017-18 till the conclusion of the 42<sup>nd</sup> Annual General Meeting of the Company. Accordingly, M/s. Rajendra D. Shah & Co. shall retire at the conclusion of the ensuing 42<sup>nd</sup> Annual General Meeting.

The Auditors' Report for the financial year ended 31<sup>st</sup> March, 2022 on the financial statements of the Company is forming a part of this Annual Report. The Auditors' report does not contain any qualifications, reservations, or adverse remarks. The notes on Financial Statements referred to Auditor's Report are self-explanatory and do not call for any further comments.

### **SECRETARIAL AUDITOR & AUDIT REPORT**

M/s Kashyap R. Mehta & Associates, Practising Company Secretaries (Firm Registration No. S2011GJ166500) was appointed by the Board to undertake the Secretarial Audit under the Act of the Company for the financial year 2021-22, in pursuance to the provisions of section 204 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report is annexed as Annexure II and forms an integral part of this report. There are no qualifications, reservations or adverse remarks given by the Secretarial Auditor in their report.

### **COST AUDITOR**

In pursuance to provisions of section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the cost audit records maintained by the Company are required to be audited by the Cost Auditor.

The Board at its meeting held on 16<sup>th</sup> April, 2022 as recommended by the Audit Committee has appointed M/s. B. Desai & Co., Cost Accountants (Partnership Firm Registration no. 005431) as Cost Auditor of the Company for the financial year 2021-22, to fill the casual vacancy occurred by receipt of intimation of sad demise of Shri Bhalchandra Chunilal Desai, in pursuance to provisions of section 148 of the Act read with the read with rule 6(3A) of the Companies (Cost Records and Audit) Rules, 2014.

Further, the Board on the recommendation of Audit Committee, approved the appointment of M/s. B. Desai & Co., Cost Accountants (Partnership Firm Registration no. 005431) as the Cost Auditor to conduct the audit of cost records for the financial year 2022-23. The resolution pertaining to remuneration payable to the Cost Auditors as approved by the Board, shall forms part of the notice convening the Annual General Meeting for ratification by members as required under the Act and rules made thereunder.

### **EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92(3) of the Act read with the applicable Rules framed thereunder, the Annual Return for the year ended 31<sup>st</sup> March 2022 can be accessed on the Company's website [www.nirma.co.in](http://www.nirma.co.in).

### **PARTICULARS OF EMPLOYEES**

Consequent upon the amendment of definition of listed company by Ministry of Corporate Affairs, your Company is not listed Company under the Act, w.e.f. 1<sup>st</sup> April, 2021, since only debt securities of the Company are listed. As such, the disclosure as required under section 197 (12) of the Companies Act 2013, read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 pertaining to particulars of employees and remuneration are not applicable to the Company for the year under review.

### **SECRETARIAL STANDARD**

During the year 2021-22, the Company has complied with the all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

### **Compliance with amended SEBI Regulation as applicable to HVDL Companies**

Your Company is complying with the provisions of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 as applicable to Debt listed Company. As per the amended SEBI (LODR) regulation effective from 7<sup>th</sup> September, 2021, High Value Debt listed Companies ("HVDL") i.e. listed entity which has listed its non-convertible debt securities having an outstanding value of ₹ 500 crore and above, shall endeavour to comply with the regulations 16 to 27 of SEBI LODR, which are applicable to equity listed Companies and achieve full compliance by 31<sup>st</sup> March, 2023 or explain the reasons for such partial compliance in corporate governance report filed with stock exchange under SEBI LODR and on mandatory basis thereafter.

Though presently your Company being HVDL, said regulations are applicable to it on COREX basis and accordingly, the reason was mentioned in corporate governance report that your Company would comply the related provisions within the applicable time frame given the by SEBI. Your Company has taken this view since it has decided to exercise call option to redeem listed NCDs series IV of ₹ 900 crore on 6<sup>th</sup> July, 2022.

### **VIGIL MECHANISM**

In compliance with the provisions of Section 179(3) of the Act and Regulation 4(2)(d)(iv) of the SEBI LODR, your Company has in place an effective Vigil Mechanism cum Whistle Blower Policy. The said Vigil Mechanism cum Whistle Blower Policy provides a formal mechanism to the Directors' and employees to report their genuine concerns or grievances about unethical behavior, serious misconduct or wrongful activities and fraud and instances of leak of unpublished price sensitive information.

The said Mechanism also provides adequate safeguards against victimization of persons who avail of such mechanism to report genuine concerns. It provides direct access to the management or to the Chairman of Audit Committee in exceptional cases. The Audit Committee of the Company oversees the functioning of this Mechanism. No complaints were reported under said mechanism during the year 2021-22.

In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Internal Complaints Committees have been set up by the Company to redress any complaints received related to sexual harassment of women at the workplace. No complaint was reported during the year 2021-22.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY**

In pursuance to the provisions of section 186 of the Companies Act, 2013, particulars of Loans given, Investments made and Guarantees given or security provided, are given in the notes to Financial Statements.

# Nirma Limited

## RELATED PARTY TRANSACTIONS

As per the authorization given by the Board, Audit Committee granted prior omnibus approval for the transactions with related parties which are of repetitive in nature and which are foreseeable and on an arm's length basis. All other transactions with related parties were reviewed and approved by the Audit Committee and by the Board and/or Members, wherever required. A statement giving details of all related party transactions were placed before the Audit Committee and the Board on a quarterly basis for review and noting. During the year 2021-22, the transactions that were entered into with related parties were on an arm's length basis.

The Company has not entered into any transaction with the related parties in pursuance to the provisions of Section 188(1) of the Act read with Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 which are material in nature and / or not at arms' length basis during the year 2021-22 and hence disclosure in Form AOC-2 is not applicable. The related party transactions as are required under Indian Accounting Standard-24 are set out in the notes to the financial statements.

## RISK MANAGEMENT & INTERNAL CONTROL

An effective Risk Management Framework is in place to achieve long term goals of the Company. All the potential risks and opportunities that arise from business areas, economic, technology as well as environmental changes are discussed and deliberated with concerned functional heads. Each functional head identifies the probable risks in their area of operation, which are systematically deliberated and addressed through mitigating actions on a continuing basis.

Your Company has well-organized internal control system which provides an assurance with regard to recording and providing reliable financial and operational information, complying with applicable accounting standards, executing transactions with proper authorization. The Company has in place a well-designed data protection system. Your Company's internal audit department continuously reviews the adequacy and effectiveness of the internal control systems including oversight on financial and accounting areas to ensure that such systems are updated on regular intervals. The Company has well defined delegation of authority with specified limits for approval of expenditures.

Head of internal audit department of your Company submits quarterly presentations to the Audit Committee on their reports. The Audit Committee periodically reviews the findings of internal audit and necessary actions are being taken. The Audit Committee of the Company also periodically evaluates internal financial control and risk management system in light of Company's risk profile. The Company has adequately insured its assets against various risks.

## CORPORATE SOCIAL RESPONSIBILITY

The Company has carried out various CSR activities mainly relating to promoting education including construction of Girls' hostel, healthcare, rural development and environment sustainability etc. The Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31<sup>st</sup> March, 2022 is set out in Annexure III and forms an integral part of this report. The CSR Policy of the Company is available on the website of the Company at [www.nirma.co.in](http://www.nirma.co.in).

## CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statements has been prepared in accordance with applicable Indian Accounting Standards and forms an integral part of this Report.

In pursuance to Section 129(3) of the Companies Act, 2013 read with rules framed thereunder and relevant Indian Accounting Standards as applicable, the Company has prepared its Consolidated Financial Statements with its subsidiaries and Associate which form part of this Annual Report.

## DEPOSITS

During the year under review, your Company has not accepted any Deposit in pursuance to the provisions of Section 73 / 76 of the Companies Act, 2013. No amount was outstanding towards unclaimed deposit as on 31<sup>st</sup> March, 2022.

However, the Company has received a loan of ₹ 50.75 crore from relative of Promoter who are Directors, from time to time during the year @ 8% interest p.a. to meet the timely business requirements of the

Company. They have furnished a declaration in writing to the effect that the amount was not been given out of funds acquired by them by borrowing or accepting loan or deposits from others.

#### **ACKNOWLEDGEMENT**

Your Directors are pleased to place on record their appreciation for the support and co-operation extended by Government and statutory authorities and look forward to their continued support in the future. Your Directors appreciates the support given by the customers, vendors, shareholders, lenders. Deep appreciation is also recorded for the dedicated efforts and contribution extended by the employees at all levels, during the year.

For and on behalf of the Board

Place: Ahmedabad  
Date: 30<sup>th</sup> May, 2022

Dr. K. K. Patel  
(DIN 00404099)  
Chairman

# Nirma Limited

## ANNEXURE - I

### PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

#### (A) Conservation of Energy:

i) Steps taken or impact for conservation of energy:

The Company is making continuous efforts on ongoing basis for energy conservation. some of the specific measures undertaken by the Company in this direction are:

- Energy Conservation by utilization of (presently) waste heat generated from the existing boiler is utilized to produce 20 MW power by installing Turbo Generator. This waste to energy project is operational from February, 2021.
- Continued the energy conservation by way of using the rain water harvesting pond water (till available) in process as well as for greenbelt development in the plant for conserving the energy of pumping the sea water/ground water.
- Reduced the auxiliary power/electricity consumption by continued usage of energy efficient equipment and machineries viz. VFD in motors, low NOx burner for reduction of NOx and thermal energy, energy efficient lightings (like LED).
- Conserving Fossil fuel by installing latest technology Reheat CFBC boiler and turbine which gives higher heat rate.
- Efficient use of energy by installing multistage Pre-heater/ Pre-calcinator kilns significantly reduce the fuel (i.e. coal / alternate fuel) requirements.
- Training, awareness and motivational program have been conducted for awareness of conservation of energy.

ii) Steps taken for utilizing alternate sources of energy:

There are four major alternate sources of energy, which are wind energy, solar energy, hydro energy and biomass energy. Key steps taken for utilizing alternate sources of energy:-

- Continue usage of Wind Mill Energy as alternative source for electricity by developing 4.5 MW wind mill farm at village – Dhank, Dist. Rajkot and utilizing the same in Mandali plant.
- Continue use of Solar Energy based lightning arrangement in plant premises area, residential township area and plant surrounding habitats.
- Installed power generation through roof top solar panel at Moraiya 850 KW and Mandali plant 1 MW. Solar panel installation ongoing at Vartej Township at Bhavnagar @ 200 KW, which yet to be operational.

iii) Capital investment on energy conservation equipment:

- Solar system at Moriya (capacity 850 KW) - ₹ 2.55 crore
- Solar system at Mandali (capacity 1000 KW) - ₹ 3.10 crore
- Solar system installation ongoing at Vartej Township, Bhavnagar @ 200 KW capacity

#### (B) Technology Absorption:

i) Efforts made towards technology absorption:

The Company continued to use latest technology in its existing projects and production process of Soda Ash, Vacuum salt, Solar salt, Caustic Soda, Fatty Acid, Toilet Soap, LAB and bromine for which the technology and equipment are partly imported from Netherlands, Germany, Italy, USA. In latest projects of Phosphoric Acid, the technology and equipment are partly imported from Ukraine and Israel respectively.

- ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

Above technologies are proven globally and environmental friendly having higher product yield and less waste generation in all manner. Other benefits are:

- Improvement in equipment efficiency and in productivity
- Conservation of energy and natural resources/fossil fuel, environment by minimization and utilization of waste
- Improves product quality
- Reduction of cost
- Improves solubility and preferred for liquid detergents also
- Higher biodegradability

- iii) Information regarding imported technology [imported during the last three years reckoned from the beginning of the Financial Year (a) details of technology imported (b) year of import (c) whether technology has been fully absorbed (d) if not fully absorbed areas where absorption has not taken place and reason thereof]:

- TBT (Tenova Bateman Technology) Process for purified phosphoric acid from Israel in FY 2018-19, plant is commissioned and operational in year 2020-21.
- To develop basic engineering package for Bromine from Germany, in FY in 2018-19, Technology is fully absorbed.

- iv) Expenditure incurred on R&D:

- Research has been given & conducted by AAU, Anand for utilization of waste i.e diluted acid in to product (SSP) and it's impact on soil, crop and accumulation of organic matter. Amount spent on this research work is @ ₹ 60 lakh;
- Research has been given IITR, Lucknow to conduct toxicological study to assess impact of product (SSP) manufactured from waste i.e diluted acid on aquatic life i.e. fish. Amount spent on this research work is @ ₹ 12 lakh;
- Research has been given Gujarat University, Ahmedabad to conduct study to evaluate impact of Soda Ash Effluent on aquatic life i.e. fish. Amount spent on this research work is @ ₹ 10 lakh.

**(C) Foreign Exchange Earnings and Outgo:**

(₹ in crore)

Particulars	2021-22	2020-21
Foreign Exchange Earned in terms of actual inflows	447.39	159.56
Foreign Exchange outgo in terms of actual outflows	993.45	313.76

For and on behalf of the Board

Place: Ahmedabad  
Date: 30<sup>th</sup> May, 2022

**Dr. K. K. Patel**  
(DIN 00404099)  
Chairman

# Nirma Limited

## ANNEXURE - II

### FORM NO. MR-3

#### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

**Nirma Limited**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Nirma Limited** [CIN: U24240GJ1980PLC003670] ('hereinafter called the Company') having Registered Office at Nirma House, Ashram Road, Ahmedabad– 380009, Gujarat. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives whether electronically or otherwise during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 – Not applicable as the Equity shares of the Company are not listed during audit period
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – Not applicable as the Company has not issued any further share capital during the audit period
  - (d) Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – Not applicable during the audit period
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
  - (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021

- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – Not applicable as the Company is not registered as Registrar to Issue and Share transfer agent during audit period
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable during the audit period
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable during the audit period; and

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS-1 & SS-2) issued by The Institute of Company Secretaries of India
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to only debt securities

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that as confirmed and certified by the management of the Company, following laws are specifically applicable to the Company based on the Sectors/ Businesses:

1. Explosive Act, 1884
2. Drugs and Cosmetics Act, 1940
3. Petroleum Act, 1934
4. Mines Act, 1952
5. Food Safety and Standards Act, 2006
6. The Environment (Protection) Act, 1986 and
7. The Electricity Act, 2003

For the compliances of Labour Laws, Environmental Laws & other General Laws, our examination and reporting is based on the information and explanations as provided to us, by the officers and management of the Company and to the best of our judgment and understanding of the applicability of the different enactments upon the Company, in our opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General laws and Labour Laws.

The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory financial auditor and other designated professionals.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Company re-appointed Mr. Hiren K. Patel as a Managing Director for a further period of 5 years w.e.f. 1<sup>st</sup> May, 2021. There were no other changes being carried out in the composition of the Board of Directors & Key Managerial Personnel during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board meetings and Committee meetings have been carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. There were no dissenting views on any matter.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has not passed any Special Resolutions.

## Nirma Limited

We further report that pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021, made effective from 7<sup>th</sup> September, 2021, the provisions relating to regulation 16 to regulation 27 of SEBI (LODR) Regulations, 2015 are to be followed by the Company on a 'comply or explain' (COREX) basis until March 31, 2023 and on a mandatory basis thereafter as the Company has principal outstanding debt of ₹ 500 crores and above as on 31<sup>st</sup> March, 2021. On the basis of above amendment, there are certain provisions to be complied by the Company by March 31, 2023. As required under the said regulations, the Company has provided necessary explanation for on COREX basis to National Stock Exchange of India Limited (NSE) in the quarterly corporate governance report filed with NSE.

FOR KASHYAP R. MEHTA & ASSOCIATES  
COMPANY SECRETARIES  
FRN: S2011GJ166500

Sd/-

**KASHYAP R. MEHTA**  
PROPRIETOR

FCS-1821 : COP-2052 : PR-583/2019  
UDIN: F001821D000427345

Place: Ahmedabad  
Date: 30<sup>th</sup> May, 2022

**Note:** This report is to be read with our letter of even date which is annexed as **Annexure 1** and forms an integral part of this report.

To,  
The Members,  
**Nirma Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR KASHYAP R. MEHTA & ASSOCIATES  
COMPANY SECRETARIES  
FRN: S2011GJ166500

Sd/-

**KASHYAP R. MEHTA**  
PROPRIETOR

FCS-1821 : COP-2052 : PR-583/2019  
UDIN: F001821D000427345

Place: Ahmedabad  
Date: 30<sup>th</sup> May, 2022

# Nirma Limited

## ANNEXURE - III

### ANNUAL REPORT ON CSR ACTIVITIES

#### 1. Brief outline on CSR Policy of the Company

Your Company's Corporate Social Responsibility (CSR) policy has an objective of sustainable development and welfare of society/community including system for implementation and monitoring the CSR activities. The CSR policy is available on the website of the Company viz. [www.nirma.co.in](http://www.nirma.co.in).

Your Company has carried out CSR activities during the year under review, as per the Annual Action Plan, CSR policy, within activities as specified in Schedule VII of the Companies Act, 2013.

The focus areas of our CSR activities during the financial year were mainly relating to promoting education including construction of Girls' hostel, healthcare, rural development and environment sustainability etc.

#### 2. Composition of CSR Committee:

Sl. No.	Name of Director*	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri K. K. Patel	Chairman	3	3
2	Shri Pankaj R. Patel	Member - Independent Director	3	3
3	Shri Hiren K. Patel	Member - Managing Director	3	3

\*Smt. Purviben A. Pokhariyal has been appointed as a Member of CSR Committee vice Shri Pankaj R. Patel w.e.f. 1<sup>st</sup> April, 2022.

#### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

[www.nirma.co.in](http://www.nirma.co.in)

#### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)

The Company takes cognizance of sub-rule (3) of rule 8 of the Companies CSR Policy Rules 2014 and shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

There are no such projects completed after the effective date of the aforementioned rules for financial year ended 2022.

#### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in Crore)	Amount required to be setoff for the financial year, if any (₹ in Crore)
1	2020-21	Nil	Nil
2	2021-22	16.35	1.78

#### 6. Average net profit of the company as per section 135(5) : ₹ 761.38 crore

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 15.23 crore  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil  
 (c) Amount required to be set off for the financial year, if any: ₹ 1.78 Crore  
 (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 13.45 crore
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (₹ in Crore)	Amount Unspent (₹ in Crore)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
27.87	Not applicable		Not applicable		

- (b) Details of CSR amount spent against **ongoing projects** for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration	Amount allocated for the project (₹ in Crore)	Amount spent in the current financial Year (₹ in Crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Crore)	Mode of Implementation -Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
1	Construction of Girls' Hostel	(ii) (iii)	Yes	Gujarat	Ahmedabad	More than 1 year	30.77	24.90	N.A.*	Indirect	Nirma Education & Research Foundation	CSR00005482

\*Note required to transfer amount to unspent account since it is in excess of minimum requirement.

- (c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

1	2	3	4	5		6	7	8	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (₹ in Crore)	Mode of implementation on -Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name.	CSR registration number
1	COVID 19 support, providing ventilator, installation of tanks for Oxygen at medical college, electrification at covid-19 hospital; sponsored multi-diagnostic Camp; Sujlam Sufam Jalsanchar Abhiyan, making available safe drinking water, Distribution of soaps; social and community services like polio awareness camp, vaccination camp to the school children	(i)	Yes	Gujarat	Porbandar, Vadodara, Ahmedabad, Bhavnagar, Amreli, Patan	1.18	Direct & Indirectly	Health Education & Charitable Trust	CSR00025586
2	Contribution for promoting education, research project	(ii)	Yes	Gujarat	Bhavnagar, Anand	0.12	Direct	N.A.	N.A.

## Nirma Limited

3	Contribution for development and maintenance of Mangrove Plants, Grass distribution	(iv)	Yes	Gujarat	Bhavnagar	0.68	Directly	N.A.	N.A.
4	Contribution for civil work for public health center, construction of road, earth work for road, installation of street light in village, community hall renovation work, store item & DG set given, fencing work	(x)	Yes	Gujarat	Bhavnagar	0.99	Direct	N.A.	N.A.
<b>TOTAL</b>						<b>2.97</b>			

(d) Amount spent in Administrative Overheads : Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 27.87 crore

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in crore)
(i)	Two percent of average net profit of the company as per section 135(5)	15.23
	Set off taken from the amount available for set off from preceding financial year	1.78
	Total amount to be spent for the Financial Year	13.45
(ii)	Total amount spent for the Financial Year	27.87
(iii)	Excess amount spent for the financial year [(ii)-(i)]	14.42
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	14.42

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in crore)	Amount spent in the reporting Financial Year (₹ in crore)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (₹ in crore)
				Name of the Fund	Amount (₹ in crore)	Date of transfer	
1	2020-21	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2	2019-20	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3	2018-19	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sl. No	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (₹ in crore)	Amount spent on the project in the reporting Financial Year (₹ in crore)	Cumulative amount spent at the end of reporting Financial Year. (₹ in crore)	Status of the project - Completed /Ongoing.
Nil								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

- (a) Date of creation or acquisition of the capital asset(s) : None\*
- (b) Amount of CSR spent for creation or acquisition of capital asset. - Nil
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. – Not applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). – Not applicable

*\*No capital assets have been created or acquired in the company through CSR spent in financial year 2021-22.*

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). – Not applicable

Date: 30<sup>th</sup> May, 2022

Place: Ahmedabad

Managing Director

Chairman of CSR Committee

# Nirma Limited

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of Nirma Limited  
Ahmedabad

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of Nirma Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31<sup>st</sup> March 2022, and the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended and notes to Standalone financial statements, including a summary of significant accounting policies and other explanatory information (herein referred to as "Standalone financial statements").

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements, give the information required by the Companies Act, 2013("Act") in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

#### Emphasis of Matters

We draw attention to the following matter in the Note no 54 to the financial statements. The Composite Scheme of Compromise and Arrangement between Core Health Care Limited (CHL), the Demerged Company, its Lender and Shareholder and Nirma Limited, the Resulting Company and its Shareholders (the Scheme) under Sections 78, 100, 391 to 394 of Companies Act, 1956 has been sanctioned by the Hon'ble High Court of Gujarat vide an order dated 1<sup>st</sup> March, 2007. The scheme has become effective from 7<sup>th</sup> March 2007. Three Parties had filed appeal before the Division Bench of Hon'ble High Court of Gujarat. Matter was settled with one of the parties and they withdrew the case. Appeal Filed by other two parties is continuing. The Scheme is subject to the outcome of the said appeal. The demerged undertaking i.e. healthcare division has been transferred to Aculife Healthcare Pvt Limited from 01.10.2014. Our opinion is not modified in respect of these matters.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<b>Revenue recognition</b>	
Revenue is measured net of discounts, rebates	• Assessed the Company's revenue recognition policy

<p>and incentives earned by customers on the company's sales.</p> <p>Due to the company's presence across different marketing regions within the country and the competitive business environment, the estimation of the various types of discounts, rebates and incentives to be recognised based on sales made during the year is material and considered to be judgemental.</p> <p>Revenue from contract with customers is recognised when control of the goods or services are transferred to the customers at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The company has generally concluded that as principal, it typically controls the goods or services before transferring them to the customer.</p> <p>Revenue is also an important element of how the company measures its performance. The company focuses on revenue as a key performance measures which could create an incentive for revenue to be recognised before the risk and rewards have been transferred.</p> <p>Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 "Revenue from contract with customer", it was determined to be Key Audit matter in our audit of the Standalone financial statement.</p>	<p>prepared as per Ind AS 115 'Revenue from contracts with customers'.</p> <ul style="list-style-type: none"> <li>• Assessed design and tested the operating effectiveness of internal controls related to revenue recognition, discounts and rebates.</li> <li>• Performing substantive testing (including year end cut-off testing) by selecting samples of revenue transactions recorded during the year (and before and after the financial year end) by verifying the underlying documents, which included sales invoices/contracts and shipping documents.</li> <li>• Comparing the historical discounts, rebates and incentives to current payment trends. We also considered the historical accuracy of the company's estimates in previous year.</li> <li>• Assessing manual journals posted to revenue to identify unusual items.</li> <li>• Obtained confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the financial statement; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.</li> </ul>
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**Information other than the Standalone Financial Statements and Auditors' Report thereon.**

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those charged with Governance for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and

## **Nirma Limited**

design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to Standalone Financial Statement in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Standalone Financial Statements made by Management and Board of Directors.
- Conclude on the appropriateness of Management's and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation

precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

- A. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- B. As required by Section 143(3) of the Act, we report that:
- I. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - II. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - III. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - IV. In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - V. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - VI. With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the company and the operating effective of such controls, refer to our separate Report in "Annexure B".
  - VII. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - a. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 43 to the standalone financial statements;
    - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March, 2022.
    - d. (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (ii) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material misstatement.

## Nirma Limited

e. No dividend declared or paid during the year by the Company, Hence Section 123 of the Act is not applicable.

C. With respect to the matter to be included in the Auditor's report under Section 197(16) of the Act.

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Rajendra D. Shah & Co.  
Chartered Accountants  
Firm Registration No.108363W

**(Rajendra D. Shah)**

Proprietor

Membership No. 4844

UDIN:22004844ALDFIW2814

Place: Ahmedabad  
Date: May 30, 2022

## **Annexure A to the Independent Auditors' Report**

**(Refer to paragraph (A) on other Legal and Regulatory Requirements of our report of even date.)**

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the Standalone Financial Statements for the year ended March 31, 2022, we report the following:

- I. In respect of the Company's Property, Plant and Equipment and Intangible Assets :
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and Investment properties.
  - b) In our opinion and according to the information and explanations given to us during the course of the audit, property, plant and equipment and Investment properties have been physically verified by the management at regular intervals, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c) In our opinion and according to the information and explanations given to us during the course of the audit, title deeds of all immovable properties (other than immovable properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) including property, plant and equipment are held in the name of Company.
  - d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
  - e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- II. a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records.

In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- b) According to the information and explanations given to us during the course of the audit, the Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- III. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided guarantee or security or granted advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has made investments and granted unsecured loans to companies and other parties, in respect of which the requisite information is as below.
  - a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the company has provided loans to any other entity as below:

## Nirma Limited

(₹ In crores)

Particulars	Loans
Aggregate amount during the year ended 31 March,2022	
- Others	56.62
Balance outstanding as at balance sheet date – 31 March 2022	
- Others	50.12

- b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of unsecured loans given, in our opinion the repayment of principal and payment of interest have been stipulated but the repayments or receipts in some of the loans have not been regular.
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is overdue amount of Rs 38.19 Crores for more than ninety days in respect of secured and unsecured loans given.

No. of Cases	Principal Amount Overdue	Interest Overdue	Total Overdue	Remarks (if any)
6	36.97 Crores	1.22 Crores	38.19 Crores	Provision for impairment is made

- e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year.
- IV. In our opinion and according to the information and explanations given to us during the course of the audit, in respect of loans, investments, guarantees and security provisions of section 185 and 186 of Companies Act, 2013 have been complied with.
- V. In our opinion and according to the information and explanations given to us during the course of the audit, the Company has not accepted any deposit within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) from the public. Therefore, the provisions of Clause 3(v) of the Order is not applicable to the Company.
- VI. The Central Government has prescribed the maintenance of cost records under section 148(1) of the Companies Act 2013 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.
- VII. (a) In our opinion and according to the information and explanations given to us during the course of the audit, the Company is generally regular in depositing with appropriate authorities undisputed amount of Provident Fund, State Insurance, Income-tax, Goods and Service Tax, Duty of Customs, Cess and any other statutory dues applicable to it and no undisputed amounts payable were outstanding as at 31<sup>st</sup> March, 2022 for a period of more than six months from the date they became payable.
- (b) Following are the details of disputed Income Tax, Sales Tax, duty of Customs, Goods and Service tax, Service tax have not been deposited to the concerned authorities as on 31<sup>st</sup> March, 2022:

Sr No.	Name of the statute	Nature of the dues	Forum where dispute is pending	Period to which it relates	Unpaid amount (₹ in crore)
1.	Income Tax Act, 1961	Income Tax	CIT Appeals	2004-2005, 2007-2008, 2009-2010, 2013-2014, 2021-2022	0.17

Sr No.	Name of the statute	Nature of the dues	Forum where dispute is pending	Period to which it relates	Unpaid amount (₹ in crore)
			A.O.	2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015,	0.03
2.	Central Sales Tax Act and Sales Tax Act of various states	Central Sales Tax and Sales Tax	Commissioner (Appeals)	2002-2003, 2003-2004, 2001-2002, 2004-2005, 2005-2006	80.29
			Appellate Board	2000-2001, 2003-2004	0.04
			Tribunal	1999-2000, 2000-2001, 2010-2011	5.55
			High court	2008-2009, 2009-2010, 2011-2012, 2012-2013	15.69
			Supreme court	2011-2012, 2012-2013	3.00
3.	Finance Act, 1994 (Service Tax)	Service Tax	Commissioner (Appeals)	2013-2014, 2015-2016, 2021-2022	5.03
			Tribunal	2012-2013, 2016-2017, 2019-2020	3.98
			High court	2011-2012	0.24
4.	Customs Duty Act, 1962	Customs Duty	Commissioner (Appeals)	2018-2019	0.03
			Tribunal	2014-2015, 2015-2016, 2016-2017, 2017-2018, 2018-2019, 2019-2020	25.85
			High court	2010-2011	0.15

VIII. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

- IX. a) In our opinion and according to the information and explanations given to us during the course of the audit, the Company has not defaulted in repayment of dues to financial institutions or banks or debenture holders.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of term loan during the year for which they were raised.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- X. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

## Nirma Limited

- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Accordingly clause 3(x)(b) of the Order is not applicable.
- XI. (a) In our opinion and according to the information and explanations given to us during the course of the audit, we report that no material fraud by the Company and no material fraud on the Company have been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- XII. In our opinion and according to the information and explanations given to us during the course of the audit, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- XIII. In our opinion and according to the information and explanations given to us during the course of the audit, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and details have been disclosed in the Financial Statements, as required by the applicable Indian accounting standards;
- XIV. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- XV. In our opinion and according to the information and explanations given to us during the course of the audit, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence, provisions of section 192 of the Companies Act, 2013 is not applicable.
- XVI. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.
- (b) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(b) of the Order is not applicable.
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable
- (d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- XVII. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- XVIII. There has been no resignation of the statutory auditors of the Company during the year.
- XIX. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

XX. According to the information and explanations given to us, the provision of Section 135 of the Act is applicable to the company. The Company has made required contributions during the year and there are no unspent amounts which are required to be transferred to the special account as on date of our audit report. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the order are not applicable to the Company.

For Rajendra D. Shah & Co.  
Chartered Accountants  
Firm Registration No.108363W

Place: Ahmedabad  
Date: May 30, 2022

**(Rajendra D. Shah)**  
Proprietor  
Membership No. 4844  
UDIN:22004844ALDFIW2814

# Nirma Limited

## Annexure - B to the Auditors' Report

**(Refer to paragraph B (VI) on other Legal and Regulatory Requirements of our report of even date.)**

Report on the internal financial controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

### Opinion

We have audited the internal financial controls with reference to Standalone Financial Statements of Nirma Limited ("the Company") as of 31<sup>st</sup> March 2022, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial controls were operating effectively as at 31<sup>st</sup> March 2022, based on the internal financial controls with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ( the "Guidance note").

### Management's Responsibility for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ( herein referred to as the "Act").

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Standalone Financial Statements.

### Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Standalone Financial Statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone

financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

**Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Rajendra D. Shah & Co.  
Chartered Accountants  
Firm Registration No.108363W

Place: Ahmedabad  
Date: May 30, 2022

**(Rajendra D. Shah)**  
Proprietor  
Membership No. 4844  
UDIN:22004844ALDFIW2814

# Nirma Limited

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2022

₹ In crore

Particulars	Note No	As at 31.03.2022	As at 31.03.2021
<b>I ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Property, Plant and Equipment	2	3,284.10	3,640.16
(b) Right of use of Asset	3	227.38	2.85
(c) Capital work-in-progress	4	224.19	529.00
(d) Investment Property	5	10.30	10.30
(e) Other Intangible assets	6	17.03	20.27
(f) Other Intangible Asset under development	7	Nil	Nil
(g) Financial assets			
(i) Investment in subsidiaries	8	533.38	533.38
(ii) Investments	9	3,673.36	5,459.70
(iii) Other financial assets	10	2.73	2.97
(h) Other non current assets	11	11.83	1.41
<b>Total non current assets</b>		<b>7,984.30</b>	<b>10,200.04</b>
<b>2 Current Assets</b>			
(a) Inventories	12	1,457.02	1,013.16
(b) Investments	13	174.23	108.29
(c) Financial assets			
(i) Trade receivables	14	573.63	352.09
(ii) Cash and cash equivalents	15	359.91	141.59
(iii) Bank balances other than (ii) above	16	0.14	3.30
(iv) Loans	17	64.90	15.05
(v) Other financial assets	18	10.80	7.16
(d) Other current assets	19	125.17	87.06
<b>Total current assets</b>		<b>2,765.80</b>	<b>1,727.70</b>
<b>TOTAL ASSETS</b>		<b>10,750.10</b>	<b>11,927.74</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	20	73.04	73.04
(b) Other equity	21	6,234.22	5,745.05
<b>Total equity</b>		<b>6,307.26</b>	<b>5,818.09</b>
<b>LIABILITIES</b>			
<b>1 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	22	879.49	3,446.82
(ii) Other financial liabilities	23	81.81	76.61
(iii) Lease Liability		1.75	2.20
(b) Provisions	24	113.45	90.65
(c) Deferred tax liabilities (Net)	25	317.53	228.64
<b>Total non current liabilities</b>		<b>1,394.03</b>	<b>3,844.92</b>
<b>2 Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	26	1,661.24	1,131.72
(ii) Trade payables due to	27		
- Micro & Small Enterprise		11.84	1.94
- Other than Micro & Small Enterprise		461.62	297.52
(iii) Other financial liabilities	28	84.09	136.92
(iv) Lease Liability		0.72	0.85
(b) Other current liabilities	29	236.65	97.94
(c) Provisions	30	558.13	545.50
(d) Current tax liabilities (Net)	31	34.52	52.34
<b>Total current liabilities</b>		<b>3,048.81</b>	<b>2,264.73</b>
<b>Total liabilities</b>		<b>4,442.84</b>	<b>6,109.65</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,750.10</b>	<b>11,927.74</b>
Significant Accounting Policies	1		
The accompanying Notes 2 to 73 are an integral part of the Financial Statements.			

As per our report of even date

**For Rajendra D. Shah & Co**

Chartered Accountants

Firm Registration No 108363W

For and on behalf of the Board

**HIREN K. PATEL**  
Managing Director  
(DIN: 00145149)

**Dr. K. K. PATEL**  
Chairman  
(DIN: 00404099)

**RAJENDRA D. SHAH**  
Proprietor  
Membership No 4844

Place : Ahmedabad

Date : May 30, 2022

**PARESH SHETH**  
Company Secretary

Place : Ahmedabad

Date : May 30, 2022

**MANAN SHAH**  
Chief Financial Officer

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2022**

₹ In crore

Particulars	Note No	2021-2022	2020-2021
I Revenue from operations	32	6,515.47	5,034.97
II Other income	33	148.43	170.90
<b>III Total Income (I+II)</b>		<b>6,663.90</b>	<b>5,205.87</b>
<b>IV Expenses</b>			
(a) Cost of materials consumed	34	2,332.43	1,588.90
(b) Purchases of stock in trade		10.09	43.03
(c) Changes in inventories of finished goods, stock in trade and work-in-progress	35	(49.75)	46.64
(d) Employee benefits expenses	36	350.72	339.54
(e) Finance costs	37	278.79	340.06
(f) Depreciation and amortisation expenses	38	611.51	376.15
(g) Other expenses	39	2,436.67	1,723.90
<b>Total Expenses (IV)</b>		<b>5,970.46</b>	<b>4,458.22</b>
<b>V Profit before exceptional item and tax (III-IV)</b>		<b>693.44</b>	<b>747.65</b>
<b>VI Exceptional Item</b>		<b>Nil</b>	<b>Nil</b>
<b>VII Profit before tax (V+VI)</b>		<b>693.44</b>	<b>747.65</b>
<b>VIII Tax expenses</b>	40		
(a) Current tax		121.50	135.00
(b) Tax expenses relating to earlier year		4.78	(2.16)
(c) MAT credit utilised/(entitlement)		194.21	81.98
(d) MAT credit entitlement relating to earlier year		3.08	(3.86)
(e) Deferred tax (credit)/charge		(110.62)	4.34
<b>Total Tax Expenses</b>		<b>212.95</b>	<b>215.30</b>
<b>IX Profit for the year from continuing operations (VII-VIII)</b>		<b>480.49</b>	<b>532.35</b>
<b>X Loss before tax from discontinued operations</b>		<b>Nil</b>	<b>Nil</b>
<b>XI Tax expense of discontinued operations</b>		<b>Nil</b>	<b>Nil</b>
<b>XII Loss for the year from discontinued operations (X-XI)</b>		<b>Nil</b>	<b>Nil</b>
<b>XIII Profit for the year (IX+XII)</b>		<b>480.49</b>	<b>532.35</b>
<b>XIV Other comprehensive income</b>	41		
(a) Items that will not be reclassified to profit or loss		10.91	2.89
(b) Income tax relating to items that will not be reclassified to profit or loss		(2.22)	(1.38)
(c) Items that will be reclassified to profit or loss		Nil	Nil
(d) Income tax relating to items that will be reclassified to profit or loss		Nil	Nil
<b>Total other comprehensive income</b>		<b>8.69</b>	<b>1.51</b>
<b>XV Total Comprehensive income for the year (XIII+XIV)</b>		<b>489.18</b>	<b>533.86</b>
<b>XVI Earnings per equity share</b>	53		
(a) <b>Earnings per equity share (for continuing operations)</b>			
Basic (in ₹) & Diluted (in ₹)		32.89	36.44
(b) <b>Earnings per equity share (for discontinued operations)</b>			
Basic (in ₹) & Diluted (in ₹)		Nil	Nil
(c) <b>Earnings per equity share (for continuing and discontinued operations)</b>			
Basic (in ₹) & Diluted (in ₹)		32.89	36.44
Significant Accounting Policies	1		
The accompanying Notes 2 to 73 are an integral part of the Financial Statements.			

As per our report of even date

**For Rajendra D. Shah & Co**

Chartered Accountants

Firm Registration No 108363W

For and on behalf of the Board

**HIREN K. PATEL**  
 Managing Director  
 (DIN: 00145149)

**Dr. K. K. PATEL**  
 Chairman  
 (DIN: 00404099)

**RAJENDRA D. SHAH**

Proprietor

Membership No 4844

Place : Ahmedabad

Date : May 30, 2022

**PARESH SHETH**  
 Company Secretary

 Place : Ahmedabad  
 Date : May 30, 2022

**MANAN SHAH**  
 Chief Financial Officer

Statement of Changes in Equity for the year ended on 31<sup>st</sup> March, 2022

## A. Equity Share Capital

Particulars	₹ In crore			
	As at 1 <sup>st</sup> April, 2020	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the year	Changes in equity share capital during the year
Equity Share Capital of ₹ 5 each	73.04	Nil	73.04	Nil
				As at 31 <sup>st</sup> March, 2022
				73.04

B. Other equity as at 31<sup>st</sup> March, 2022

Particulars	₹ In crore						
	Security Premium	Capital Redemption Reserve	Debt Redemption Reserve	General Reserve	Retained Earnings	Items of other comprehensive income	Total
Balance at April 1, 2020*	29.81	42.35	78.17	2,001.39	3,029.88	(8.94)	38.52
Retained earning during the year	Nil	Nil	Nil	Nil	532.35	Nil	Nil
Other comprehensive income for the year	Nil	Nil	Nil	Nil	Nil	(4.41)	5.92
Total comprehensive income for the year	Nil	Nil	Nil	Nil	532.35	(4.41)	5.92
<b>Balance at March 31, 2021</b>	<b>29.81</b>	<b>42.35</b>	<b>78.17</b>	<b>2,001.39</b>	<b>3,562.23</b>	<b>(13.35)</b>	<b>44.44</b>
<b>Balance at April 1, 2021*</b>	<b>29.81</b>	<b>42.35</b>	<b>78.17</b>	<b>2,001.39</b>	<b>3,562.23</b>	<b>(13.35)</b>	<b>44.44</b>
Retained earning during the year	Nil	Nil	Nil	Nil	480.49	Nil	Nil
Other comprehensive income for the year	Nil	Nil	Nil	Nil	Nil	(1.79)	10.48
Total comprehensive income for the year	Nil	Nil	Nil	Nil	480.49	(1.79)	10.48
Creation of Debt Redemption Reserve from Retained earnings	Nil	Nil	23.67	Nil	(23.67)	Nil	Nil
<b>Balance at March 31, 2022</b>	<b>29.81</b>	<b>42.35</b>	<b>101.84</b>	<b>2,001.39</b>	<b>4,019.05</b>	<b>(15.14)</b>	<b>54.92</b>

The accompanying Notes 2 to 73 are an integral part of the Financial Statements.

\*There are no changes in equity due to prior period errors.

As per our report of even date  
**For Rajendra D. Shah & Co**  
 Chartered Accountants  
 Firm Registration No 108363W

For and on behalf of the Board

**HIREN K. PATEL**  
 Managing Director  
 (DIN: 00145149)

**Dr. K. K. PATEL**  
 Chairman  
 (DIN: 00404099)

**RAJENDRA D. SHAH**  
 Proprietor  
 Membership No 4844

**PARESH SHETH**  
 Company Secretary

**MANAN SHAH**  
 Chief Financial Officer

Place : Ahmedabad  
 Date : May 30, 2022

Place : Ahmedabad  
 Date : May 30, 2022

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2022**

₹ In crore

Particulars		2021-2022	2020-2021
<b>Cash flow from continuing operations</b>			
<b>A Cash flow from operating activities :</b>			
Profit before tax from Continuing operations		693.44	747.65
Adjustments for :			
Depreciation and amortization		611.51	376.15
Interest Income		(15.38)	(31.10)
Finance Cost - net of capitalization		278.79	340.06
Exchange fluctuation Loss (Net)		0.26	0.45
(Profit)/ Loss on sale of property plant and equipment (Net)		(4.14)	(83.61)
Dividend on non-current investments		(0.40)	(0.09)
Bad debts provision written back		(4.43)	Nil
Provision for mines reclamation expenses		0.01	0.06
Project written off		2.44	Nil
Provision for bad debt and Advances		0.34	20.27
Bad debts written off		2.04	Nil
Provision no longer required written back		(15.71)	(6.57)
Balances write back		(4.26)	1.45
Fair value (gain)/loss on financial instrument at fair value through profit & Loss		(0.98)	(0.11)
Net gain on sale of current investments		(6.95)	(3.86)
		843.14	613.10
Operating profit before working capital changes		1,536.58	1,360.75
Adjustments for :			
(Increase)/ Decrease in trade and other receivables	(256.58)		75.59
(Increase)/ Decrease in inventories	(443.87)		58.21
Increase in trade/ other payables, provisions and other liability	323.24		17.58
		(377.21)	151.38
Cash generated from operations		1,159.37	1,512.13
Direct taxes paid (net of refund)		(134.26)	(13.49)
Net cash from operating activities		1,025.11	1,498.64
<b>B Cash flow generated from investing activities :</b>			
Purchase of property plant and equipment ( including capital work-in-progress & Intangible Asset)	(155.33)		(378.21)
Sale of property plant and equipment	4.21		100.40
Sale of current Investments	4,389.98		2,865.18
Redemption of non-current Investments	1,800.00		Nil
Purchase of non-current Investments	Nil		(1,200.00)
Purchase of current investments	(4,447.99)		(2,809.43)
Interest received	1.87		53.12
Dividend on non-current investments	0.40		0.09
Net cash used in investing activities		1,593.14	(1,368.85)
		2,618.25	129.79
<b>C Cash flow generated from financing activities :</b>			
Change in loans and advances	(48.83)		629.75
Proceeds from Short Term borrowings	2,802.29		1,177.31
Repayment of Short Term borrowings	(2,831.87)		(1,218.18)
Proceeds from Long Term borrowings	433.12		310.29
Repayment of Long Term borrowings	(2,446.36)		(602.69)
(Decrease)/Increase in Equity share capital reduction balance payable	(2.83)		(0.04)
Payment of Lease Rental	(13.34)		(0.68)
Interest paid	(291.52)		(378.37)
(Decrease)/Increase in Preference share capital reduction balance payable	(0.33)		Nil
Interest paid on lease	(0.26)		(0.32)

# Nirma Limited

₹ In crore

Particulars		2021-2022	2020-2021
Net cash used in financing activities		(2,399.93)	(82.93)
Net increase / (decrease) in cash and cash equivalents		218.32	46.86
Cash and cash equivalents at the beginning of the year (Refer Note No. 15)		141.59	94.73
<b>Cash and cash equivalents at end of the year (Refer Note No. 15)</b>		<b>359.91</b>	<b>141.59</b>

## Notes :

- (1) The above Cash Flow statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (IND AS) 7-'Cash Flow Statements'.
- (2) Disclosure as required by IND AS 7 - "Cash Flow Statements" - Changes in liabilities arising from financing activities:

₹ In crore

Particulars	2021-2022	2020-2021
Opening Balance of borrowings	4,578.54	4,892.84
Opening Balance of lease liability	3.05	2.24
<b>Non Cash Movement</b>		
Accrual of Interest on borrowings	296.52	397.34
Accrual of Interest on lease	0.26	0.32
Addition of lease liability	0.17	1.48
<b>Cash Movement</b>		
Proceeds from Borrowings	3,235.41	1,487.60
Principal Repayment of borrowings	(5,278.23)	(1,820.87)
Principal Repayment of lease	(0.74)	(0.67)
Interest Repayment on borrowings	(291.52)	(378.37)
Interest Repayment on lease	(0.26)	(0.32)
<b>Closing Balance of Borrowings</b>	<b>2,540.73</b>	<b>4,578.54</b>
<b>Closing Balance of lease liability</b>	<b>2.48</b>	<b>3.05</b>

- (3) Previous year's figures have been regrouped, wherever necessary.
- (4) The accompanying Notes 2 to 73 are an integral part of the Financial Statements.

As per our report of even date  
**For Rajendra D. Shah & Co**  
Chartered Accountants  
Firm Registration No 108363W

For and on behalf of the Board

**HIREN K. PATEL**  
Managing Director  
(DIN: 00145149)

**Dr. K. K. PATEL**  
Chairman  
(DIN: 00404099)

**RAJENDRA D. SHAH**  
Proprietor  
Membership No 4844  
Place : Ahmedabad  
Date : May 30, 2022

**PARESH SHETH**  
Company Secretary

**MANAN SHAH**  
Chief Financial Officer

Place : Ahmedabad  
Date : May 30, 2022

## Notes to standalone financial statements for the year ended 31<sup>st</sup> March, 2022

### Note 1

#### I. Company Information

Nirma Ltd. (the company) is a company domiciled in India and incorporated under the provisions of Companies Act, 1956 of India. The company has its registered office at Nirma House, Ashram Road, Ahmedabad - 380009, Gujarat, India. The company is engaged in manufacturing and selling of various products as mentioned below:

- A. Industrial chemicals like Soda Ash, Linear Alkyl Benzene, Caustic Soda, Purified phosphoric acid etc.
- B. Consumer products like Detergents, Toilet Soaps, Salt, etc.

#### II. Basis of preparation

- A. The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.
- B. The financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value:
  - 1. Financial instruments measured at fair value through profit or loss (Note 50)
  - 2. Financial instruments measured at fair value through other comprehensive income (Note 50)
  - 3. Defined benefit plans – plan assets measured at fair value (Note 48)

#### III. Significant accounting policies

##### A. Revenue recognition

###### 1. Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, related discounts & incentives and volume rebates. It excludes goods and service tax.

###### 2. Sale of goods – non-cash incentive schemes (deferred revenue)

The company operates a non-cash incentive scheme programme where dealers / agents are entitled to non-cash incentives on achievement of sales targets. Revenue related to the non-cash schemes is deferred and recognised when the targets are achieved. The amount of revenue is based on the realisation of the sales targets to the period of scheme defined.

###### 3. Interest income

For all financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in other income in the statement of profit and loss.

###### 4. Dividends

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

# Nirma Limited

## Notes to standalone financial statements for the year ended 31<sup>st</sup> March, 2022

### B. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that a company incurs in connection with the borrowing of funds.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalisation.

### C. Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. All the grants related to an expense item are recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

### D. 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 benefits / obligations are accounted by making suitable adjustments in raw material consumption.

### E. Taxes

#### 1. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the entity operates and generates taxable income.

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### 2. Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their corresponding carrying amounts for the financial reporting purposes.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:

- i. deductible temporary differences;
- ii. the carry forward of unused tax losses; and
- iii. the carry forward of unused tax credits.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

## Notes to standalone financial statements for the year ended 31<sup>st</sup> March, 2022

Deferred tax relating to items recognised outside profit or loss is either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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 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 an extent there is no longer convincing evidence to the effect that the company will pay normal Income Tax during the specified period.

### F. Discontinued operations

A discontinued operation is a component of the entity that has been disposed off or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations and;
- is part of a single co-ordinated plan to dispose of such a line of business or area of operations.

The results of discontinued operations are presented separately in the Standalone Statement of Profit and Loss.

### G. Leases

The Company has adopted Ind AS 116 effective from April 1, 2019 using modified retrospective approach. For the purpose of preparation of Standalone Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended March 31, 2020. Accordingly, the Company has not restated comparative information; instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. As a lessee, the Company previously classified leases as operating or finance lease based on its assessment of whether the lease transferred significantly the entire risk and rewards incidental to the ownership of the underlying asset of the Company. Under Ind AS 116, the Company recognizes the right-of-use assets and lease liabilities as stated in the Note 3 and Note 25.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### 1. Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use).

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right

# Nirma Limited

## Notes to standalone financial statements for the year ended 31<sup>st</sup> March, 2022

of- use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Leasehold buildings 8 to 10 years
- Leasehold Land 75 to 80 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (p) Impairment of non-financial assets.

### 2) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

### 3) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value.

Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## H. Employee Benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contribution.

The company operates a defined benefit gratuity plan in India, which requires contributions to be made to a Life Insurance Corporation of India.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

## Notes to standalone financial statements for the year ended 31<sup>st</sup> March, 2022

Past service costs are recognised in profit or loss on the earlier of:

- i. The date of the plan amendment or curtailment, and
- ii. The date that the company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- i. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- ii. Net interest expense or income

### 1. Long-term employee benefits

Post-employment and other 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 other comprehensive income.

### 2. Defined contribution plans

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid.

## I. Non-current assets held for sale

The company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale is regarded met only when the assets are available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The company treats sale of the asset to be highly probable when:

- i. The appropriate level of management is committed to a plan to sell the asset.
- ii. An active program to locate a buyer and complete the plan has been initiated,
- iii. The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- iv. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- v. Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

# Nirma Limited

## Notes to standalone financial statements for the year ended 31<sup>st</sup> March, 2022

### J. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost of the items. Acquisition cost includes expenditure that is directly attributable to getting the asset ready for intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of spare parts that meets the definition of 'property, plant and equipment' is recognised as property, plant and equipment. The depreciation on such an item of spare part will begin when the asset is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. In case of a spare part, as it may be readily available for use, it may be depreciated from the date of purchase of the spare part.

Capital work in progress is stated at cost and net of accumulated impairment losses, if any. All the direct expenditure related to implementation including incidental expenditure incurred during the period of implementation of a project, till it is commissioned, is accounted as Capital work in progress (CWIP) and after commissioning the same is transferred / allocated to the respective item of property, plant and equipment.

Pre-operating costs, being indirect in nature, are expensed to the statement of profit and loss as and when incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

#### Depreciation methods, estimated useful lives and residual value

Depreciation is calculated to allocate the cost of assets, net of their residual values, over their estimated useful lives. Components having value significant to the total cost of the asset and life different from that of the main asset are depreciated over its useful life. However, land is not depreciated. The useful lives so determined are as follows:

Assets	Estimated useful life
Buildings	30 to 60 years
Plant and machinery	2 to 40 years
Furniture and fixtures	10 years
Office equipment	10 years
Vehicles	8 to 10 years
Helicopter	20 years

Depreciation on fixed assets has been provided in the accounts based on useful life of the assets prescribed in Schedule II to the companies Act, 2013.

Depreciation on fixed assets is provided on Straight Line Method except assets located at Mandali, Dhank, Chhatral, Trikampura, Caustic Soda Plant and Purified Phosphoric Acid Plant at Bhavnagar, Castor Oil Plant at Nandasani and at Corporate Office where depreciation is provided on Written down value Method.

Depreciation on additions is calculated on pro rata basis with reference to the date of addition.

## Notes to standalone financial statements for the year ended 31<sup>st</sup> March, 2022

Depreciation on assets sold/ discarded, during the period, has been provided up to the preceding month of sale / discarded.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains / (losses).

### K. Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

### L. Intangibles

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the company and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

#### Amortisation methods, estimated useful lives and residual value

Intangible assets are amortised on a straight line basis over their estimated useful lives based on underlying contracts where applicable. The useful lives of intangible assets are assessed as either finite or indefinite. The useful life so determined is as follows:

Assets	Amortisation period
Lease and license rights	60 years
Mining rights	Amortised on unit of production method based on extraction of limestone from mines
ERP Software	6 years

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

### M. Inventories

Inventories are valued at the lower of cost and net realizable value.

- Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a monthly weighted average basis.
- Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on a monthly weighted average basis on lower of cost or net realizable value.

# Nirma Limited

## Notes to standalone financial statements for the year ended 31<sup>st</sup> March, 2022

3. **Stores and spares:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. An item of spare parts that does not meet the definition of 'property, plant and equipment' has to be recognised as a part of inventories.
4. **Fuel:** cost includes cost of purchase and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on a monthly weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### N. Investment in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are recognised at cost as per Ind AS 27. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

### O. Financial Instruments

#### 1. Financial assets

##### i. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

##### ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- a. Debt instruments at amortised cost
- b. Preference shares measured at fair value through profit or loss (FVTPL)
- c. Financial assets at fair value through profit or loss (FVTPL)
- d. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

##### iii. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

##### iv. Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

## Notes to standalone financial statements for the year ended 31<sup>st</sup> March, 2022

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

### v. Financial instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

### vi. Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

### vii. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - a) the company has transferred substantially all the risks and rewards of the asset, or
  - b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an

# Nirma Limited

## Notes to standalone financial statements for the year ended 31<sup>st</sup> March, 2022

associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

### viii. Impairment of financial assets

The company assesses impairment based on expected credit loss (ECL) model to the following:

- a. Financial assets measured at amortised cost;
- b. Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

- a. The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- b. Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The company follows 'simplified approach' for recognition of impairment loss allowance on:

- a. Trade receivables or contract revenue receivables; and

Under the simplified approach, the company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

### ix. Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

## Notes to standalone financial statements for the year ended 31<sup>st</sup> March, 2022

The company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

### 2. Financial liabilities

#### i. Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

#### ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- a. Financial liabilities at fair value through profit or loss
- b. Loans and borrowings
- c. Financial guarantee contracts

#### iii. Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The company has not designated any financial liability as at fair value through profit and loss.

#### iv. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### v. Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

# Nirma Limited

## Notes to standalone financial statements for the year ended 31<sup>st</sup> March, 2022

When guarantees in relation to loans or other payables of associates are provided for no compensation the fair values are accounted for as contributions and recognised as part of the cost of the investment.

### vi. Preference shares

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as finance costs.

### vii. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

## 3. Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## P. Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or company's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is determined:

- i. In case of individual asset, at higher of the fair value less cost to sell and value in use; and
- ii. In case of cash-generating unit (a company of assets that generates identified, independent cash flows), at the higher of the cash-generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

## Notes to standalone financial statements for the year ended 31<sup>st</sup> March, 2022

### Q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

### R. Segment accounting

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products/services.

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 a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

### S. Provisions, Contingent liabilities, Contingent assets and Commitments

#### General

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
2. A present obligation arising from the past events, when no reliable estimate is possible;
3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

The company provides for the expenses to reclaim the quarries used for mining. The total estimate of reclamation expenses is apportioned over the estimate of mineral reserves and a provision is made based on the minerals extracted during the year. Mines reclamation expenses are incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenditure.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

# Nirma Limited

## Notes to standalone financial statements for the year ended 31<sup>st</sup> March, 2022

### T. Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### U. 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 shares 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.

### V. Use of estimates and judgements

The presentation of the financial statements is in conformity with the Ind AS which requires the management to make estimates, judgments 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 statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 40 - Current tax

Note 48 - Measurement of defined benefit obligations

Note 50 – Fair valuation of unlisted securities

Note 51 - Expected credit loss for receivables

### W. Statement of cash flows

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 or financing cash flows. The cash flows from operating, investing and finance activities of the company are segregated.

### X. Current and non-current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- i. Expected to be realized or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realized within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

## Notes to standalone financial statements for the year ended 31<sup>st</sup> March, 2022

A liability is current when:

- i. It is expected to be settled in normal operating cycle;
- ii. It is held primarily for the purpose of trading;
- iii. It is due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle.

### Y. Foreign currency translation

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency.

#### Transactions and balances

Transactions in foreign currencies are initially recorded by the company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### Z. Fair value measurement

The company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

# Nirma Limited

## Notes to standalone financial statements for the year ended 31<sup>st</sup> March, 2022

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or Liabilities.
- ii. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- iii. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as unquoted financial assets. Involvement of external valuers is decided upon annually after discussion with and approval by the management. Selection criteria include market knowledge, reputation, independence and professional standards. The management decides, after discussions with the company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the Company's external valuers present the valuation results to the Audit Committee and the company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- i. Disclosures for valuation methods, significant estimates and assumptions.
- ii. Quantitative disclosures of fair value measurement hierarchy.
- iii. Investment in unquoted equity shares (discontinued operations).
- iv. Financial instruments (including those carried at amortised cost).

### AA. Exceptional items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company is such that its disclosure improves the understanding of the performance of the company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

### BB. Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirements of Schedule III, unless otherwise stated.

## Notes to standalone financial statements for the year ended 31<sup>st</sup> March, 2022

### CC. Standards issued but not yet effective and have not been adopted early by the Company

#### i. Amendment to existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

1. IND AS 16 Proceeds before Intended use
2. IND AS 37 Onerous Contracts – Costs of fulfilling a Contract
3. IND AS 103 Reference to Conceptual Framework
4. IND AS 109 Annual Improvements to Ind AS (2021)

Based on preliminary assessment, the company does not expect these amendments to have any significant impact on its standalone financial statements.

**DD.** On March 24, 2021 the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of the Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

**Note - 2 : PROPERTY, PLANT AND EQUIPMENT**

**Nirma Limited**

₹ in crore

PARTICULARS	GROSS BLOCK (At carrying amount)			ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01.04.2021	Additions during the year	Disposal/ Adjustment during the year	As at 31.03.2022	As at 01.04.2021	Charge for the year	Disposal/ Adjustment during the year	As at 31.03.2022	As at 31.03.2021
1. Freehold land	58.20	Nil	Nil	58.20	Nil	Nil	Nil	58.20	58.20
2. Buildings	317.60	9.82	0.34	327.08	83.68	13.14	0.32	230.58	233.92
3. Plant & equipments	4,828.19	231.70	Nil	5,059.89	1,500.81	586.71	Nil	2,972.37	3,327.38
4. Furniture and fixtures	4.87	0.27	Nil	5.14	3.34	0.45	Nil	1.35	1.53
5. Vehicles	51.76	7.88	2.37	57.27	33.04	5.13	2.31	21.41	18.72
6. Office equipments	7.30	0.02	Nil	7.32	6.91	0.22	Nil	0.19	0.39
7. Helicopter	14.60	Nil	Nil	14.60	14.58	0.02	Nil	Nil	0.02
<b>Total</b>	<b>5,282.52</b>	<b>249.69</b>	<b>2.71</b>	<b>5,529.50</b>	<b>1,642.36</b>	<b>605.67</b>	<b>2.63</b>	<b>3,284.10</b>	<b>3,640.16</b>

₹ in crore

PARTICULARS	GROSS BLOCK (At carrying amount)			ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01.04.2020	Additions during the year	Disposal during the year	As at 31.03.2021	As at 01.04.2020	Charge for the year	Disposal during the year	As at 31.03.2021	As at 31.03.2020
1. Freehold land	62.23	4.58	8.61	58.20	Nil	Nil	Nil	58.20	62.23
2. Buildings	281.86	39.41	3.67	317.59	72.88	11.75	0.95	233.92	208.98
3. Plant & equipments	3,910.29	947.08	29.18	4,828.19	1,167.97	351.51	18.67	3,327.38	2,742.32
4. Furniture and fixtures	4.73	0.43	0.29	4.87	3.12	0.45	0.23	1.52	1.61
5. Vehicles	48.53	4.05	0.82	51.76	27.56	6.15	0.67	18.73	20.97
6. Office equipments	7.15	0.15	(₹15,094)	7.30	3.56	3.35	(₹15,091)	0.39	3.59
7. Helicopter	14.60	Nil	Nil	14.60	14.52	0.06	Nil	0.02	0.08
<b>Total</b>	<b>4,329.39</b>	<b>995.70</b>	<b>42.57</b>	<b>5,282.52</b>	<b>1,289.61</b>	<b>373.27</b>	<b>20.52</b>	<b>3,640.16</b>	<b>3,039.78</b>

**Note - 3 : Right of use Assets**

₹ in crore

PARTICULARS	GROSS BLOCK (At carrying amount)			ACCUMULATED DEPRECIATION			NET BLOCK		
	As at 01.04.2021	Additions during the year	Disposal/ Adjustment during the year	As at 31.03.2022	As at 01.04.2021	Charge for the year	Disposal/ Adjustment during the year	As at 31.03.2022	As at 31.03.2021
Leasehold Building	4.93	Nil	0.81	4.12	2.18	0.79	0.81	1.96	2.75
Leasehold land	0.14	227.12	Nil	227.26	0.04	1.80	Nil	225.42	0.10
<b>Total</b>	5.07	227.12	0.81	231.38	2.22	2.59	0.81	227.38	2.85

₹ in crore

PARTICULARS	GROSS BLOCK (At carrying amount)			ACCUMULATED DEPRECIATION			NET BLOCK		
	As at 01.04.2020	Additions during the year	Disposal/ Adjustment during the year	As at 31.03.2021	As at 01.04.2020	Charge for the year	Disposal/ Adjustment during the year	As at 31.03.2021	As at 31.03.2020
Leasehold Building	3.45	1.48	Nil	4.93	1.46	0.72	Nil	2.75	1.99
Leasehold land	0.14	Nil	Nil	0.14	0.04	(₹13,488)	Nil	0.10	0.10
<b>Total</b>	3.59	1.48	Nil	5.07	1.50	0.72	Nil	2.85	2.09

# Nirma Limited

## Note - 4 : CAPITAL WORK-IN-PROGRESS

₹ in crore

Particulars	As at 01.04.2021	Additions during the year	Transfer during the year	Written off during the year	As at 31.03.2022
Capital work-in-progress	529.00	143.45	446.60	1.66	224.19
Total	529.00	143.45	446.60	1.66	224.19

₹ in crore

Particulars	As at 01.04.2020	Additions during the year	Transfer during the year	Written off during the year	As at 31.03.2021
Capital work-in-progress	1,081.19	427.04	979.23	Nil	529.00
Total	1,081.19	427.04	979.23	Nil	529.00

### Ageing schedule of capital work in progress.

₹ in crore

CWIP as at 31.03.2022	Less than 1 year	1-2 years	2-3 years	More than 3 Years	Total
Projects in progress	73.94	39.74	58.33	37.42	209.43
Projects temporarily suspended	1.15	9.99	3.38	0.24	14.76
Total	75.09	49.73	61.71	37.66	224.19

₹ in crore

CWIP as at 31.03.2021	Less than 1 year	1-2 years	2-3 years	More than 3 Years	Total
Projects in progress	376.35	100.35	40.62	11.68	529.00
Projects temporarily suspended	Nil	Nil	Nil	Nil	Nil
Total	376.35	100.35	40.62	11.68	529.00

Notes : Pertains to Note no 2, 3 and 4

- I. Building includes (₹ 1,000) (p.y. ₹ 1,000) in respect of shares held in co-op housing society.
- II. Addition to block of Plant and equipments and others includes interest capitalised during the year for ₹ 20.58 crore (p.y. ₹ 62.88 crore ).
- III. The company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition i.e. April 1, 2015 and hence the net block carrying amount has been considered as the gross block carrying amount on that date.
- IV. Refer note no. 42 for information on property plant, and equipment pledge as security by the Company.
- V. Refer note no. 43 for disclosure of contractual commitments for the acquisition of property plant, and equipment.
- VI. Refer note no. 46 for capitalisation of expenses.
- VII. Refer note no. 44 for disclosure related to leases.
- VIII. Land of ₹ NIL (₹ 0.22 crore as at March 31, 2021) acquired on amalgamation is not in name of the company.
- IX. Ageing schedule of capital work in progress.

**NOTE - 5 : INVESTMENT PROPERTY**

PARTICULARS	GROSS BLOCK (At carrying amount)				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01.04.2021	Additions during the year	Disposal during the year	As at 31.03.2022	As at 01.04.2021	Charge for the year	Disposal during the year	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
	10.30	Nil	Nil	10.30	Nil	Nil	Nil	Nil	10.30	10.30
Land	10.30	Nil	Nil	10.30	Nil	Nil	Nil	Nil	10.30	10.30
<b>Total</b>	10.30	Nil	Nil	10.30	Nil	Nil	Nil	Nil	10.30	10.30

₹ in crore

  

PARTICULARS	GROSS BLOCK (At carrying amount)				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01.04.2020	Additions during the year	Disposal during the year	As at 31.03.2021	As at 01.04.2020	Charge for the year	Disposal during the year	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
	10.30	Nil	Nil	10.30	Nil	Nil	Nil	Nil	10.30	10.30
Land	10.30	Nil	Nil	10.30	Nil	Nil	Nil	Nil	10.30	10.30
<b>Total</b>	10.30	Nil	Nil	10.30	Nil	Nil	Nil	Nil	10.30	10.30

₹ in crore

Notes :

I. Fair value of investment properties is ₹ 52.69 crore (p.y. ₹ 52.69 crore).

II. The valuation is based on valuation performed and accredited by independent valuer. Fair valuation is based on replacement cost method. The fair value measurement is categorised in level 2 fair value hierarchy.

**NOTE - 6 : OTHER INTANGIBLE ASSETS**

PARTICULARS	GROSS BLOCK (At carrying amount)				ACCUMULATED AMORTISATION				NET BLOCK	
	As at 01.04.2021	Additions during the year	Disposal during the year	As at 31.03.2022	As at 01.04.2021	Charge for the year	Disposal during the year	As at 31.03.2022	As at 31.03.2021	As at 31.03.2021
	1.27	Nil	Nil	1.27	0.03	0.01	Nil	0.04	1.23	1.24
Mining rights	1.27	Nil	Nil	1.27	0.03	0.01	Nil	0.04	1.23	1.24
Lease and license rights	1.78	Nil	Nil	1.78	Nil	Nil	Nil	Nil	1.78	1.78
ERP Software	19.40	Nil	Nil	19.40	2.15	3.23	Nil	5.38	14.02	17.25
<b>Total</b>	22.45	Nil	Nil	22.45	2.18	3.24	Nil	5.42	17.03	20.27

₹ in crore

PARTICULARS	GROSS BLOCK (At carrying amount)				ACCUMULATED AMORTISATION				NET BLOCK	
	As at 01.04.2020	Additions during the year	Disposal during the year	As at 31.03.2021	As at 01.04.2020	Charge for the year	Disposal during the year	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
	1.27	Nil	Nil	1.27	0.02	0.01	Nil	0.03	1.24	1.25
Mining rights	1.27	Nil	Nil	1.27	0.02 <td>0.01</td> <td>Nil</td> <td>0.03</td> <td>1.24</td> <td>1.25</td>	0.01	Nil	0.03	1.24	1.25
Lease and license rights	1.78	Nil	Nil	1.78	Nil	Nil	Nil	Nil	1.78	1.78
ERP Software	Nil	19.40	Nil	19.40	Nil	2.15	Nil	2.15	17.25	Nil
<b>Total</b>	3.05	19.40	Nil	22.45	0.02	2.16	Nil	2.18	20.27	3.03

₹ in crore

Note : The company has availed the deemed cost exemption in relation to other intangible assets on the date of transition i.e. April 1, 2015 and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

# Nirma Limited

## Note - 7 : OTHER INTANGIBLE ASSET UNDER DEVELOPMENT

₹ in crore

Particulars	As at 01.04.2021	Additions during the year	Transfer during the year	Written off during the year	As at 31.03.2022
ERP Software (Refer Note I. below)	Nil	Nil	Nil	Nil	Nil
<b>Total</b>	Nil	Nil	Nil	Nil	Nil

₹ in crore

Particulars	As at 01.04.2020	Additions during the year	Transfer during the year	Written off during the year	As at 31.03.2021
ERP Software (Refer Note I. below)	15.61	3.79	19.40	Nil	Nil
<b>Total</b>	15.61	3.79	19.40	Nil	Nil

Notes :

I. Refer note no. 46 for capitalisation of expenses.

## Note - 8 : NON-CURRENT FINANCIAL ASSETS - INVESTMENTS IN SUBSIDIARIES

₹ in crore

Numbers		Particulars	As at 31.03.2022	As at 31.03.2021
As at 31.03.2022	As At 31.03.2021			
<b>Investment in Equity instruments</b>				
<b>Investment in subsidiary at cost (fully paid up) - Unquoted</b>				
<b>1,00,010</b>	1,00,010	Karnavati Holdings Inc face value of US \$ 0.1 each (Refer note no 49)	<b>533.38</b>	533.38
		<b>Total</b>	<b>533.38</b>	533.38

Aggregate amount of quoted investments	<b>Nil</b>	Nil
Aggregate amount of unquoted investments	<b>533.38</b>	533.38

**Note - 9 : NON-CURRENT FINANCIAL ASSETS – INVESTMENTS**

₹ in crore

Numbers		Particulars	As at 31.03.2022	As at 31.03.2021
<b>(A) Investment in Quoted Equity instruments</b>				
<b>Investments in fully paid up equity shares at fair value through Other Comprehensive Income</b>				
<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>	<b>Quoted equity instruments</b>		
7,090	7,090	Reliance Industries Ltd. face value of ₹ 10 each	1.87	1.42
3,53,053	3,53,053	Gujarat Heavy Chemicals Ltd. face value of ₹ 10 each	19.33	8.10
1,55,600	1,55,600	Tamilnadu Petro Products Ltd. face value of ₹ 10 each	1.78	0.76
32,535	32,535	Torrent Pharmaceuticals Ltd. face value of ₹ 5 each	9.08	8.28
<b>Total - A</b>			<b>32.06</b>	<b>18.56</b>
<b>(B) Investment in Un-quoted Equity instruments</b>				
<b>Investments in fully paid up Un-quoted equity shares at fair value through Other Comprehensive Income</b>				
57,020	57,020	The Kalapur Comm.Co.op.Bank Ltd. face value of ₹ 25 each	0.14	0.14
1,00,000	1,00,000	Enviro Infrastructure Company Ltd. face value of ₹ 10 each	1.15	0.99
10,00,000	10,00,000	Inlac Granston Ltd. face value of ₹ 10 each	1.00	1.00
		Less : Provision for diminution in value	1.00	1.00
<b>Total - B</b>			<b>1.29</b>	<b>1.13</b>
<b>(C) Investment in Un-quoted Preference instruments</b>				
<b>Investments in fully paid up Un-quoted Preference shares at fair value through Profit and Loss</b>				
5,00,00,000	5,00,00,000	1% Redeemable Cumulative Non-Convertible share of face value of ₹ 10 each (Redemption date - 03.06.2022) Aculife Healthcare Private Limited (Refer Note No.49)	50.00	50.00
35,90,00,000	53,90,00,000	9% Redeemable Non Cumulative Non Convertible share of face value ₹ 100 each Niyogi Enterprise Pvt Ltd (Refer Note No. 49)	3,590.00	5,390.00
<b>Total - C</b>			<b>3,640.00</b>	<b>5,440.00</b>
<b>(D) Un-quoted government securities at amortised cost</b>				
		National savings certificates lodged with various authorities	0.01	0.01
<b>Total – D</b>			<b>0.01</b>	<b>0.01</b>
<b>Total (A+B+C+D)</b>			<b>3,673.36</b>	<b>5,459.70</b>
Aggregate amount of quoted investments			32.06	18.56
Aggregate market value of quoted investments			32.06	18.56
Aggregate amount of unquoted investments			3,642.30	5,442.14
Aggregate amount of impairment in value of investments			1.00	1.00

Note :

- I. Investments at fair value through other comprehensive income and profit and loss reflect investment in quoted and unquoted equity securities.
- II. Refer note no. 50 for detailed disclosure on the fair values.

# Nirma Limited

## Note - 10 : NON-CURRENT FINANCIAL ASSETS - OTHERS

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
Security deposits	1.44	1.46
Bank deposit with original maturity more than 12 months	1.29	1.51
<b>Total</b>	<b>2.73</b>	<b>2.97</b>

Notes :

I. Earmarked balances with various Statutory Authorities.	1.29	1.51
II. Refer note no.42 for information on assets pledged as security by the Company.		
III. Refer note no.50 for detailed disclosure on the fair values.		
IV. Refer note no.51 for credit risk, liquidity risk and market risk for non current financial assets-loans.		

## Note - 11 : OTHER NON-CURRENT ASSETS

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
Capital advances	11.62	1.16
Prepaid expenses	0.21	0.25
<b>Total</b>	<b>11.83</b>	<b>1.41</b>

Note:

Refer note no. 42 for information on assets pledged as security by the Company.

**Note - 12 : INVENTORIES**

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
Raw materials & Packaging materials	315.48	175.14
Raw materials & Packaging materials in transit	40.31	18.54
<b>Total-A</b>	<b>355.79</b>	193.68
Work-in-progress	<b>157.10</b>	137.38
<b>Total-B</b>	<b>157.10</b>	137.38
Finished goods	273.81	229.72
Finished goods in transit	37.79	52.25
<b>Total-C</b>	<b>311.60</b>	281.97
Stock-in-trade (Traded Goods)	0.02	0.15
Stock-in-trade (Traded Goods) in transit	0.53	Nil
<b>Total-D</b>	<b>0.55</b>	0.15
Stores and spares	286.49	289.93
Stores and spares in transit	0.12	1.91
<b>Total-E</b>	<b>286.61</b>	291.84
Fuels	90.46	32.72
Fuels in transit	254.91	75.42
<b>Total-F</b>	<b>345.37</b>	108.14
<b>Total (A to F)</b>	<b>1,457.02</b>	1,013.16

**Notes :**

- I. Refer significant accounting policy Sr. no. 1 (III) (M) for inventory.
- II. Write-downs of inventories to net realisable value accounted as at March 31, 2022 ₹ 1.62 crore (p.y ₹ 3.44 crore) were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in statement of profit and loss.
- III. Refer note no. 42 for inventory pledged as security by the Company.

# Nirma Limited

## Note - 13 : CURRENT FINANCIAL ASSETS - INVESTMENT

₹ in crore

Units		Particulars	As at 31.03.2022	As at 31.03.2021
<b>Investment measured at fair value through Profit and Loss</b>				
<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>	<b>Unquoted mutual funds (fully paid up)</b>		
7,44,579	1,84,239	Aditya Birla Sun life Liquid Fund face value of ₹100 each	25.36	6.07
3,36,323	Nil	Aditya Birla Sun Life Overnight fund face value of ₹1000 each	38.50	Nil
1,53,102	Nil	HDFC Overnight fund face value of ₹1000 each	48.01	Nil
Nil	14,22,844	ICICI Liquid Fund face value of ₹100 each	Nil	43.12
Nil	2,140	ICICI Prudential Liquid Fund ₹100 each	Nil	0.06
1,88,29,031	Nil	SBI Arbitrage Opportunities fund face value of ₹10 each	51.36	Nil
Nil	1,06,154	SBI liquid Fund face value of ₹1000 each	Nil	34.00
32,116	Nil	SBI Overnight fund face value of ₹1000 each	11.00	Nil
Nil	2,49,988	Trust Mutual Fund - Banking & PSU Bond debt fund face value of ₹1000 each	Nil	25.04
<b>Total of Unquoted mutual funds</b>			<b>174.23</b>	<b>108.29</b>

Aggregate amount of unquoted investment	<b>174.23</b>	108.29
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Note :

Investments at fair value through profit and loss reflect investment in unquoted equity securities. Refer note no. 50 for detailed disclosure on the fair values.

## Note - 14 : CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
Unsecured, considered good	572.40	349.49
Unsecured, considered good from related parties (Refer note no.49)	1.23	2.60
Unsecured considered credit impaired	0.55	4.63
	574.18	356.72
Less: Impairment for Trade receivable	0.55	4.63
<b>Total</b>	<b>573.63</b>	<b>352.09</b>

Notes:

- I. Refer note no..42 for Trade Receivables pledged as security by the Company.
- II. Refer note no. 50 for detailed disclosure on the fair values.
- III. Refer note no. 51 for credit risk, liquidity risk and market risk for current financial assets.
- IV. Ageing of Trade receivable.

**Trade receivable ageing schedule as at 31.03.2022**

₹ in crore

Particulars	Outstanding for the following periods from the due date of payment						Total
	Current but not due	Less than 6 Months	6 Months- 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables – considered good	490.81	81.01	0.15	1.37	0.14	0.15	573.63
Undisputed Trade Receivables – which have significant increase in credit risk	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Undisputed Trade Receivables – credit impaired	Nil	0.08	0.13	0.23	0.02	Nil	0.46
Disputed Trade Receivables – considered good	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Disputed Trade receivables – which have significant increase in credit risk	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Disputed Trade Receivables – credit impaired	Nil	Nil	Nil	0.09	Nil	Nil	0.09
<b>Total</b>	<b>490.81</b>	<b>81.09</b>	<b>0.28</b>	<b>1.69</b>	<b>0.16</b>	<b>0.15</b>	<b>574.18</b>
Less Allowance for credit impairment	Nil	0.08	0.13	0.32	0.02	Nil	0.55
<b>Total</b>	<b>490.81</b>	<b>81.01</b>	<b>0.15</b>	<b>1.37</b>	<b>0.14</b>	<b>0.15</b>	<b>573.63</b>

**Trade receivable ageing schedule as at 31.03.2021**

₹ in crore

Particulars	Outstanding for the following periods from the due date of payment						Total
	Current but not due	Less than 6 Months	6 Months- 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables – considered good	349.15	0.57	2.12	0.11	Nil	0.14	352.09
Undisputed Trade Receivables – which have significant increase in credit risk	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Undisputed Trade Receivables – credit impaired	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Disputed Trade Receivables – considered good	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Disputed Trade receivables – which have significant increase in credit risk	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Disputed Trade Receivables – credit impaired	Nil	0.04	2.55	1.85	0.18	0.01	4.63
<b>Total</b>	<b>349.15</b>	<b>0.61</b>	<b>4.67</b>	<b>1.96</b>	<b>0.18</b>	<b>0.15</b>	<b>356.72</b>
Less Allowance for credit impairment	Nil	0.04	2.55	1.85	0.18	0.01	4.63
<b>Total</b>	<b>349.15</b>	<b>0.57</b>	<b>2.12</b>	<b>0.11</b>	<b>Nil</b>	<b>0.14</b>	<b>352.09</b>

 Note : There are no unbilled receivable as at 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021.

# Nirma Limited

## Note - 15 : CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Cash and cash equivalents</b>		
Balance with banks		
- In current accounts	359.56	141.25
- Cheque on hand	Nil	Nil
Cash on hand	0.35	0.34
<b>Total</b>	<b>359.91</b>	<b>141.59</b>

Notes:

- I. Refer note no. 50 for detailed disclosure on the fair values.
- II. Refer note no. 51 for credit risk, liquidity risk and market risk for current financial assets.

## Note - 16 : CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Other bank balances</b>		
(a) Secured premium notes money received and due for refund	0.14	0.14
(b) Equity share capital reduction balance	Nil	2.83
(c) Preference share capital redemption balance	Nil	0.33
<b>Total</b>	<b>0.14</b>	<b>3.30</b>

Notes:

- I. Refer note no. 42 for information on assets pledged as security by the Company.
- II. Refer note no. 51 for credit risk, liquidity risk and market risk for current financial assets.

**Note - 17 : CURRENT FINANCIAL ASSETS - LOANS**

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Secured, Considered good</b>	Nil	Nil
<b>Unsecured, Considered good</b>		
Loans & advances to employees	3.36	2.64
Loans & advances to others	8.61	9.41
Inter corporate deposit to others	52.93	3.00
<b>Unsecured, Considered credit impaired</b>		
Loans & advances to others	13.17	13.17
Less : Impairment for Loans and advances	13.17	13.17
Inter corporate deposit to others (Refer note no. I below)	25.02	25.02
Less : Impairment for Inter Corporate Deposit	25.02	25.02
<b>Total</b>	<b>64.90</b>	<b>15.05</b>

## Notes:

- I. Provision for inter corporate deposit is made as market value of security is unlikely to realise.
- II. Refer note no. 42 for information on assets pledged as security by the Company.
- III. Refer note no. 50 for detailed disclosure on the fair values.
- IV. Refer note no. 51 for credit risk, liquidity risk and market risk for current financial assets.

**Note - 18 : CURRENT FINANCIAL ASSETS - OTHERS**

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
Security deposits	3.34	3.42
Income receivable	3.56	1.68
Other receivable	3.90	2.06
<b>Total</b>	<b>10.80</b>	<b>7.16</b>

## Notes:

- I. Refer note no. 42 for information on assets pledged as security by the Company.
- II. Refer note no. 50 for detailed disclosure on the fair values.
- III. Refer note no. 51 for credit risk, liquidity risk and market risk for current financial assets.

# Nirma Limited

## Note - 19 : OTHER CURRENT ASSETS

₹ in crore

Particulars	As at 31.03.2022		As at 31.03.2021	
	Number of shares	₹ in crore	Number of shares	₹ in crore
Advances to suppliers- related parties (Refer note no.49)		Nil		0.04
Advances to suppliers		52.61		40.71
Less : Impairment for doubtful advances to supplier		3.52		3.52
		49.09		37.23
Balance with statutory authorities		28.70		24.47
Prepaid expenses		47.38		25.36
<b>Total</b>		<b>125.17</b>		<b>87.06</b>

Note :

Refer note no. 42 for information on assets pledged as security by the Company.

## Note - 20 : EQUITY SHARE CAPITAL

₹ in crore

Particulars	As at 31.03.2022		As at 31.03.2021	
	Number of shares	₹ in crore	Number of shares	₹ in crore
<b>AUTHORISED</b>				
Equity shares of ₹ 5 each	146,10,00,000	730.50	146,10,00,000	730.50
6% Redeemable non cumulative non convertible preference shares of ₹ 100 each	10,00,000	10.00	10,00,000	10.00
6% Redeemable non cumulative non convertible preference shares of ₹ 1 each	25,00,00,000	25.00	25,00,00,000	25.00
5% Redeemable non cumulative non convertible preference shares of ₹ 1 each	10,00,00,000	10.00	10,00,00,000	10.00
<b>Total</b>		<b>775.50</b>		<b>775.50</b>
<b>ISSUED AND SUBSCRIBED</b>				
Equity shares of ₹ 5 each	14,60,75,130	73.04	14,60,75,130	73.04
<b>FULLY PAID UP</b>				
Equity shares of ₹ 5 each	14,60,75,130	73.04	14,60,75,130	73.04
<b>Total</b>	<b>14,60,75,130</b>	<b>73.04</b>	<b>14,60,75,130</b>	<b>73.04</b>

## Note - 20a : EQUITY SHARE CAPITAL

### I. The Reconciliation of Number of Equity Shares outstanding at the beginning and at the end of the year.

Particulars	As at 31.03.2022		As at 31.03.2021	
	Number of shares	₹ in crore	Number of shares	₹ in crore
Opening Balance	14,60,75,130	73.04	14,60,75,130	73.04
Closing Balance	14,60,75,130	73.04	14,60,75,130	73.04

## II. Rights, preferences and restrictions attached to equity 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 shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

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

## IV. The details of Shareholders holding more than 5 % of Shares

Particulars	As at 31.03.2022		As at 31.03.2021	
	No. of shares held	% of Total paid up Equity Share Capital	No. of shares held	% of Total paid up Equity Share Capital
<b>Equity shares</b>				
Dr. Karsanbhai K. Patel	8,61,52,936	58.98	8,61,52,936	58.98
Shri Rakesh K. Patel	2,86,68,905	19.63	2,86,68,905	19.63
Shri Hiren K. Patel	2,91,45,609	19.95	2,91,45,609	19.95

## V. Equity share Holding Pattern -Shares held by promoter's at the end of the year.

Particulars	As at 31.03.2022			As at 31.03.2021		
	No. of shares held	% of Total paid up Equity Share Capital	Changes during the year	No. of shares held	% of Total paid up Equity Share Capital	Changes during the year
Dr. Karsanbhai K. Patel	8,61,52,936	58.98	Nil	8,61,52,936	58.98	Nil

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## Note - 21 : OTHER EQUITY

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Equity Security Premium</b>		
Opening balance	29.81	29.81
Closing balance	29.81	29.81
<b>Capital Redemption Reserve</b>		
Opening balance	42.35	42.35
Closing balance	42.35	42.35
<b>Debenture Redemption Reserve</b>		
Opening balance	78.17	78.17
Add : Transferred from retained earnings	23.67	Nil
Closing balance	101.84	78.17
<b>General Reserve</b>		
Opening balance	2,001.39	2,001.39
Closing balance	2,001.39	2,001.39
<b>Other Comprehensive Income</b>		
Opening balance	31.09	29.58
Add : Equity instruments through other comprehensive income	10.48	5.92
Less : Remeasurement of defined benefit plans	1.79	4.41
Closing balance	39.78	31.09
<b>Retained Earnings</b>		
Opening balance	3,562.23	3,029.88
Add : Retained earnings during the year	480.49	532.35
Less: Transferred to debenture redemption reserve	23.67	Nil
Closing balance	4,019.05	3,562.23
<b>Total</b>	<b>6,234.22</b>	<b>5,745.05</b>

## Note - 21 : OTHER EQUITY

Notes:

### I. Description of nature and purpose of each Reserve:

#### 1. Equity Security Premium

The amount received in excess of face value of the equity shares is recognised in equity security premium.

#### 2. Capital Redemption Reserve

It represents reserve created on buy back of equity shares and redemption of preference shares. It is a non distributable reserve.

#### 3. Debenture Redemption Reserve

The company is required to create a debenture redemption reserve out of the profit for redemption of debentures.

#### 4. General Reserve

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

#### 5. Other Comprehensive income

- a) The fair value change of the equity instruments measured at fair value through other comprehensive income is recognised in equity instruments through Other Comprehensive Income.
- b) The remeasurement gain/(loss) on net defined benefit plans is recognised in Other Comprehensive Income net of tax.

#### 6. Retained Earnings

Retained earnings are the profits that the Company has earned till date less transfer to other reserves, dividends or other distributions to shareholders.

### Note - 22 : NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
	<b>Secured</b>	
<b>Debentures</b>		
Non-convertible debentures (Refer note no. I below)	305.70	309.47
	305.70	309.47
<b>Term Loans from Bank</b>		
Term Loans from Banks (Refer note no. II, III, IV & V below)	563.79	2,230.85
<b>Unsecured</b>		
Non-convertible debentures (Refer note no. VI below)	Nil	896.50
Loan from directors -related parties (Refer notes no. VII below & 49)	10.00	10.00
<b>Total</b>	<b>879.49</b>	<b>3,446.82</b>

Notes:

₹ in crore

Sr. No.	Particulars	As at 31.03.2022		As at 31.03.2021	
		Non Current	Current	Non Current	Current
I	7.75 % Secured Listed Rated Redeemable Non Convertible Debentures (NCD) Series V of face value of ₹ 10 lacs each	305.70	24.03	309.47	20.08
	(a) It is redeemable at par on 02.06.2023. Effective interest rate is 7.82%. (p.y 7.82%)				
	(b) The Non-convertible debenture is secured by first pari-passu charge on the whole of the movable and immovable fixed assets including land, building, plant & machinery at (i) Mandali including ambaliyasan and baliyasan Dist. Mehsana, (ii) Chhatral - Dist. Gandhinagar, (iii) Moraiya - Dist. - Ahmedabad, (iv) Dhank - Dist. Rajkot, (v) Kalatalav - Dist. - Bhavnagar, (vi) Porbandar Dist. - Porbandar (vii) Alindra - Dist - Vadodara and (viii) Trikampura - Dist. - Ahmedabad (only movable Plant and Machinery). All above Plants located in the State of Gujarat.				

# Nirma Limited

₹ in crore

Sr. No.	Particulars	As at 31.03.2022		As at 31.03.2021	
		Non Current	Current	Non Current	Current
II	<p>Term loan from State Bank of India is repayable in 10 years starting from September 30, 2016 on equal quarterly basis. During first &amp; second year 3%, third &amp; fourth year 8% fifth to Ninth year 13% and 3% in the 10<sup>th</sup> year of term loan amount. The company made pre payment of 10% during the previous year. Effective interest rate is 6 month MCLR+0.20%.Term Loan was paid during the year.</p> <p>The Term loan from bank is secured by First pari-passu charge on Movable plant and machinery of the company be brought into or upon or to be stored or be in or about of the Company's factories, premises and godowns – and – on Immovable properties including all plants, machineries and buildings fixed to the land (immovable property) of various plants at (i) Mandali (Including Ambaliyasan and Baliyasan) Dist. Mehsana, (ii) Chhatral - Dist. Gandhinagar, (iii) Moraiya - Dist. - Ahmedabad, (iv) Dhank - Dist. Rajkot, (v) Kalatalav - Dist. - Bhavnagar, (vi) Porbandar Dist. - Porbandar and (vii) Alindra including Bhadarva and Chandranagar - Dist - Vadodara.</p>	Nil	Nil	676.66	195.00
III	<p>Term loan from State Bank of India is repayable from December, 2020 in 20 equal quarterly installments. Starting from Second Year 10%, Third to Sixth Year 20% and Seventh Year 10% of term loan. Effective interest rate is 6 months MCLR+0.20%. During the year, the loan was fully repaid.</p> <p>The Term loan from bank is secured by First pari-passu charge on Movable plant and machinery of the company be brought into or upon or to be stored or be in or about of the Company's factories, premises and godowns – and – on Immovable properties including all plants, machineries and buildings fixed to the land (immovable property) of various plants at (i) Mandali (Including Ambaliyasan and Baliyasan) Dist. Mehsana, (ii) Chhatral - Dist. Gandhinagar, (iii) Moraiya - Dist. - Ahmedabad, (iv) Dhank - Dist. Rajkot, (v) Kalatalav - Dist. - Bhavnagar, (vi) Porbandar Dist. - Porbandar.</p>	Nil	Nil	314.02	90.00
IV	<p>Term loan from HSBC Bank Ltd. is repayable in 21 equal quarterly installments starting from 24<sup>th</sup> month from the date of first withdrawal i.e September 30, 2020. During the previous year, the company prepaid 6.67% of term loan of ₹300.00 crore, and the last installment of term loan will be due on September 03, 2025. Effective interest rate is 3 month T Bill + Spread 5.73%. (p.y. Effective interest rate is 1 month MCLR +0.30%.)</p> <p>The Term loan from bank is secured by First pari-passu charge on Movable plant and machinery of the company be brought into or upon or to be stored or be in or about of the Company's factories, premises and godowns - and - on Immovable properties including all plants, machineries and buildings fixed to the land (immovable property) of various plants at (i) Mandali (Including Ambaliyasan and Baliyasan) Dist. Mehsana, (ii) Chhatral - Dist. Gandhinagar, (iii) Moraiya - Dist. - Ahmedabad, (iv) Dhank - Dist. Rajkot, (v) Kalatalav - Dist. - Bhavnagar, (vi) Porbandar Dist. - Porbandar</p>	142.75	57.14	179.87	57.14
V(A)	Term loan from Kotak Mahindra Bank Ltd. is repayable in 20 equal quarterly installments starting from the quarter following the month of first disbursement i.e May, 2020. Effective interest rate is 5.25% linked to External Bench Mark + 1.25%. (p.y. effective interest rate is 6.40% linked to External Bench Mark + 2.40%.)	179.44	90.00	269.24	90.00
V(B)	Term loan from State Bank Of India is repayable in 20 equal quarterly installments starting from 12 months following the month of first disbursement on quarterly basis i.e March 31, 2021. Effective interest rate is above 6 month MCLR+0.20%. Term loan was prepaid during the year.	Nil	Nil	448.98	120.00
V(C)	Term loan from Axis bank Ltd. is repayable in 12 equal quarterly installments starting from 24 months from the month of first disbursement on quarterly basis i.e February, 2022. Due to prepayment of 8% of Term loan of ₹ 250 crore in the previous year, repayment is revised to 11 equal quarterly installments and balance amount as last quarterly instalment. Effective interest rate is 5.25 %, linked to T-Bill/ Repo rate. (p.y. effective interest rate is 6.50%, Linked to External Bench Mark + 3.07%.)	146.36	83.33	208.75	20.83

₹ in crore

Sr. No.	Particulars	As at 31.03.2022		As at 31.03.2021	
		Non Current	Current	Non Current	Current
V(D)	Term loan from HSBC Bank Ltd. is repayable in 12 equal quarterly installments starting from the end of the 7 <sup>th</sup> month from the first disbursement i.e September, 2020. Effective interest rate is 3 month T Bill + Spread 5.76%. (p.y. Effective interest rate is 6.40%, linked to External Bench Mark + 2.95%.)  The Term loan from banks are secured by First pari-passu charge on Movable plant and machinery of the company be brought into or upon or to be stored or be in or about of the Company's factories, premises and godowns - and - on Immovable properties including all plants, machineries and buildings fixed to the land (immovable property) of various plants at (i) Mandali (Including Ambaliyasan and Baliyasan) Dist. Mehsana, (ii) Chhatral - Dist. Gandhinagar, (iii) Moraiya - Dist. - Ahmedabad, (iv) Dhank - Dist. Rajkot, (v) Kalatalav - Dist. - Bhavnagar, (vi) Porbandar Dist. - Porbandar (vii) Alindra including bhadarva-Dist. - Vadodara and .(viii) Trikampura - Dist. - Ahmedabad (only movable Plant and Machinery).	95.24	38.10	133.33	38.10
VI	9.50% Unsecured Subordinated, Rated, Listed Non Convertible Debentures Series- IV Tranche 1 redeemable at par on July 06, 2077 with call option can be exercised by the Company at the end of call tenor i.e. 5 years from July 06, 2017 and annually every year thereafter with the maximum additional interest cost of 2% p.a.. Effective interest rate is 9.70%. (p.y. effective interest rate 9.70%.)	Nil	962.58	896.50	64.48
VII	Unsecured loan from directors-related parties carry interest @ 8 % p.a. (p.y. Interest @ 8% p.a). The loan is repayable after 1 year.	10.00	Nil	10.00	Nil
VIII	The carrying amount of financial and non-financial assets pledged as security for secured borrowings are disclosed in note no.42.				
IX	Refer note no. 50 for detailed disclosure on the fair values.				
X	Refer note no. 51 for credit risk, liquidity risk and market risk for non-current financial liabilities.				
XI	The company has complied all covenants for loans.				
XII	The quarterly returns or statements filed by the Company for working capital limits with banks are in agreement with the books of account of the Company.				
XIII	There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.				

**Note - 23 : NON-CURRENT FINANCIAL LIABILITIES - OTHERS**

₹ in crore

Particulars	As at	
	31.03.2022	31.03.2021
Trade Deposits	81.81	76.61
<b>Total</b>	<b>81.81</b>	<b>76.61</b>

Notes :

- I. Refer note no.50 for detailed disclosure on the fair values.
- II. Refer note no.51 for credit risk, liquidity risk and market risk for non-current financial liabilities.

# Nirma Limited

## Note - 24 : NON-CURRENT PROVISIONS

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Provisions</b>		
Provision for employee benefits (Refer note no.48)	113.35	90.30
Provision for mines reclamation expenses (Refer note below)	0.10	0.35
<b>Total</b>	<b>113.45</b>	<b>90.65</b>

Note:

Movement during the year

₹ in crore

Opening Balance	0.35	0.29
Add : Provision made during the year	0.10	0.06
Less : Provision written back during the year	0.35	Nil
Closing Balance	0.10	0.35

## Note - 25 : DEFERRED TAX LIABILITIES (Net)

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Deferred Tax Liabilities</b>		
Property, plant and equipment and investment property	481.45	544.61
Financial assets at fair value through OCI	2.21	Nil
	<b>483.66</b>	<b>544.61</b>
<b>Deferred Tax Assets</b>		
MAT credit	Nil	197.29
Financial assets at fair value through OCI	Nil	0.01
Others	162.71	117.02
Financial assets at fair value through profit or loss	3.42	1.65
	<b>166.13</b>	<b>315.97</b>
<b>Net deferred tax liabilities</b>	<b>317.53</b>	<b>228.64</b>

**Movements in deferred tax liabilities**

₹ in crore

Particulars	Property, plant and equipment and investment property	MAT Credit	Financial assets at fair value through profit or loss	Financial assets at fair value through OCI	Other items	Total
At 1 <sup>st</sup> April, 2021	544.61	(197.29)	(1.65)	(0.01)	(117.02)	228.64
To profit or loss – Continuing Operations	(63.16)	197.29	(1.77)	Nil	(45.69)	86.67
To other comprehensive income	Nil	Nil	Nil	2.22	Nil	2.22
As at 31 <sup>st</sup> March, 2022	481.45	Nil	(3.42)	2.21	(162.71)	317.53

₹ in crore

Particulars	Property, plant and equipment and investment property	MAT Credit	Financial assets at fair value through profit or loss	Financial assets at fair value through OCI	Other items	Total
At 1 <sup>st</sup> April, 2020	499.54	(275.41)	0.97	(1.39)	(78.91)	144.80
To profit or loss – Continuing Operations	45.07	78.12	(2.62)	Nil	(38.11)	82.46
To other comprehensive income	Nil	Nil	Nil	1.38	Nil	1.38
As at 31 <sup>st</sup> March, 2021	544.61	(197.29)	(1.65)	(0.01)	(117.02)	228.64

**Note - 26 : CURRENT FINANCIAL LIABILITIES - BORROWINGS**

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Secured</b>		
Cash credit facility (Refer note no. I below)	0.36	10.21
Working Capital Demand Loan (Refer note no. I below)	405.70	177.66
Current maturity of non-convertible debentures (Refer note no. 22)	24.03	20.08
Current maturity of term loans from Bank (Refer note no. 22)	268.57	611.07
<b>Unsecured</b>		
Commercial Paper	Nil	248.22
Current maturity of non-convertible debentures (Refer note no. 22)	962.58	64.48
<b>Total</b>	<b>1,661.24</b>	<b>1,131.72</b>

**Notes :**

- I. The credit facilities from banks ₹ 406.06 crore (P.Y. ₹ 187.87 crore) are secured on (a) First pari-passu charge on stock, stock in process, semi finished and finished goods, book debts, current assets of the Company lying at (i) Mandali incl. Ambaliyasan, Baliyasan, dist. Mehsana, (ii) Chhatral, Dist. Gandhinagar, (iii) Trikampura, Dist. Ahmedabad, (iv) Soda ash project, Kalatalav, Bhavnagar, (v) Moraiya Dist. Ahmedabad, (vi) Alindra including Bhadarva, Dist. Baroda, (vii) Saurashtra Chemicals division of Nirma Limited, Birlasagar, Porbandar, salt works and lime stone mines at different site in Gujarat, (viii) depot at various places, (b) Second pari-passu charge on whole of movable plant & machinery situated at (i) Mandali (incl. Ambaliyasan, Baliyasan Dist. Mehsana), (ii) Chhatral, Dist. Gandhinagar, (iii) Moraiya Dist. Ahmedabad, (iv) Alindra including Bhadarva, Dist. Vadodara, (v) Dhank, Dis. Rajkot, (c) Second pari-passu charge on the immovable assets of the Company at, (i) Mandali (incl. Ambaliyasan, Baliyasan Dist. Mehsana), (ii) Chhatral, Dist. Gandhinagar, (iii) Moraiya Dist. Ahmedabad, (iv) Alindra including Bhadarva, Dist. Vadodara, (v) Dhank, Dis. Rajkot.

Effective cost is in the range of 5% to 10% p.a (p.y 6 % to 10 % p.a)

- II. The carrying amount of financial and non-financial assets pledge as security for secured borrowings are disclosed in Note no. 42.
- III. Effective interest rate for commercial paper of ₹ NIL is 3.70 % p.a. (P.Y. ₹ 248.22 crore is 3.61 % p.a).
- IV. Refer note no. 51 for credit risk, liquidity risk and market risk for current financial liabilities.

# Nirma Limited

## Note - 27 : CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
Micro & Small Enterprise (Refer Note no. 56)	11.84	1.94
Other than Micro & Small Enterprise	461.62	297.52
<b>Total</b>	<b>473.46</b>	<b>299.46</b>

### Ageing of Trade Payable.

#### Trade payable ageing schedule as at 31-03-2022

₹ in crore

Particulars	Not due	Less Than 1 Year	1-2 years	2-3 years	More than 3 Years	Grand Total
Undisputed - MSME	Nil	11.78	0.04	Nil	0.02	11.84
Undisputed - Others	352.07*	97.02	7.06	1.41	3.79	461.45
Disputed dues - MSME	Nil	Nil	Nil	Nil	Nil	Nil
Disputed dues - Others - Net	Nil	Nil	0.02	Nil	0.25	0.27
<b>Total</b>	<b>352.07</b>	<b>108.80</b>	<b>7.12</b>	<b>1.41</b>	<b>4.06</b>	<b>473.46</b>

\*Includes ₹28.04 crores of unbilled.

#### Trade payable ageing schedule as at 31-03-2021

₹ in crore

Particulars	Not due	Less Than 1 Year	1-2 years	2-3 years	More than 3 Years	Grand Total
Undisputed - MSME	Nil	1.94	Nil	Nil	Nil	1.94
Undisputed - Others	289.61*	12.30	1.12	1.89	1.52	306.44
Disputed dues - MSME	Nil	Nil	Nil	Nil	Nil	Nil
Disputed dues - Others - Net	Nil	Nil	Nil	Nil	(8.92)	(8.92)
<b>Total</b>	<b>289.61</b>	<b>14.24</b>	<b>1.12</b>	<b>1.89</b>	<b>(7.40)</b>	<b>299.46</b>

\*Includes ₹24.44 crores of unbilled.

### Notes :

- I. 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. This has been relied upon by the auditors.
- II. Refer note no. 50 for detailed disclosure on the fair values.
- III. Refer note no. 51 for credit risk, liquidity risk and market risk for current financial liabilities.
- IV. The information on Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding as at the Balance Sheet date, has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date. These facts have been relied upon by the auditors.

**Note - 28 : CURRENT FINANCIAL LIABILITIES - OTHERS**

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Unsecured</b>		
Unclaimed matured non convertible debentures / secured premium notes and interest thereon	0.14	0.14
Liability for equity share capital reduction (Refer note no. I below)	0.65	0.65
Equity share capital reduction balance payable	Nil	2.83
Preference share capital redemption balance payable	Nil	0.33
Creditors for capital expenditure	15.19	19.58
Other payables	68.11	113.39
<b>Total</b>	<b>84.09</b>	<b>136.92</b>

Notes :

- I. Balance payable on 32,584 equity shares kept in abeyance due to court matter.
- II. Refer note no. 50 for detailed disclosure on the fair values.
- III. Refer note no. 51 for credit risk, liquidity risk and market risk for current financial liabilities.

**Note - 29 : OTHER CURRENT LIABILITIES**

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
Advance received from customers	63.87	8.41
Statutory liabilities	172.78	87.23
Deferred revenue	Nil	2.30
<b>Total</b>	<b>236.65</b>	<b>97.94</b>

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## Note - 30 : CURRENT PROVISIONS

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
Provision for employee benefits (Refer note no.48)	24.73	35.34
Provision in respect of litigation relating to Income tax (Note I below)	330.00	330.00
Provision in respect of litigation relating to indirect taxes (Note II below)	142.00	130.60
Provision for Renewable Power Obligations (Note III below)	61.40	49.56
<b>Total</b>	<b>558.13</b>	<b>545.50</b>

### Note: I

₹ in crore

Movement of litigation in respect of Income tax during the year		
Opening Balance	330.00	330.00
Add : Provision made during the year	Nil	Nil
Less : Paid during the year	Nil	Nil
Closing Balance	330.00	330.00

### Note: II

₹ in crore

Movement of litigation in respect of Indirect taxes during the year		
Opening Balance	130.60	126.50
Add : Provision made during the year	11.40	8.67
Less : Paid during the year	Nil	0.26
Less : Written back during the year	Nil	4.31
Closing Balance	142.00	130.60

### Note: III

₹ in crore

Movement of Renewable Power Obligation during the year		
Opening Balance	49.56	38.22
Add : Provision made during the year	11.84	11.34
Closing Balance	61.40	49.56

## Note – 31 : CURRENT TAX LIABILITIES (NET)

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
Income tax provision (net)	34.52	52.34
<b>Total</b>	<b>34.52</b>	<b>52.34</b>

**Note - 32 : REVENUE FROM OPERATIONS**

₹ in crore

Particulars	2021-2022	2020-2021
<b>Revenue from operations</b>		
<b>Sale of Products</b>		
Finished goods	6,452.56	4,953.43
Stock in trade	9.78	47.50
<b>Total</b>	<b>6,462.34</b>	<b>5,000.93</b>
<b>Sale of Services</b>		
Processing charges	22.68	10.94
<b>Other operating revenues</b>		
Duty drawback & other export incentives	3.73	6.11
Scrap sales	26.72	16.99
<b>Total</b>	<b>6,515.47</b>	<b>5,034.97</b>

Notes :

**Revenue from contracts with customers**
**A) Disaggregated revenue information**

Set out below is the disaggregation of the company's revenue from contracts with customers:

₹ in crore

Segment	For the year ended March 31, 2022			For the year ended March 31, 2021		Total
	Soaps & Surfactants	Others	Total	Soaps & Surfactants	Others	
<b>Type of goods or service</b>						
<b>Sale of manufactured goods</b>						
Soda Ash	2,342.48	Nil	2,342.48	1,779.09	Nil	1,779.09
Detergents	989.73	Nil	989.73	895.69	Nil	895.69
Caustic Soda	846.53	Nil	846.53	374.11	Nil	374.11
Toilet Soap	704.93	Nil	704.93	652.60	Nil	652.60
Linear Alkyl Benzene	964.34	Nil	964.34	808.72	Nil	808.72
Others	56.58	547.97	604.55	18.52	424.70	443.22
<b>Total</b>	<b>5,904.59</b>	<b>547.97</b>	<b>6,452.56</b>	<b>4,528.73</b>	<b>424.70</b>	<b>4,953.43</b>
<b>Sale of traded products</b>						
Soda Ash	7.85	Nil	7.85	46.34	Nil	46.34
Detergents	Nil	Nil	Nil	Nil	Nil	Nil
Others	Nil	1.93	1.93	Nil	1.16	1.16
<b>Total</b>	<b>7.85</b>	<b>1.93</b>	<b>9.78</b>	<b>46.34</b>	<b>1.16</b>	<b>47.50</b>

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₹ in crore

Segment	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Soaps & Surfactants	Others	Total	Soaps & Surfactants	Others	Total
<b>Sale of Services</b>						
<b>Processing Charges</b>						
Soda Ash	0.40	Nil	0.40	Nil	Nil	Nil
Detergents	0.02	Nil	0.02	Nil	Nil	Nil
Linear Alkyl Benzene	0.09	Nil	0.09	Nil	Nil	Nil
Other	22.16	0.01	22.17	10.14	0.80	10.94
<b>Total</b>	<b>22.67</b>	<b>0.01</b>	<b>22.68</b>	<b>10.14</b>	<b>0.80</b>	<b>10.94</b>
<b>Other operating revenues</b>						
<b>Duty drawback &amp; other export incentives</b>						
Soda Ash	0.25	Nil	0.25	5.17	Nil	5.17
Caustic Soda	1.84	Nil	1.84	Nil	Nil	Nil
Others	1.62	0.02	1.64	0.40	0.54	0.94
<b>Total</b>	<b>3.71</b>	<b>0.02</b>	<b>3.73</b>	<b>5.57</b>	<b>0.54</b>	<b>6.11</b>
<b>Scrap Sales</b>						
Soda Ash	10.74	Nil	10.74	5.70	Nil	5.70
Detergents	1.58	Nil	1.58	1.56	Nil	1.56
Toilet Soap	0.15	Nil	0.15	0.10	Nil	0.10
Linear Alkyl Benzene	0.49	Nil	0.49	0.46	Nil	0.46
Others	13.75	0.01	13.76	7.31	1.86	9.17
<b>Total</b>	<b>26.71</b>	<b>0.01</b>	<b>26.72</b>	<b>15.13</b>	<b>1.86</b>	<b>16.99</b>
<b>Total revenue from contracts with customers</b>	<b>5,965.53</b>	<b>549.94</b>	<b>6,515.47</b>	<b>4,605.91</b>	<b>429.06</b>	<b>5,034.97</b>
India	5,521.63	546.45	6,068.08	4,466.64	405.12	4,871.76
Outside India	443.90	3.49	447.39	139.27	23.93	163.21
<b>Total revenue from contracts with customers</b>	<b>5,965.53</b>	<b>549.94</b>	<b>6,515.47</b>	<b>4,605.91</b>	<b>429.06</b>	<b>5,034.97</b>
<b>Timing of revenue recognition</b>						
Goods transferred at a point in time	5,965.53	549.94	6,515.47	4,605.91	429.06	5,034.97
<b>Total revenue from contracts with customers</b>	<b>5,965.53</b>	<b>549.94</b>	<b>6,515.47</b>	<b>4,605.91</b>	<b>429.06</b>	<b>5,034.97</b>

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

₹ in crore

Segment	For the year ended March 31, 2022			For the year ended March 31, 2021		Total
	Soaps & Surfactants	Others	Total	Soaps & Surfactants	Others	
<b>Revenue</b>						
External customer	5,965.53	549.94	6,515.47	4,605.91	429.06	5,034.97
Inter-segment	15.61	1.65	17.26	Nil	17.95	17.95
Inter-segment adjustment and elimination	(15.61)	(1.65)	(17.26)	Nil	(17.95)	(17.95)
<b>Total revenue from contracts with customers</b>	<b>5,965.53</b>	<b>549.94</b>	<b>6,515.47</b>	<b>4,605.91</b>	<b>429.06</b>	<b>5,034.97</b>

**B) Contract balances**

The following table provides information about receivables, contract assets and contract liabilities from contract with customers

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables*	573.63	352.09
Contract liabilities	21.46	19.35
Advances from customers	63.87	8.41

\*Trade receivables are generally on terms up to 90 days.

**C) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price**

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
Revenue as per contracted price	6,750.92	5,269.01
<b>Adjustments</b>		
Discount	(235.45)	(234.04)
<b>Revenue from contract with customers</b>	<b>6,515.47</b>	<b>5,034.97</b>

**D) The transaction price allocated to the remaining performance obligation non-executed as at March 31, 2022 are as follows:**

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
Advances from customers	63.87	8.41

Management expects that the entire transaction price allotted to the non executed contract as at the end of the reporting period will be recognised as revenue during the next financial year.

**Note - 33 : OTHER INCOME**

₹ in crore

Particulars	2021-2022	2020-2021
Interest income	12.49	16.64
Interest income from financial assets at amortised cost	2.89	14.45
Dividend income from equity investments designated at fair value through other comprehensive income	0.40	0.09
Net gain on sale of current investments	6.95	3.86
Profit on sale of property, plant & equipment	4.15	83.67
Claims and Refunds	79.68	28.29
Government Grants	11.26	10.70
Exchange Rate Difference	Nil	3.51
Provision no longer required written back	19.97	6.57
Others	10.64	3.12
<b>Total</b>	<b>148.43</b>	<b>170.90</b>

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## Note - 34 : COST OF MATERIALS CONSUMED

₹ in crore

Particulars	2021-2022		2020-2021	
Stock of Raw material and Packing material at the beginning of the year	175.14		180.28	
Stock of Raw material and Packing material at the beginning of the year for continuing operations (A)	175.14		180.28	
Add: Purchases (net) (B)	2,472.77		1,583.76	
Raw material and Packing material at the end of the year	315.48		175.14	
Raw material and Packing material at the end of the year for continuing operations (C)	315.48		175.14	
<b>Cost of Raw material Consumed (Including Packaging Materials)</b>	<b>2,332.43</b>		<b>1,588.90</b>	

## Note - 35 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in crore

Particulars	2021-2022			
	Finished Goods	Stock in Trade	Work-in-Progress	Total
Inventories at the beginning of the year	281.97	0.15	137.38	419.50
Inventories at the beginning of the year for continuing operations (A)	281.97	0.15	137.38	419.50
Inventories at the end of the year	311.60	0.55	157.10	469.25
Inventories at the end of the year for continuing operations (B)	311.60	0.55	157.10	469.25
<b>Changes in inventories of finished goods, stock-in-trade and work-in-progress for continuing operations (A-B)</b>	<b>(29.63)</b>	<b>(0.40)</b>	<b>(19.72)</b>	<b>(49.75)</b>

₹ in crore

Particulars	2020-2021			
	Finished Goods	Stock in Trade	Work-in-progress	Total
Inventories at the beginning of the year	363.38	2.16	100.60	466.14
Inventories at the beginning of the year for continuing operations (A)	363.38	2.16	100.60	466.14
Inventories at the end of the year	281.97	0.15	137.38	419.50
Inventories at the end of the year for continuing operations (B)	281.97	0.15	137.38	419.50
Changes in inventories of finished goods, stock-in-trade and work-in-progress for continuing operations (A-B)	81.41	2.01	(36.78)	46.64

**Note - 36 : EMPLOYEE BENEFITS EXPENSES**

₹ in crore

Particulars	2021-2022	2020-2021
Salaries and wages	291.20	276.78
Contributions to provident and other funds (Refer note no.48)	21.53	20.24
Gratuity (Refer note no.48)	13.56	13.12
Leave compensation (Refer note no.48)	17.72	21.07
Staff welfare expense	6.71	8.33
<b>Total</b>	<b>350.72</b>	<b>339.54</b>

Note :

The Code on Social Security, 2020 (“the Code”) relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect.

**Note - 37 : FINANCE COSTS**

₹ in crore

Particulars	2021-2022	2020-2021
Interest and finance charges on financial liabilities not at fair value through profit or loss	239.82	371.70
Other interest expense	59.29	30.92
Interest on Lease	0.26	0.32
<b>Less</b> : Interest cost capitalised	<b>20.58</b>	<b>62.88</b>
<b>Total</b>	<b>278.79</b>	<b>340.06</b>

Note :

I. The capitalisation rate used to determine the amount of borrowing cost to be capitalised is 8.00% (p.y 8.00%). The weighted average interest rate applicable to the entity's general borrowing during the year.

**Note - 38 : DEPRECIATION AND AMORTISATION EXPENSES**

₹ in crore

Particulars	2021-2022	2020-2021
Depreciation of property, plant and equipment (Refer note no. 2)	605.67	373.27
Amortisation of intangible assets (Refer note no. 6)	3.25	2.16
Depreciation of Right of use assets (Refer Note No. 3)	2.59	0.72
<b>Total</b>	<b>611.51</b>	<b>376.15</b>

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## Note - 39 : OTHER EXPENSES

₹ in crore

Particulars	2021-2022	2020-2021
Consumption of stores and spare parts	176.79	120.23
Power and fuel expenses	1,499.29	899.49
Processing charges	1.78	3.86
Rent expenses	10.25	9.97
Repairs		
To building	10.04	9.86
To plant and machinery	30.29	26.65
To others	3.99	2.78
	44.32	39.29
Insurance expenses	32.25	26.14
Rates and taxes	13.52	6.53
Payments to auditors (Refer note no.57)	0.79	0.78
Directors' fees	0.07	0.13
Discount on sales	4.09	2.85
Commission on sales	15.72	16.58
Freight and transportation expenses	426.35	365.05
GST expenses	3.59	3.76
Advertisement expenses	44.54	41.65
Exchange fluctuation loss (net)	2.18	Nil
Loss on sale of property, plant & equipment	0.01	0.06
Donation (Refer note no. I below)	0.88	11.71
Sales promotion expenses	0.07	Nil
Bad debts & doubtful advances written off	2.04	Nil
Balances Written off (Net)	Nil	1.45
Provision for doubtful debts	0.34	3.91
Provision for Doubtful Advances	Nil	16.36
Provision for Sales tax	1.31	Nil
Corporate social responsibility expenses (Refer note no.58)	15.23	14.62
Other expenses [Net of Transport Income ₹ 0.01 crore (p.y. ₹ 0.01 crore)] (Refer note no.II below)	141.26	139.48
<b>Total</b>	<b>2,436.67</b>	<b>1,723.90</b>

### Notes :

- I. Donation includes donation to political parties ₹ 0.31 crore (p.y ₹ 10.60 crore).
- II. Includes prior period adjustments(net) ₹ 0.42 crore (p.y. ₹ 2.91 crore).

**Note - 40 : TAX EXPENSES**

₹ in crore

Particulars	2021-2022	2020-2021
Current tax	121.50	135.00
Tax expenses/(credit) relating to earlier year	4.78	(2.16)
MAT credit utilized	194.21	81.98
MAT credit utilized/(entitlement) relating to earlier year	3.08	(3.86)
Deferred tax (credit)/charge	(110.62)	4.34
<b>Total</b>	<b>212.95</b>	<b>215.30</b>

**Reconciliation of the income tax expenses to the amount computed by applying the statutory income**

₹ in crore

Particulars	2021-2022	2020-2021
<b>Enacted income tax rate in India applicable to the Company</b>	<b>34.94%</b>	<b>34.94%</b>
<b>Profit before tax from continuing operations</b>	<b>693.44</b>	<b>747.65</b>
<b>Profit before tax from discontinued operations</b>	<b>Nil</b>	<b>Nil</b>
<b>Profit before tax from continuing operations and discontinued operations</b>	<b>693.44</b>	<b>747.65</b>
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India from continuing operations	242.32	261.26
<b>Tax effect of the amounts which are not deductible/ (taxable) in calculating taxable income</b>		
Permanent disallowances	6.77	11.10
Other deductible expenses	76.41	(42.67)
MAT credit entitlement/ (utilization)	0.01	Nil
Tax on exempted income	(0.48)	(0.02)
Deduction claimed under Income Tax Act	(9.32)	(13.96)
Adjustment related to earlier years	4.78	(2.16)
MAT credit entitlement related to earlier years	3.08	(3.86)
Deferred tax expense (net)	(110.62)	4.34
Other Items	Nil	1.27
<b>Total tax expenses</b>	<b>212.95</b>	<b>215.30</b>
<b>Tax expense from continuing operations</b>	<b>212.95</b>	<b>215.30</b>
<b>Tax expense from discontinued operations</b>	<b>Nil</b>	<b>Nil</b>
<b>Effective tax rate</b>	<b>30.71%</b>	<b>28.80%</b>

Note:

In calculation of tax expense for the current year and earlier years, the company had claimed certain deductions as allowable under Income Tax Act, which were disputed by the department and the matter is pending before tax authorities.

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## Note - 41 : STATEMENT OF OTHER COMPREHENSIVE INCOME

₹ in crore

Particulars	2021-2022	2020-2021
<b>(I) Items that will not be reclassified to profit or loss</b>		
Equity Instruments through Other Comprehensive Income	13.66	8.80
Remeasurement of defined benefit plans	(2.75)	(5.91)
<b>Total (I)</b>	<b>10.91</b>	<b>2.89</b>
<b>(II) Income tax relating to these items that will not be reclassified to profit or loss</b>		
Deferred Tax impact on Equity Instruments through Other Comprehensive Income	(3.18)	(2.88)
Deferred Tax impact on actuarial gains and losses	0.96	1.50
<b>Total (II)</b>	<b>(2.22)</b>	<b>(1.38)</b>
<b>Total (I+II)</b>	<b>8.69</b>	<b>1.51</b>

## Notes to the standalone financial statements

### Note - 42 : Assets pledged as security

The carrying amount of assets pledged as security for current and non-current borrowings are:

		₹ in crore	
	Assets description	31.03.2022	31.03.2021
<b>I.</b>	<b>Current Financial Assets</b>		
	<i>First charge</i>		
	A. Trade receivables	572.82	351.72
	B. Other current financial assets	10.22	7.16
<b>II.</b>	<b>Current Assets</b>		
	<i>First charge</i>		
	A. Inventories	1,456.85	1,012.33
	B. Other current assets	96.19	64.73
	<b>Total current assets pledged as security</b>	<b>2,136.08</b>	<b>1,435.94</b>
<b>III.</b>	<b>Non-Current Financial Assets</b>		
	A. National savings certificate	0.01	0.01
	B. Bank deposits (lien with statutory authorities)	1.29	1.51
	C. Capital advances	11.62	1.16
	D. Prepaid expenses	0.07	0.09
<b>IV.</b>	<b>Property, Plant and Equipment</b>		
	<i>First and / or Second charge</i>		
	A. Plant and equipments	2,970.75	3,327.31
	B. Freehold land	37.10	37.10
	C. Buildings	229.12	232.02
<b>V.</b>	<b>Capital work in progress</b>	215.83	309.43
	<b>Total non-current assets pledged as security</b>	<b>3,465.79</b>	<b>3,908.63</b>
	<b>Total assets pledged as security</b>	<b>5,601.87</b>	<b>5,344.57</b>

# Nirma Limited

## Notes to the standalone financial statements

### Note - 43 : Contingent liabilities not provided for in accounts :

₹ in crore

	Particulars	As at	
		31.03.2022	31.03.2021
<b>A.</b>	Claims against the company not acknowledged as debts		
1	For custom duty	Nil	0.26
2	For direct tax*	2,750.00	2,580.00
3	For sales tax	Nil	0.52
4	For excise duty, service tax and GST [Appeals decided in favour of the company ₹ Nil (p.y. ₹ 1.56 cr)	Nil	3.68
5	Others	37.39	119.23
	<b>Total</b>	<b>2,787.39</b>	<b>2,703.69</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)	142.56	196.99
<b>C.</b>	For letters of credit	130.14	72.81
<b>D.</b>	For bank guarantee	107.54	119.13
<b>E.</b>	Corporate guarantee of ₹ 28.00 cr (p.y. ₹ 470.66 cr) given by the company. Liability to the extent of outstanding balance	12.52	438.50
<b>F.</b>	Undertaking given to Hon'ble High court of Gujarat for dues payable to HDFC Bank regarding its claim against healthcare division, now demerged from the company and transferred to Aculife Healthcare Private Limited. During the year, HDFC Bank withdrew case from Hon'ble High Court.		Not ascertainable

#### Note:

The company has reviewed all its pending litigations and proceedings and has adequately provided where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The company does not expect the outcome of these proceedings to have materially adverse effect on its financial position. The company does not expect any reimbursement in respect of the above contingent liabilities.

#### Note - 44 : Leases:

- The company's leases mainly comprise of Land and Building. The weighted average incremental borrowing rate of 8.00% (p.y. 8.00%) has been applied to lease liabilities recognised in the balance sheet.
- Disclosures under Ind AS 116 - Leases**

##### Company as a lessee

The Company's leases have initial lease terms ranging from 1 month to 80 years, some of which may include automatic renewal options. Generally, the renewal option periods are not included within the lease term because the agreements do not provide renewal option. For leases where the lease term is less than 12 months with no purchase option, the Company has elected to apply exemption for short term leases and accordingly, right of use assets and lease liabilities for these contracts are not recognised. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

## Notes to the standalone financial statements

- c) Lease expense recognised in Profit and Loss statement not included in the measurement of lease liability.

₹ in crore

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on Right-of-use assets	2.59	0.72
Expense relating to short-term lease	10.26	9.97

- d) **Maturity analysis of lease liability-contractual undiscounted cash flow**

₹ in crore

Particulars	31.03.2022	31.03.2021
Not later than one year	0.91	1.00
Later than one year and not later than five years	1.82	2.36
Later than five years	0.21	0.58
<b>Total undiscounted lease liabilities</b>	<b>2.94</b>	<b>3.94</b>

- e) **Discounted Lease Liability included in statement of financial position**

₹ in crore

Particulars	31.03.2022	31.03.2021
Current	0.72	0.85
Non-Current	1.75	2.20
<b>Total Lease liabilities</b>	<b>2.47</b>	<b>3.05</b>

- f) The total cash outflow for leases for year ended March 31, 2022 is ₹ 13.78 crore (p.y. ₹ 1.00 crore)

### Note - 45

The company has presented segment information in its Consolidated Financial Statements which are part of the same annual report. Accordingly, in terms of provisions of Accounting Standard on Segment Reporting (Ind AS-108), no disclosure related to the segment is presented in the Standalone Financial Statements.

### Note - 46

The following expenditures have been capitalised as part of fixed assets:

₹ in crore

Particulars	2021-2022	2020-2021
Employee cost	1.89	2.35
Power and fuel expenses	0.37	0.66
Finance Cost	20.58	62.88
Others expenses	0.15	0.18
<b>Total</b>	<b>22.99</b>	<b>66.07</b>

# Nirma Limited

## Notes to the standalone financial statements

### Note - 47

Disclosure as required under section 186(4) of the Companies Act, 2013

₹ in crore

I.	Particulars	Rate of interest	2021-2022	2020-2021
	<b>Loans given for short term business requirement</b>			
	Quick Settings Cement Private Limited	8%	Nil	10.72
	Bhumika Enterprise	12%	Nil	1.59
	Bhumi Print pack	12%	Nil	0.53
	Jay Polyfab	12%	Nil	0.54
	Jay Print pack	12%	Nil	0.55
	Safal Gladeone Estate	8%	6.60	Nil
	<b>Short term Loan was given for general corporate purpose</b>			
	Trust Capital Services (India) Private Limited	6%	50.02	Nil
	<b>Loan given for principal business activities</b>			
	Nuvoco Vistas Corporation Limited.	8%	Nil	160.77
	<b>Investment in preference shares</b>			
	9% Redeemable Non Cumulative Non Convertible Preference share of ₹ 100 each of Niyogi Enterprise Private Limited.		Nil	1,200.00
	Corporate guarantee given for Nuvoco Vistas Corporation Limited in the form of Put option during the financial year 2020-21 (Guarantee Expired on 19 <sup>th</sup> Oct 2020)		Nil	170.00
	Corporate guarantee given for NCD issue by Niyogi Enterprise Private Limited		Nil	425.00

(above balance includes interest accrued but not due)

### Note - 48 : Gratuity and other post employment benefit plans

The company operates post employment and other long term employee benefits defined plans as follows:

#### I. Defined Contribution plan

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

₹ in crore

Particulars	2021-2022	2020-2021
Employer's Contribution to Provident Fund	20.39	18.88
Employer's Contribution to Superannuation Fund	Nil	Nil

## Notes to the standalone financial statements

### 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 for gratuity.

₹ in crore

Description	31.03.2022		31.03.2021	
	Gratuity*	Leave Encashment	Gratuity*	Leave Encashment
<b>A. Reconciliation of opening and closing balances of Defined Benefit obligation</b>				
a. Obligation as at the beginning of the year	87.84	47.32	73.89	38.53
b. Transfer in/(out) obligation	Nil	Nil	Nil	Nil
c. Current Service Cost	8.65	11.23	8.44	11.68
d. Interest Cost	5.43	2.55	4.82	2.22
e. Actuarial Gain/(Loss)	2.27	3.94	5.59	7.16
f. Benefits Paid	(4.84)	(19.06)	(4.90)	(12.27)
g. Obligation as at the end of the year	99.35	45.98	87.84	47.32
<b>B. Reconciliation of opening and closing balances of fair value of plan assets</b>				
a. Fair Value of Plan Assets as at the beginning of the year	9.97	Nil	8.75	Nil
b. Transfer in/(out) obligation	Nil	Nil	0.40	Nil
c. Expected return on Plan Assets	0.68	Nil	0.63	Nil
d. Actuarial Gain/(Loss)	(0.48)	Nil	(0.32)	Nil
e. Employer's Contributions	0.26	Nil	2.02	Nil
f. Benefits Paid	(3.19)	Nil	(1.51)	Nil
g. Fair Value of Plan Assets as at the end of the year	7.24	Nil	9.97	Nil
<b>C. Reconciliation of fair value of assets and obligation</b>				
a. Fair Value of Plan Assets as at the end of the year	7.24	Nil	9.97	Nil
b. Present Value of Obligation as at the end of the year	(99.35)	(45.98)	(87.84)	(47.32)
c. Amount recognised in the Balance Sheet	(92.11)	(45.98)	(77.87)	(47.32)
<b>D. Investment Details of Plan Assets</b>				
Bank balance	56%	Nil	20%	Nil
Invested with Life Insurance Corporation of India	44%	Nil	80%	Nil
<b>E. Actuarial Assumptions</b>				
a. Discount Rate (per annum)	7.00%	7.00%	6.45%	6.45%
b. Estimated Rate of return on Plan Assets (per annum)	7.00%	Nil	6.45%	Nil
c. Rate of escalation in salary (per annum)	6.00%	6.00%	6.00%	6.00%

# Nirma Limited

## Notes to the standalone financial statements

### F. Expenses recognised during the year

₹ in crore

Description	2021-2022		2020-2021	
	Gratuity*	Leave Encashment	Gratuity*	Leave Encashment
<b>Expenses recognised during the year</b>				
(i) Current Service Cost	8.65	11.23	8.44	11.68
(ii) Interest Cost	5.43	2.55	4.82	2.22
(iii) Expected return on Plan Assets	(0.68)	Nil	(0.63)	Nil
(iv) Actuarial Gain/(Loss)	2.75	3.94	5.91	7.16
(v) Expense recognised during the year	16.15	17.72	18.54	21.06

Notes:

- 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 management of plan assets.

### G. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

₹ in crore

Particulars	31.03.2022			
	Increase		Decrease	
	Gratuity*	Leave Encashment	Gratuity*	Leave Encashment
Discount rate (0.5% movement)	(4.43)	(0.81)	4.80	2.85
Salary growth rate (0.5% movement)	4.80	2.85	(4.47)	(0.84)

₹ in crore

Particulars	31.03.2021			
	Increase		Decrease	
	Gratuity*	Leave Encashment	Gratuity*	Leave Encashment
Discount rate (0.5% movement)	(4.21)	(1.88)	4.58	2.06
Salary growth rate (0.5% movement)	4.56	2.06	(4.23)	(1.90)

\* Partially funded

Note:

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

### H. The Expected Contributions to the Plan for the next annual reporting period.

₹ in crore

Particulars	As on 31.03.2022	As on 31.03.2021
The Expected Contributions for the next year in (₹) for Gratuity	9.29	8.66
The Privilege Leave benefits Scheme is managed on unfunded basis so Expected Contribution is Nil		

## Notes to the standalone financial statements

### I. The Maturity Profile of Defined Benefit Obligation

Particulars	As on 31.03.2022	As on 31.03.2021
The Weighted Average Duration (Years) as at valuation date for Gratuity	<b>9.71 Years</b>	10.29 Years
The Weighted Average Duration (Years) as at valuation date for Leave Encashment	<b>11.23 Years</b>	11.92 Years

₹ in crore

Expected Future Cash flows (Undiscounted)								
Particulars	As on 31.03.22				As on 31.03.21			
	Gratuity		Leave Encashment		Gratuity		Leave Encashment	
	₹	%	₹	%	₹	%	₹	%
Year 1 Cashflow	10.43	4.60%	15.44	15.30%	7.40	3.80%	15.52	15.58%
Year 2 Cashflow	6.43	2.80%	1.85	1.80%	5.30	2.70%	1.72	1.70%
Year 3 Cashflow	8.46	3.70%	2.94	2.90%	5.32	2.70%	1.81	1.80%
Year 4 Cashflow	8.26	3.60%	2.74	2.70%	7.30	3.70%	2.65	2.70%
Year 5 Cashflow	7.83	3.40%	2.40	2.40%	7.13	3.70%	2.67	2.70%
Year 6 to Year 10 Cash flow	43.66	19.10%	13.53	13.40%	37.03	19.00%	12.62	12.80%

The future accrual is not considered in arriving at the above cash-flows.

### J. Major Risk to the Plan

#### a. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise either by Adverse Salary Growth Experience, Variability in mortality rates, Variability in withdrawal rates or Variability in availment rates.

#### b. Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the intervaluation period.

#### c. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Entity there can be strain on the cash flows.

#### d. Market Risk

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

#### e. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect

# Nirma Limited

## Notes to the standalone financial statements

the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

### f. Changes in yields:

A decrease in yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' assets.

### Note - 49 : Related party disclosures

#### The names of related parties with relationship and transactions with them:

#### I. Relationship:

A. Shri Karsanbhai K. Patel, Shri Rakesh K. Patel and Shri Hiren K. Patel are directly and indirectly having control over the company.

#### B. Subsidiaries of the company: (wholly owned)

Sr. No.	Name of the entity	Country	Nature of holding	Ownership interest held
1	Karnavati Holdings Inc.	USA	Direct	100%
2	Searles Valley Minerals Inc. (SVM), (Wholly Owned subsidiary of Karnavati Holding Inc. USA)	USA	Indirect	100%
3	Searles Domestic Water Company LLC (Wholly Owned by SVM)	USA	Indirect	100%
4	Trona Railway Company LLC (Wholly Owned by SVM)	USA	Indirect	100%
5	Searles Valley Minerals Europe (Wholly Owned by SVM)	France	Indirect	100%

#### C. Associate

Name of the entity	Country	Nature of holding	Ownership interest held
FRM Trona Fuels LLC (Till 31 <sup>st</sup> December, 2021) The above entity is associate of SVM	USA	Indirect	49%

#### D. Key Management Personnel:

Particulars	Designation
<b>Executive Directors</b>	
Shri Hiren K. Patel	Managing Director
Shri Shailesh V. Sonara	Director (Environment and Safety)
<b>Non Executive Directors</b>	
Dr. Karsanbhai K. Patel	Chairman
Shri Rakesh K. Patel	Vice Chairman
Shri Pankaj R. Patel	Director
Shri Kaushik N. Patel	Director
Shri Vijay R. Shah	Director
Smt. Purvi A. Pokhariyal	Director
<b>Other Key Management Personnel</b>	
Shri Manan Shah	Chief Financial Officer
Shri Paresh Sheth	Company Secretary

## Notes to the standalone financial statements

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

Sr.no.	Name of the entity
1	Dr. Karsanbhai K. Patel
2	Shri Rakesh K. Patel
3	Smt. Toralben K. Patel

### F. Entities over which Key Management Personnel / relatives of Key Management Personnel exercise control with whom transactions done during the said financial year

Sr.no.	Name of the entity
1	Nirma Credit and Capital Private Limited
2	Nirma Chemical Works Private Limited
3	Navin Overseas FZC, UAE
4	Aculife Healthcare Private Limited
5	Niyogi Enterprise Private Limited
6	Nuvoco Vistas Corporation Limited (w.e.f. 7 <sup>th</sup> January 2020)

### G. Entities over which Key Management Personnel / relatives of Key Management Personnel have significant influence with whom transactions done during the said financial year

Sr.no.	Name of the entity
1	Shree Rama Multi-tech Limited
2	Nirma Education and Research Foundation
3	Nirma University
4	Manjar Discretionary Trust
5	Sureel Enterprise Private Limited (w.e.f. 15 <sup>th</sup> December, 2020)
6	Kamlaben Trust
7	Vimlaben Trust
8	Saukem Medical Centre
9	Birlasagar Higher Secondary School
10	S K Patel Family Trust
11	Sarvamangal Trust
12	Nisarg Enterprise Private Limited (w.e.f. 15 <sup>th</sup> December, 2020)

### I. Key Management Personnel compensation

Particulars	₹ in crore	
	2021-2022	2020-2021
Short-term employee benefits	6.52	4.91
Long Term Post-employment benefits	0.95	0.17
<b>Total compensation</b>	<b>7.47</b>	<b>5.08</b>

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

		₹ in crore	
A.	Subsidiary Companies	2021-2022	2020-2021
1	Purchase of materials	9.29	39.46
	Searles Valley Minerals Inc. USA	9.29	39.46
		<b>As at</b>	<b>As at</b>
		<b>31.03.2022</b>	<b>31.03.2021</b>
2	Closing balance – Debit		0.04
3	Closing balance – Credit	0.48	

# Nirma Limited

## Notes to the standalone financial statements

₹ in crore

B.	Key Management Personnel	2021-2022	2020-2021
1	Remuneration	6.43	3.67
	Shri Hiren K. Patel	4.89	2.31
	Shri Shailesh Sonara	0.19	0.20
	Shri Manan Shah	0.58	0.56
	Shri Paresh Sheth	0.77	0.60
2	Loan - taken	27.05	15.13
	Shri Hiren K. Patel	27.05	15.13
3	Loan - repaid	27.05	15.13
	Shri Hiren K. Patel	27.05	15.13
4	Interest expenses	0.38	0.36
	Shri Hiren K. Patel	0.38	0.36
5	Perquisites	1.03	1.42
	Shri Hiren K. Patel	1.03	1.42
		<b>As at</b>	<b>As at</b>
		<b>31.03.2022</b>	<b>31.03.2021</b>
6	Net Closing balance - credit	5.00	5.00

₹ in crore

C.	Relatives of Key Management Personnel	2021-2022	2020-2021
1	Directors' sitting fees	0.02	0.04
	Dr. Karsanbhai K. Patel	0.01	0.02
	Shri Rakesh K. Patel	0.01	0.02
2	Directors' Remuneration	0.01	0.02
	Dr. Karsanbhai K. Patel	(₹ 31,076/-)	0.01
	Shri Rakesh K. Patel	0.01	0.01
3	Loan - taken	23.70	11.23
	Shri Rakesh K. Patel	23.70	11.23
4	Loan - repaid	23.70	10.94
	Shri Rakesh K. Patel	23.70	10.94
5	Interest expenses	0.38	0.36
	Shri Rakesh K. Patel	0.38	0.36
6	Lease / Rent expense	0.06	0.06
	Smt. Toralben K. Patel	0.06	0.06
7	Lease / Rent expense	0.07	Nil
	Dr. Karsanbhai K. Patel	0.07	Nil
		<b>As at</b>	<b>As at</b>
		<b>31.03.2022</b>	<b>31.03.2021</b>
8	Closing balance - credit	5.00	5.00

## Notes to the standalone financial statements

₹ in crore

<b>D.</b>	<b>Non-Executive Directors</b>	<b>2021-2022</b>	<b>2020-2021</b>
1	Sitting Fees	<b>0.04</b>	0.09
	Shri Pankaj R. Patel	<b>0.01</b>	0.02
	Shri Kaushik N. Patel	<b>0.01</b>	0.02
	Shri Vijay R. Shah	<b>0.01</b>	0.03
	Smt. Purvi A. Pokhariyal	<b>0.01</b>	0.02

₹ in crore

<b>E.</b>	<b>Entities over which Key Management Personnel / relatives of Key Management Personnel exercise control</b>	<b>2021-2022</b>	<b>2020-2021</b>
1	Sale of finished goods/ services	<b>47.75</b>	29.76
	Navin Overseas FZC, UAE	<b>1.86</b>	3.64
	Aculife Healthcare Private Limited	<b>0.39</b>	1.27
	Nuvoco Vistas Corporation Limited	<b>0.05</b>	0.09
	Nirma Chemical works Private Limited	<b>18.58</b>	18.35
	Niyogi Enterprise Private Limited	<b>26.87</b>	6.41
2	Purchase of materials	<b>238.70</b>	136.33
	Navin Overseas FZC, UAE	<b>235.96</b>	132.36
	Nuvoco Vistas Corporation Limited	<b>2.60</b>	2.70
	Niyogi Enterprise Private Limited	<b>0.14</b>	0.22
	Aculife Healthcare Private Limited	<b>(₹ 2,850/-)</b>	1.05
3	Purchase of vehicle	<b>Nil</b>	0.07
	Nuvoco Vistas Corporation Limited	<b>Nil</b>	0.07
4	Royalty Income	<b>0.06</b>	0.07
	Aculife Healthcare Private Limited	<b>0.06</b>	0.07
5	Rent expense	<b>0.31</b>	0.33
	Nirma Credit and Capital Private Limited	<b>0.31</b>	0.33
6	Rent Income	<b>0.03</b>	0.03
	Aculife Healthcare Private Limited	<b>0.03</b>	0.02
	Niyogi Enterprise Private Limited	<b>(₹ 48,000/-)</b>	0.01
7	Investment / Purchase of Preference Shares	<b>Nil</b>	1,200.00
	Niyogi Enterprise Private Limited	<b>Nil</b>	1,200.00
8	Redemption of Preference Shares	<b>1,800.00</b>	Nil
	Niyogi Enterprise Private Limited	<b>1,800.00</b>	Nil
9	ICD Given	<b>Nil</b>	160.00
	Nuvoco Vistas Corporation Limited	<b>Nil</b>	160.00
10	ICD received back	<b>Nil</b>	821.31
	Nuvoco Vistas Corporation Limited	<b>Nil</b>	821.31
11	Interest income	<b>Nil</b>	10.52
	Nuvoco Vistas Corporation Limited	<b>Nil</b>	10.52
12	Corporate Guarantee release	<b>425.00</b>	1,600.00
	Nuvoco Vistas Corporation Limited	<b>Nil</b>	1,600.00
	Niyogi Enterprise Private Limited	<b>425.00</b>	Nil

# Nirma Limited

## Notes to the standalone financial statements

₹ in crore

<b>E.</b>	<b>Entities over which Key Management Personnel / relatives of Key Management Personnel exercise control</b>	<b>2021-2022</b>	<b>2020-2021</b>
13	Corporate Guarantee given Niyogi Enterprise Private Limited	<b>Nil</b> <b>Nil</b>	425.00 425.00
14	Corporate Guarantee given and released in the form of Put option Nuvoco Vistas Corporation Limited (Guarantee Expired on 19 <sup>th</sup> October, 2020)	<b>Nil</b> <b>Nil</b>	170.00 170.00
15	Guarantee Commission Income Niyogi Enterprise Private Limited	<b>0.45</b> <b>0.45</b>	0.80 0.80
16	Sale of Property, Plant and Equipment Niyogi Enterprise Private Limited	<b>Nil</b> <b>Nil</b>	83.26 83.26
17	Gratuity Fund received Aculife Healthcare Private Limited	<b>Nil</b> <b>Nil</b>	0.01 0.01
		<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
18	Net closing balance – debit	<b>0.10</b>	2.53
19	Net closing balance – credit	<b>22.62</b>	4.42

## Notes to the standalone financial statements

₹ in crore

F.	Entities over which Key Management Personnel / relatives of Key Management Personnel have significant influence	2021-2022	2020-2021
1	Sale of finished goods	0.01	0.02
	Nirma University	0.01	0.02
2	Sale of materials/services	0.11	0.05
	Shree Rama Multitech Limited	0.11	0.05
3	Purchase of materials/services	0.04	Nil
	Shree Rama Multitech Limited	0.04	Nil
	Nirma University	(₹ 40,000/-)	Nil
4	Lease / Rent expense	0.40	0.54
	Manjar Discretionary Trust	0.28	0.30
	S K Patel Family Trust	Nil	0.07
	Sarvamangal Trust	Nil	0.05
	Vimlaben Trust	0.09	0.09
5	Corporate social responsibility expense	24.90	23.34
	Nirma University	Nil	1.50
	Nirma Education and Research Foundation	24.90	21.84
6	Job work charges	Nil	1.15
	Nisarg Enterprise Private Limited	Nil	1.15
7	Gratuity Fund received	Nil	0.40
	Sureel Enterprise Private Limited	Nil	0.40
8	Gratuity Fund returned	0.40	Nil
	Sureel Enterprise Private Limited	0.40	Nil
9	Staff Welfare Expense	0.62	0.76
	Saukem Medical Centre	0.07	0.10
	Birlasagar Higher Secondary School	0.55	0.66
10	Sale of store item	0.02	Nil
	Birlasagar Higher Secondary School	0.02	Nil
		<b>As at</b>	<b>As at</b>
		<b>31.03.2022</b>	<b>31.03.2021</b>
11	Net closing balance – debit	0.01	0.07
12	Net closing balance – credit	0.76	0.78

### III. Terms and conditions

- A. The loans from key management personnel are long term in nature and interest is payable at the rate of 8% per annum. Goods were sold to related parties during the year based on the price lists in force and terms that would be available to third parties. All other transactions were made on normal commercial terms and conditions at market rates. All outstanding balances are unsecured and are repayable in cash.
- B. Disclosure is made in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year.

## Notes to the standalone financial statements

## Note 50 : Financial instruments – Fair values and risk management

## I. Accounting classification and fair values

₹ in crore

Particulars	As at 31.03.2022							
	Carrying amount			Fair value				
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 Quoted price in active markets	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
<b>Financial assets measured at each reporting date</b>								
<b>Investments</b>								
Listed equity instruments	Nil	32.06	Nil	32.06	32.06	Nil	Nil	32.06
Unquoted equity instruments	Nil	1.30	Nil	1.30	Nil	Nil	1.30	1.30
Other current financial assets-Investments	174.23	Nil	Nil	174.23	Nil	174.23	Nil	174.23
Unquoted financial investments	3,640.00	Nil	Nil	3,640.00	Nil	Nil	3,640.00	3,640.00
<b>Financial assets measured at amortised cost</b>								
Trade Receivable	Nil	Nil	573.63	573.63	Nil	Nil	Nil	Nil
Loans (current)	Nil	Nil	64.90	64.90	Nil	Nil	Nil	Nil
Other non current financial assets	Nil	Nil	2.73	2.73	Nil	Nil	Nil	Nil
Other current financial assets	Nil	Nil	10.80	10.80	Nil	Nil	Nil	Nil
Cash and cash equivalents	Nil	Nil	359.91	359.91	Nil	Nil	Nil	Nil
Other bank balances	Nil	Nil	0.14	0.14	Nil	Nil	Nil	Nil
<b>Total Financial Assets</b>	<b>3,814.23</b>	<b>33.36</b>	<b>1,012.11</b>	<b>4,859.70</b>	<b>32.06</b>	<b>174.23</b>	<b>3,641.30</b>	<b>3,847.59</b>
<b>Financial liabilities measured at amortised cost</b>								
Non current borrowings	Nil	Nil	879.49	879.49	Nil	Nil	Nil	Nil
Current borrowings	Nil	Nil	1,661.24	1,661.24	Nil	Nil	Nil	Nil
Non current financial liabilities - Others	Nil	Nil	81.81	81.81	Nil	Nil	Nil	Nil
Lease Liability	Nil	Nil	1.75	1.75	Nil	Nil	Nil	Nil
Trade payables	Nil	Nil	473.46	473.46	Nil	Nil	Nil	Nil
Other financial liabilities	Nil	Nil	84.09	84.09	Nil	Nil	Nil	Nil
Lease Liability-Current	Nil	Nil	0.72	0.72	Nil	Nil	Nil	Nil
<b>Total Financial Liabilities</b>	<b>Nil</b>	<b>Nil</b>	<b>3,182.56</b>	<b>3,182.56</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**Notes to the standalone financial statements**

₹ in crore

Particulars	As at 31.03.2021							
	Carrying amount		Fair value					
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 Quoted price in active markets	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
<b>Financial assets measured at each reporting date</b>								
<b>Investments</b>								
Listed equity instruments	Nil	18.56	Nil	18.56	18.56	Nil	Nil	18.56
Unquoted equity instruments	Nil	1.14	Nil	1.14	Nil	Nil	1.14	1.14
Other current financial assets-Investments	108.29	Nil	Nil	108.29	Nil	108.29	Nil	108.29
Unquoted financial investments	5,440.00	Nil	Nil	5,440.00	Nil	Nil	5,440.00	5,440.00
<b>Financial assets measured at amortised cost</b>								
Unquoted government securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Loans (non-current)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Trade Receivable	Nil	Nil	352.09	352.09	Nil	Nil	Nil	Nil
Loans (current)	Nil	Nil	15.05	15.05	Nil	Nil	Nil	Nil
Other non current financial assets	Nil	Nil	2.97	2.97	Nil	Nil	Nil	Nil
Other current financial assets	Nil	Nil	7.16	7.16	Nil	Nil	Nil	Nil
Cash and cash equivalents	Nil	Nil	141.59	141.59	Nil	Nil	Nil	Nil
Other bank balances	Nil	Nil	3.30	3.30	Nil	Nil	Nil	Nil
<b>Total Financial Assets</b>	5,548.29	19.70	522.16	6,090.15	18.56	108.29	5,441.14	5,567.99
<b>Financial liabilities measured at amortised cost</b>								
Non current borrowings	Nil	Nil	3,446.82	3,446.82	Nil	Nil	Nil	Nil
Current borrowings	Nil	Nil	1,131.72	1,131.72	Nil	Nil	Nil	Nil
Non current financial liabilities - Others	Nil	Nil	76.61	76.61	Nil	Nil	Nil	Nil
Lease Liability	Nil	Nil	2.20	2.20	Nil	Nil	Nil	Nil
Trade payables	Nil	Nil	299.46	299.46	Nil	Nil	Nil	Nil
Other financial liabilities	Nil	Nil	136.92	136.92	Nil	Nil	Nil	Nil
Lease Liability-Current	Nil	Nil	0.85	0.85	Nil	Nil	Nil	Nil
<b>Total Financial Liabilities</b>	Nil	Nil	5,094.58	5,094.58	Nil	Nil	Nil	Nil

# Nirma Limited

## Notes to the standalone financial statements

### II. Fair value of financial assets and liabilities measure at amortised cost

₹ in crore

Particulars	31.03.2022		31.03.2021	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
<b>Investments</b>				
Loans (non-current)	Nil	Nil	Nil	Nil
Other non current financial assets	2.73	2.73	2.97	2.97
<b>Total financial assets</b>	<b>2.73</b>	<b>2.73</b>	2.97	2.97
<b>Financial liabilities</b>				
Non current borrowings	879.49	879.49	3,446.82	3,446.82
Non current financial liabilities- Others	81.81	81.81	76.61	76.61
Lease Liability	1.75	1.75	2.20	2.20
<b>Total financial liabilities</b>	<b>963.05</b>	<b>963.05</b>	3,525.63	3,525.63

Notes:

The following methods and assumptions were used to estimate the fair values:

- The carrying amounts of trade receivables, trade payables, cash and cash equivalents, other bank balance, other current financial liability, loans and other current assets are considered to be the same as their fair values, due to their short-term nature.
- The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy due to the use of significant observable inputs, including own credit risk.
- The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

### III. Measurement of fair values

#### A. Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

#### Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
FVTOCI in unquoted equity shares	<b>Market comparison technique:</b> The valuation model is based on two approaches : <b>1. Asset approach</b> - seek to determine the business value based on the value of its assets. The aim is to determine the business value based on the fair market value of its assets less its liabilities. The asset approach is based on the economic principle of substitution which adopts the approach of cost to create another business similar to one under consideration that will produce the same economic benefits for its owners.	Comparable unobservable entity has been taken as a base for the valuation of unquoted equity shares	The estimated fair value will increase (decrease) if there is a change in pricing multiple owing to change in earnings of the entity.
	<b>2. Market approach</b> - relies on signs from the real market place to determine what a business is worth. The market approach based on valuation methods establish the business value in comparison to similar businesses. The methods rely on the pricing multiples which determine a relationship between the business economic performance, such as its revenues or profits, and its potential selling price.		
FVTPL in unquoted financial instrument	<b>Unquoted preference shares:</b> The investment measured at fair value and falling under fair value hierarchy Level 3 are valued on the basis of valuation reports provided by external valuers.	NA	NA

## Notes to the standalone financial statements

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
	<b>Unquoted mutual fund:</b> The fair value of investments in mutual funds units and falling under fair value hierarchy Level 2 is based on the net asset value ("NAV") as stated by the issuers of these mutual fund units in the published statement as at balance sheet date. NAV represents the price at which the issuer will issue further units of the mutual funds and the price at which issuers will redeem such units from the investors.	NA	NA

### B. Transfers between Level 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting periods.

### C. Level 3 fair values

#### 1. Movement in the values of unquoted equity/preference instruments for the period ended 31<sup>st</sup> March, 2022 is as below:

₹ in crore

Particulars	Equity / preference Instruments
<b>As at 01.04.2020</b>	4,240.40
Acquisitions/ (disposals)	1,200.00
Gains/ (losses) recognised in other comprehensive income	0.74
<b>As at 01.04.2021</b>	<b>5,441.14</b>
Acquisitions/ (disposals)	<b>(1,800.00)</b>
Gains/ (losses) recognised in other comprehensive income	<b>0.16</b>
<b>As at 31.03.2022</b>	<b>3,641.30</b>

#### 2. Sensitivity analysis

For the fair values of unquoted investments, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, will have the following effects.

₹ in crore

Significant observable inputs	31.03.2022		31.03.2021	
	OCI and profit & loss		OCI and profit & loss	
	Increase	Decrease	Increase	Decrease
<b>Unquoted equity/preference instruments measured through OCI and Profit &amp; loss</b>				
5% movement	182.07	182.07	272.06	272.06

### Note 51 : Financial risk management

The company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk ; and
- Market risk

#### I. Risk management framework

The company's board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. The company manages market risk through a finance

# Nirma Limited

## Notes to the standalone financial statements

department, which evaluates and exercises independent control over the entire process of market risk management. The finance department recommends risk management objectives and policies, which are approved by Board of Directors. The activities of this department include management of cash resources, borrowing strategies and ensuring compliance with market risk limits and policies.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

### II. Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure.

#### A. Trade receivables

Trade receivables of the company are typically unsecured. Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which company grants credit terms in the normal course of business. The company performs on-going credit evaluations of its customers' financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. The company has no concentration of credit risk as the customer base is geographically distributed in India.

At March 31, 2022, the maximum exposure to credit risk for trade receivables by geographic region is as follows:

Particulars	Carrying amount	
	31.03.2022	31.03.2021
Domestic	515.93	320.25
Other regions	57.70	31.84
<b>Total</b>	<b>573.63</b>	<b>352.09</b>

₹ in crore

## Notes to the standalone financial statements

### A.1. Impairment

At March 31, 2022, the ageing of trade and other receivables is as follows:

₹ in crore

Particulars	Carrying amount					
	31.03.2022			31.03.2021		
	Gross	Provision	Net	Gross	Provision	Net
Upto 30 days	569.74	Nil	569.74	346.22	Nil	346.22
Between 31–90 days	3.24	Nil	3.24	0.66	Nil	0.66
More than 90 days	1.19	0.54	0.65	9.84	4.63	5.21
<b>Total</b>	<b>574.17</b>	<b>0.54</b>	<b>573.63</b>	<b>356.72</b>	<b>4.63</b>	<b>352.09</b>
<b>% of expected credit losses (More than 90 days)</b>		<b>0.09%</b>			<b>1.30%</b>	

The above receivables which are past due but not impaired are assessed on individual case to case basis and relate to a number of independent third party customers from whom there is no recent history of default. These financial assets were not impaired as there had not been a significant change in credit quality and the amounts were still considered recoverable based on the nature of the activity of the customer portfolio to which they belong and the type of customers. There are no other classes of financial assets that are past due but not impaired except for trade receivables as at 31.03.2022 and 31.03.2021.

### A.2. Movement in provision of doubtful debts

₹ in crore

Particulars	31.03.2022	31.03.2021
Opening provision	4.63	0.73
Additional provision made	0.34	3.90
Provision reversed	4.43	Nil
<b>Closing provisions</b>	<b>0.54</b>	<b>4.63</b>

### A.3. Movement in provision of doubtful loans & advances and Inter Corporate Deposits

₹ in crore

Particulars	31.03.2022	31.03.2021
Opening provision	38.19	21.82
Additional provision made	Nil	16.37
<b>Closing provisions</b>	<b>38.19</b>	<b>38.19</b>

## III. Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

### A. The company maintains the following lines of credit:

Credit facility of ₹ 406.06 cr (p.y. ₹ 187.87 cr) that is secured through book debts and stock. Interest is payable at the rate of varying from 5% to 10% p.a.(p.y. 6 to 10% p.a)

# Nirma Limited

## Notes to the standalone financial statements

- B. The company have access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	₹ in crore	
	As At 31.03.2022	As At 31.03.2021
<b>Fund Base</b>		
Expiring within one year (bank overdraft and other facilities)	1,093.94	1,312.13
<b>Non Fund Base</b>		
Expiring within one year (bank overdraft and other facilities)	162.32	208.06

C. Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreements.

Particulars	₹ in crore					
	As at 31.03.2022					
	Contractual cash flows					
	Carrying amount	Less than 12 months	1-2 years	3-5 years	More than 5 years	Total
<b>Financial liabilities</b>						
Non current borrowings	879.49	0.80	623.98	266.78	Nil	891.56
Non current financial liabilities	81.81	Nil	Nil	Nil	81.81	81.81
Lease Liability	1.75	Nil	0.52	0.67	0.56	1.75
Current borrowings	1,661.24	1,713.17	Nil	Nil	Nil	1,713.17
Trade and other payables	473.46	473.46	Nil	Nil	Nil	473.46
Lease Liability-Current	0.72	0.72	Nil	Nil	Nil	0.72
Other current financial liabilities	84.09	84.09	Nil	Nil	Nil	84.09

Particulars	₹ in crore					
	As at 31.03.2021					
	Contractual cash flows					
	Carrying amount	Less than 12 months	1-2 years	3-5 years	More than 5 years	Total
<b>Financial liabilities</b>						
Non current borrowings	3,446.82	110.33	1,782.79	2,034.83	Nil	3,927.95
Non current financial liabilities	76.61	Nil	Nil	Nil	76.61	76.61
Lease Liability	2.20	Nil	0.72	0.98	0.50	2.20
Current borrowings	1,131.72	1,339.85	Nil	Nil	Nil	1,339.85
Trade and other payables	299.46	299.46	Nil	Nil	Nil	299.46
Lease Liability-Current	0.85	0.85	Nil	Nil	Nil	0.85
Other current financial liabilities	136.92	136.92	Nil	Nil	Nil	136.92

## Notes to the standalone financial statements

### IV. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables, payables and long term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of investments. Thus, exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in foreign currency revenues and costs.

#### A. Currency risk

The functional currency of the company is Indian Rupee. The company is exposed to currency risk on account of payables and receivables in foreign currency. Since the average exports account only for 6.87% (p.y. 3.38%) of total sales, this is not perceived to be a major risk. The average imports account for 22.62% (p.y. 20.29%) of total purchases. The company has formulated policy to meet the currency risk. Company does not use derivative financial instruments for trading or speculative purposes.

#### A.1. Foreign Currency Exposure

Particulars	Currency	₹/FC in crore	
		31.03.2022	31.03.2021
a) Against export	USD	0.76	0.44
	INR	57.70	31.84
b) Against import (including capital import)	USD	2.93	0.82
	INR	222.68	60.18
	EURO	(€ 11,985/-)	(€ 2,257/-)
	INR	0.10	0.02
c) Against reimbursement of expense	USD	(\$ 855/-)	Nil
	INR	0.01	Nil
	EURO	(€ 547/-)	(€ 24,810/-)
	INR	Nil	0.22
<b>Net statement of financial exposure</b>	USD	(2.17)	(0.38)
	INR	(164.98)	(28.12)
	EURO	(€ 12,532/-)	(€ 27,067/-)
	INR	(0.11)	(0.24)

#### A.2. Sensitivity

Profit or loss is sensitive to higher / lower changes in fluctuation currency rate:

As on 31.03.2022	₹ in crore	
	Increase	Decrease
Currency rates (5% increase/ decrease)		
USD	8.25	8.25
EURO	0.01	0.01

# Nirma Limited

## Notes to the standalone financial statements

₹ in crore

As on 31.03.2021 Particulars	Impact on profit before tax	
	Increase	Decrease
Currency rates (5% increase/ decrease)		
USD	1.41	1.41
EURO	0.01	0.01

### B. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. The company adopts a policy to ensure that maximum interest rate exposure is at a fixed rate. This is achieved by entering into fixed-rate instruments.

#### B.1. Exposure to interest rate risk

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

₹ in crore

Particulars	31.03.2022	31.03.2021
<b>Fixed-rate instruments</b>		
Financial assets	3,710.99	5,461.44
Financial liabilities	1,302.31	1,625.38
<b>Total</b>	<b>5,013.30</b>	<b>7,086.82</b>
<b>Variable-rate instruments</b>		
Financial liabilities	1,238.42	3,029.79
<b>Total</b>	<b>1,238.42</b>	<b>3,029.79</b>

As at the end of the reporting period, the company had the following variable rate borrowings outstanding:

As on 31.03.2022	
Weighted average interest rate	7.53%
Balance	1,238.42
% of total loans	48.74%
As on 31.03.2021	
Weighted average interest rate	7.43%
Balance	3,029.79
% of total loans	65.08%

## Notes to the standalone financial statements

### B.2. Sensitivity

Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of changes in interest rates:

₹ in crore

As on 31.03.2022	Impact on profit before tax	
	Decrease	Increase
Particulars		
Interest rates (0.50% increase/ decrease)	6.19	6.19

₹ in crore

As on 31.03.2021	Impact on profit before tax	
	Decrease	Increase
Particulars		
Interest rates (0.50% increase/ decrease)	15.15	15.15

### B.3. Fair value sensitivity analysis for fixed-rate instruments

The company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not have any designated derivatives (interest rate swaps). Therefore, a change in interest rates at the reporting date would not affect profit or loss.

### C. Price risk

The company is exposed to price risk, which arises from investments in FVOCI equity securities and mutual funds designated as FVTPL instruments. The management monitors the proportion of equity securities in its investment portfolio based on market price of equity securities. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are duly approved. The primary goal is to maximise investment returns.

#### C.1. Sensitivity

The table below summarizes the impact on account of changes in prices of FVOCI securities. The analysis below is based on the assumptions that the price has increased/decreased by 5% in case of quoted equity instruments with all the other variables held constant.

₹ in crore

As on 31.03.2022	Impact on profit before tax		Impact on other components of equity	
	Increase	Decrease	Increase	Decrease
Particulars				
Quoted Equity instruments (5% increase/ decrease)	Nil	Nil	1.60	1.60
Unquoted Mutual Fund instruments (1% increase/ decrease)	1.74	1.74	Nil	Nil

₹ in crore

As on 31.03.2021	Impact on profit before tax		Impact on other components of equity	
	Increase	Decrease	Increase	Decrease
Particulars				
Quoted Equity instruments (5% increase/ decrease)	Nil	Nil	0.93	0.93
Unquoted Mutual Fund instruments (1% increase/ decrease)	1.08	1.08	Nil	Nil

### Note 52 : Capital management

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

# Nirma Limited

## Notes to the standalone financial statements

The company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents.

The company's adjusted net debt to equity ratio at March 31, 2022 was as follows:

₹ in crore

Particulars	As at	
	31.03.2022	31.03.2021
Total liabilities	4,442.84	6,109.65
Less : Cash and bank balances	360.05	144.89
<b>Adjusted net debt</b>	<b>4,082.79</b>	5,964.76
Total equity	6,307.26	5,818.09
Adjusted net debt to adjusted equity ratio	0.65	1.03

### Note 53 : Earnings per share

(Number of Shares)

Particulars	31.03.2022	31.03.2021
Issued equity shares	14,60,75,130	14,60,75,130
<b>Weighted average shares outstanding - Basic and Diluted - A</b>	<b>14,60,75,130</b>	14,60,75,130

Net profit available to equity holders of the Company used in the basic and diluted earnings per share was determine as follows:

₹ in crore

Particulars	31.03.2022	31.03.2021
Profit and loss after tax from continuing operations -B	480.49	532.35
Basic & Diluted Earnings per share of continuing & discontinuing operations [B/A] [₹]	32.89	36.44

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity.

### Note 54

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 had filed appeals before the Division Bench of Hon'ble High Court of Gujarat. Matter was settled with one of party and they withdrew the case. Appeal filed by other two parties is continuing. The Scheme is subject to the outcome of the said appeal. The demerged undertaking i.e. healthcare division has been transferred to Aculife Healthcare Private Ltd. from 01.10.2014.

### Note 55

The Ministry of Environmental & Forests, the Government of India cancelled the Environment Clearance granted to the cement project at Mahuva, Gujarat, pursuant to which, the company has filed an appeal before the National Green Tribunal (NGT). The company's appeal was allowed by NGT. Against this order of NGT, appeal was preferred before Hon'ble Supreme Court which is pending.

### Note 56 : Due to Micro, Small and Medium enterprises:

Under the Micro Small and Medium Enterprises Development Act, 2006, (MSMED) which came in to force from 02.10.2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises.

## Notes to the standalone financial statements

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 are disclosed as below:

₹ in crore

Particulars	31.03.2022	31.03.2021
Principal amount remaining unpaid to any supplier as at the year end.	11.84	1.94
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 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 year) but without adding the interest specified under the MSMED.	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of accounting year.	Nil	Nil

The information on Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding as at the Balance Sheet date, has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date. These facts have been relied upon by the auditors.

### Note 57 : Other disclosures

₹ in crore

Particulars	31.03.2022	31.03.2021
<b>I. Payment to Auditors</b>		
<b>A. Statutory Auditors</b>		
(1) For Statutory Audit	0.50	0.50
(2) For Limited Review	0.25	0.25
<b>Total</b>	<b>0.75</b>	<b>0.75</b>
<b>B. Cost Auditors</b>		
Audit Fee	0.04	0.03
<b>Total</b>	<b>0.04</b>	<b>0.03</b>

# Nirma Limited

## Notes to the standalone financial statements

### Note 58 : Expenditure on Corporate Social Responsibility activities

₹ in crore

	Particulars	As on 31.03.22	As on 31.03.21
I.	Amount required to be spent by Company during the year	15.23	14.62
II.	Amount of expenditure incurred		
	A. Construction of an asset	25.36	25.49
	B. On purpose other than (A) above	2.51	5.47
	Total expenditure incurred	27.87	30.96
III.	Shortfall at the end of the year	Nil	Nil
IV.	Total of previous year shortfall	Nil	Nil
V.	Reason for shortfall	N.A.	N.A.
VI.	Nature of CSR Activities	Rural Development, Healthcare Purpose, Promoting Education, Protection of Flora, Fauna, Animals & other natural resources, Contribution for Research & Dev.in the field of Science and Covid-19 reliefs	
VII.	Details of related party transactions- contribution to Trust, where Key Management Personnel/Relatives of Key Management Personnel have significant influence, in relation to CSR expenditure as per relevant Accounting Standard* (Refer Note No 49.)	24.90	21.84

VIII. Out of the total CSR spent, ₹ 14.42 Cr has been transferred to prepaid expenses (₹ 14.19 Cr for construction purpose and ₹ 0.23 Cr for other purpose)(p.y ₹ 14.39 Cr for construction purpose and ₹ 1.96 Cr for other purpose)

IX. The Company does not carry any provisions for Corporate social responsibility expenses for current year and previous year.

\*Represents contribution to Nirma Education & Research Foundation for building of Girls' hostel at the campus.

### Note 59

#### Disclosures pursuant to Regulation 53 (f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

₹ in crore

Particulars	31.03.2022	31.03.2021
<b>Nuvoco Vistas Corporation Ltd.</b>		
<b>Loan</b>		
Balance as at the year end	Nil	Nil
Maximum amount outstanding at any time during the year	Nil	821.31

Loan given to Nuvoco Vistas Corporation Ltd. Previously was short term in nature. It carries an average interest rate of 8% p.a. in previous year. Nuvoco Vistas Corporation Limited was subsidiary till 29.04.2019.

### Note 60

The COVID -19 pandemic had rapidly spreading throughout the world. The Company's plants and offices were under nation wide lockdown during Q1 of 2020-21. The company has taken into account potential impacts of Covid-19, in preparation of standalone audited financial statements. Based on the information

## Notes to the standalone financial statements

currently available, there is no material impact on carrying amounts of inventories, intangible assets, trade receivables, investments and other financial assets though management continues to monitor changes in future economic conditions. The impact of Covid-19 on the standalone audited financial statements may differ from that estimated as at the date of approval of these standalone financial statements.

### Note 61

The financial statements are approved for issue by the Audit Committee at its meeting and by the Board of Directors on May 30, 2022.

### Note 62 : Relationship with struck off Companies.

₹ in crore

Category	Name of struck off Company	Nature of transactions with struck off Company	Balance as at	
			31.03.2022	31.03.2021
Debtor	LAXMI AGRO INDUSTRIAL CONSULTANTS AND EXPORTERS PVT LTD	Receivable	Nil	0.12
Debtor	AQUATECH SYSTEMS (ASIA)PRIVATE LIMITED	Receivable	₹ 1,560/-	₹ 3,000/-
Creditor	KELD ELLENTOFT INDIA PVT LTD	Payable	Nil	(0.04)
Creditor	ADVANCE VALVES PRIVATE LIMITED	Payable	(0.04)	Nil
Creditor	ULTRA PURE GASES KOLKATA PRIVATE LIMITED	Payable	(₹ 37,283/-)	(₹ 15,298/-)
Creditor	AQUATECH SYSTEMS (ASIA)PRIVATE LIMITED	Payable	(0.02)	(0.26)
Creditor	DANFOSS INDUSTRIES PRIVATE LIMITED	Payable	Nil	(0.03)
Creditor	PROGRESSIVE MOTORS PRIVATE LIMITED	Payable	(0.01)	(0.01)
Creditor	AERAVAT INFRABUILD PRIVATE LIMITED	Payable	Nil	(0.04)

### Note 63 - Registration of charges or satisfaction with Registrar of Companies (ROC):

The Company does not have any charge or satisfaction which is yet to be registered with ROC beyond the statutory period.

### Note 64 - Details of Benami Property held:

The Company does not have any benami property where any proceeding has been initiated or pending against the company for holding any benami property.

### Note 65 - Compliance with number of layers of companies :

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

### Note 66 - Utilisation of Borrowed funds

- (i) The Company has not given any advance or loan or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

# Nirma Limited

## Notes to the standalone financial statements

(ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

### Note 67 - Quarterly returns and Wilful defaulter:

- (i) Quarterly returns or statements of current assets filed by the Company with bank or financial institutions are in agreement with the books of account.
- (ii) The Company has not been declared as a wilful defaulter by any banks or financial institutions.

### Note 68 - Undisclosed income :

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

### Note 69 - Details of Crypto Currency or Virtual Currency:

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

### Note 70 - Title deeds of Immovable Property not held in name of the Company:

All immovable property is of the company are in the name of the Company.

### Note 71 - Disclosure pursuant to Ind AS-1 "Presentation of Financial Statements" (specified under section 133 of the Companies Act 2013, read with rule 7 of Companies (Accounts) Rules,2015) are given below:

Following are the restatement made in the current year's financial statements pertaining to previous year:

₹ in crore

Particulars	As at 31 <sup>st</sup> March, 2021 (Published)	As at 31 <sup>st</sup> March, 2021 (Restated)
Note No. 23- Other Financial Liability-Non Current	78.81	76.61
Lease Liability-Non Current	Nil	2.20
Note No. 26- Borrowings-Current	436.09	1,131.72
Note No. 28- Other Financial Liability- Current	833.40	136.92
Lease Liability- Current	Nil	0.85

\*The above reclassifications in the prior year's published numbers have been made for better presentation in the financial statements and to conform to the current year's classification/disclosure. This does not have any impact on the profit and hence no change in the basic and diluted earnings per share of previous year.

## Notes to the standalone financial statements

### Note 72 : Key Financial ratio & Definitions

₹ in crore

Sr No.	Key Financial ratio & Definitions		31-03-2022	31-03-2021	Difference	%	Remarks
1	Current Ratio	Current Asset / Current Liabilities	1.54	1.10	0.44	40.05	Increase of inventories and trade receivable.
2	Debt/equity ratio	Total liabilities / Total shareholders' equity	0.37	0.80	(0.43)	(53.55)	Reduction of borrowing funds.
3	Debt Service Coverage Ratio	EBITDA/ (Interest+ Principal)	1.03	1.41	(0.38)	(26.95)	Increase in Principal payment of Current maturity of Long term debt.
4	ROE (Return on Equity)	Net Income/ Shareholder's Equity	7.62	9.15	(1.53)	(16.74)	
5	Inventory turnover	Sales of product and services / Average inventory (Annualised)	5.28	4.83	0.44	9.20	
6	Trade Receivables turnover	Net credit sales / Average Accounts Receivable	25.93	29.35	(3.42)	(11.66)	
7	Trade payables turnover	Net AP / Average AP	32.19	41.14	(8.95)	(21.74)	
8	Net capital turnover	Net Annual Sales/ Average Working capital	1.03	0.87	0.17	19.37	
9	Net Profit	Net Profit / Revenue x 100	7.37	10.59	(3.22)	(30.38)	Increase in cost of production, depreciation and other expenses.
10	Return on Capital employed	Earning before Interest and Tax/Capital Employed	12.62	11.26	1.37	12.15	
11	Return on investment	Net return on investment/ Cost of Investment *100	6.24	5.51	0.73	13.25	

### Note 73

Figures have been presented in 'crore' of rupees with two decimals. Figures less than ₹ 50,000 have been shown at actual in brackets. Previous year's figures have been regrouped/restated wherever necessary.

As per our report of even date

For and on behalf of the Board

**For Rajendra D. Shah & Co**  
Chartered Accountants  
Firm Registration No 108363W

**HIREN K. PATEL**  
Managing Director  
(DIN: 00145149)

**Dr. K. K. PATEL**  
Chairman  
(DIN: 00404099)

**RAJENDRA D. SHAH**  
Proprietor  
Membership No 4844

**PARESH SHETH**  
Company Secretary

**MANAN SHAH**  
Chief Financial Officer

Place : Ahmedabad  
Date : May 30, 2022

Place : Ahmedabad  
Date : May 30, 2022

## AOC I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Salient features of Financial Statements of Subsidiaries / Associates / Joint Venture as per the Companies Act, 2013**

**A. Subsidiaries**

Sr. No.	Name of the Subsidiary	The date since when Subsidiary was acquired	Reporting period	Reporting currency	Share capital (Refer note 2 below)	Reserves & surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit / (loss) after Taxation	Proposed dividend	% of holding
1	Kamavati Holdings Inc., USA	20.11.2007	31.03.2022	USD	0.08	2,357.20	2,358.93	1.66	1,512.10	NIL	2.62	(0.69)	1.94	NIL	100
2	Searles Valley Minerals Inc (Refer note 1 below)	27.12.2007	31.03.2022	USD	1,512.10	(20.05)	3,516.33	2,024.28	NIL	2,458.27	(195.51)	67.46	(128.06)	NIL	100
3	Trona Railway Company LLC	27.12.2007	31.03.2022	USD	223.09	385.32	799.02	190.61	NIL	79.76	28.57	NIL	28.57	NIL	100
4	Searles Domestic Water Company LLC	24.06.2008	31.03.2022	USD	2.82	5.31	10.97	2.83	NIL	4.68	0.84	NIL	0.84	NIL	100
5	Searles Valley Minerals Europe	04.11.2008	31.03.2022	USD	5.64	(1.75)	3.88	NIL	NIL	NIL	0.09	NIL	0.09	NIL	100

Notes :

- 1 Includes its subsidiaries - Searles Valley Minerals Europe, Searles Domestic Water Company LLC, Trona Railway Company LLC
- 2 Including additional paid in capital.
- 3 Exchange rate as of 31.03.2022 in case of foreign subsidiaries is @ ₹ 75.79 for one USD.

**B. Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

(₹ in crore)

Sr. No.	Name of Associates / Joint Ventures	The date on which the Associate / Joint Venture was associated or acquired	Latest audited Balance Sheet Date	Shares of Associates / Joint Venture held by the company on the year end			Description of how there is significant influence	Reason why the associate / joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit/(Loss) for the year	
				No.	Amount of investment in Associates	Extend of Holding %				Considered in Consolidation	Not Considered in Consolidation
1	FRM Trona Fuels LLC (Refer note 1 below)	26.10.2011	31.12.2021 (Refer note 2 below)	N.A.	N.A.	N.A.	Refer Note 3 below	N.A.	(2.95)**	(5.56)	

**Notes :**

- 1 Associate of Kamavati Holdings Inc., upto 31.12.2021, has been dislolved on 01.02.2022
- 2 Unaudited
- 3 There is a significant influence due to percentage (%) of Shareholding.
- 4 Loss of the associate on dissolution is considered upto the total Investment Value

For and on behalf of the board

**HIREN K. PATEL**  
Managing Director  
(DIN: 00145149)

**Dr. K.K. PATEL**  
Chairman  
(DIN: 00404099)

Place: Ahmedabad  
Date: May 30, 2022

**PARESH SHETH**  
Company Secretary

**MANAN SHAH**  
Chief Financial Officer



*In accordance with section 136 of the Companies Act, 2013, the Annual Accounts of each of the subsidiaries shall be made available to the shareholders of the Company seeking such information at any point in time. Further, the Audited Financial Statement, including the Consolidated Financial Statement and related information of the Company and accounts of each of its subsidiaries, are available on the website of the Company. These documents will also be available for inspection at our registered office during business hours (11.00 a.m. to 5.00 p.m.) on working days, except Saturday up to and including the date of Annual General Meeting of the Company.*

# Nirma Limited - Consolidated

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of Nirma Limited  
Ahmedabad

### Report on the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Nirma Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate, which comprise the consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 report of the other auditors on the separate financial statements of such subsidiaries and its associate as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates as at March 31, 2022, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matters

We draw attention to the following matter in the Note no 52 to the consolidated financial statements. The Composite Scheme of Compromise and Arrangement between Core Health Care Limited (CHL), the Demerged Company, its Lender and Shareholder and Nirma Limited, the Resulting Company and its Shareholders (the Scheme) under Sections 78, 100, 391 to 394 of Companies Act, 1956 has been sanctioned by the Hon'ble High Court of Gujarat vide an order dated 1<sup>st</sup> March, 2007. The scheme has become effective from 7<sup>th</sup> March 2007. Three parties approached Hon'ble High Court of Gujarat. Matter was settled with one of the party and they have withdrew the case. Appeal Filled by other two parties is continuing. The Scheme is subject to the outcome of the said appeal. The demerged undertaking i.e healthcare division has been transferred to Aculife Healthcare Pvt Limited from 01.10.2014. Our opinion is not modified in respect of these matters.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<b>Revenue recognition</b>	
Revenue is measured net of discounts, rebates	• Assessed the group's revenue recognition policy

<p>and incentives earned by customers on the group's sales.</p> <p>Due to the group's presence across different marketing regions and the competitive business environment, the estimation of the various types of discounts, rebates and incentives to be recognised based on sales made during the year is material and considered to be judgemental.</p> <p>Revenue from contract with customers is recognised when control of the goods or services are transferred to the customers at an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods or services. The group has generally concluded that as principal, it typically controls the goods or services before transferring them to the customer.</p> <p>Revenue is also an important element of how the group measures its performance. The group focuses on revenue as a key performance measures which could create an incentive for revenue to be recognised before the risk and rewards have been transferred.</p> <p>Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 "Revenue from contract with customer", it was determined to be Key Audit matter in our audit of the Consolidated financial statement.</p>	<p>prepared as per Ind AS 115 'Revenue from contracts with customers'.</p> <ul style="list-style-type: none"> <li>• Assessed design and tested the operating effectiveness of internal controls related to revenue recognition, discounts and rebates.</li> <li>• Performing substantive testing (including year end cut-off testing) by selecting samples of revenue transactions recorded during the year (and before and after the financial year end) by verifying the underlying documents, which include sales invoices/contracts and shipping documents.</li> <li>• Comparing the historical discounts, rebates and incentives to current payment trends. We also considered the historical accuracy of the group's estimates in previous year.</li> <li>• Assessing manual journals posted to revenue to identify unusual items.</li> <li>• Obtained confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the financial statement; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.</li> </ul>
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**Information other than the Consolidated Financial Statements and Auditors' Report thereon.**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the work done/audit reports of other auditors, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards(Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the each company and for preventing and detecting frauds and other irregularities; the selection and application of

## **Nirma Limited - Consolidated**

appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the each company and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate is responsible for overseeing the financial reporting process of each company and of its associate.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the holding company have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's & respective Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further describe in the section titled "Other Matters" in the audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

We did not audit the financial statements / financial information of five subsidiaries, whose financial statements/ financial information reflect total assets of Rs. 3773.85 crore as at 31<sup>st</sup> March, 2022, total revenues of Rs. 2467.37 crore and net cash flows amounting to Rs. 16.73 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss and other comprehensive income of Rs. 2.95 crore for the year ended 31<sup>st</sup> March, 2022, as considered in the consolidated financial statements, in respect of one associate, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Holding company's Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

These subsidiaries and associate are located outside India whose financial statements/consolidated financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements/consolidated financial statements of such subsidiaries and associate located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and associate located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, are not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

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

- A) As required by Section 143(3) of the Act, based on our audit and the consideration of the reports of the other auditors' on separate/consolidated financial statements of such subsidiaries as were audited by other auditors, as noted in other matters paragraph, we report, to the extent applicable, that:
- I) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - II) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

## Nirma Limited - Consolidated

- III) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss( including other comprehensive income) , the consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- IV) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2014, as amended.
- V) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies, is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- VI) With respect to the adequacy of internal financial controls with reference to financial statements of the holding company and operating effectiveness of such controls, refer to our separate report in “Annexure A”.
- VII) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us based on the consideration of the reports of other auditors on separate financial statements of the subsidiaries as noted in the “other matters” paragraph:
- a) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates– Refer Note 43 to the consolidated financial statements.
- b) Provision has been made in the consolidated financial statements, as required under the applicable law or India Accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
- d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Holding Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material misstatement.
- e) No dividend declared or paid during the year by the Holding Company, hence Section 123 of the Act is not applicable.
- B) With respect to the matter to be included in the Auditors’ report under Section 197(16) of the Act:
- In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down

under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For Rajendra D. Shah & Co.  
Chartered Accountants  
Firm Registration No.108363W

Place: Ahmedabad  
Date: May 30, 2022

**(Rajendra D. Shah)**  
Proprietor  
Membership No. 4844  
UDIN: 22004844ALDGJJ6898

## **Nirma Limited - Consolidated**

**Annexure - A to the Independent Auditors' report on the consolidated financial statements of Nirma limited for the year ended on March 31, 2022**

**(Refer to paragraph A (VI) on other Legal and Regulatory Requirements of our report of even date.)**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

### **Opinion**

In conjunction with our audit of the consolidated financial statements of the Nirma limited (here in after referred to as "the Holding Company") as of and for the year ended 31<sup>st</sup> March 2022, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company, as of that date.

In our opinion, the Holding Company have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at 31<sup>st</sup> March 2022, based on the internal control with reference to Consolidated Financial Statements criteria established by such Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI (the "Guidance note").

### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control with reference to Consolidated Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to Consolidated Financial Statements.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately

and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Holding company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Rajendra D. Shah & Co.  
Chartered Accountants  
Firm Registration No.108363W

Place: Ahmedabad  
Date: May 30, 2022

**(Rajendra D. Shah)**  
Proprietor  
Membership No. 4844  
UDIN: 22004844ALDGJJ6898

# Nirma Limited - Consolidated

## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2022

₹ in crore

Particulars	Note No	As at 31.03.2022	As at 31.03.2021
<b>I ASSETS</b>			
<b>1 Non Current Assets</b>			
(a) Property, Plant and Equipment	2	4,658.68	5,068.79
(b) Right of use of Asset	2	505.00	323.06
(c) Capital work-in-progress	2	339.71	637.46
(d) Investment Property	3	10.30	10.30
(e) Goodwill	4	209.82	203.49
(f) Other Intangible assets	5	22.07	25.68
(g) Intangible assets under development	5	Nil	Nil
(h) Financial assets			
(i) Investment in associate	6	Nil	1.40
(ii) Investments	7	3,673.36	5,459.70
(iii) Other financial assets	8	2.73	2.97
(i) Other non current assets	9	11.83	1.41
<b>Total non current assets</b>		<b>9,433.50</b>	<b>11,734.26</b>
<b>2 Current Assets</b>			
(a) Inventories	10	1,916.67	1,472.37
(b) Financial assets			
(i) Investments	11	174.23	108.29
(ii) Trade receivables	12	961.77	822.12
(iii) Cash and cash equivalents	13	615.59	414.39
(iv) Bank balances other than (iii) above	14	482.49	471.00
(v) Loans	15	76.80	17.91
(vi) Other financial assets	16	12.55	8.71
(c) Other current assets	17	139.81	115.74
(d) Current tax Assets (Net)	18	176.68	167.76
<b>Total current assets</b>		<b>4,556.59</b>	<b>3,598.29</b>
<b>TOTAL ASSETS</b>		<b>13,990.09</b>	<b>15,332.55</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	19	73.04	73.04
(b) Other equity	20	8,038.07	7,610.65
<b>Total Equity</b>		<b>8,111.11</b>	<b>7,683.69</b>
<b>LIABILITIES</b>			
<b>1 Non Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	21	1,508.54	3,446.82
(ii) Other financial liabilities	22	81.81	76.61
(iii) Lease Liability		117.01	262.03
(b) Provisions	23	263.85	244.06
(c) Deferred tax liabilities (Net)	24	351.66	323.90
(d) Other non current liabilities	25	4.72	6.45
<b>Total non current liabilities</b>		<b>2,327.59</b>	<b>4,359.87</b>
<b>2 Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	26	1,661.24	1,782.24
(ii) Trade payables due to	27		
-Micro & Small Enterprise		11.84	1.94
-Other than Micro & Small Enterprise		753.07	557.70
(iii) Other financial liabilities	28	87.21	137.17
(iv) Lease Liability		176.27	68.60
(b) Other current liabilities	29	253.53	127.00
(c) Provisions	30	573.71	561.99
(d) Current tax liabilities (Net)	31	34.52	52.35
<b>Total current liabilities</b>		<b>3,551.39</b>	<b>3,288.99</b>
<b>Total liabilities</b>		<b>5,878.98</b>	<b>7,648.86</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13,990.09</b>	<b>15,332.55</b>
Significant Accounting Policies	1		
The accompanying Notes 2 to 72 are an integral part of the Consolidated Financial Statements.			

As per our report of even date

**For Rajendra D. Shah & Co**

Chartered Accountants

Firm Registration No 108363W

For and on behalf of the Board

**HIREN K. PATEL**  
Managing Director  
(DIN: 00145149)

**Dr. K. K. PATEL**  
Chairman  
(DIN: 00404099)

**RAJENDRA D. SHAH**  
Proprietor  
Membership No 4844

**PARESH SHETH**  
Company Secretary

**MANAN SHAH**  
Chief Financial Officer

Place : Ahmedabad  
Date : May 30, 2022

Place : Ahmedabad  
Date : May 30, 2022

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2022**

₹ in crore

Particulars	Note No	2021-2022	2020-2021
I Revenue from operations	32	8,963.25	7,432.26
II Other income	33	157.53	180.63
III <b>Total Income (I+II)</b>		<b>9,120.78</b>	<b>7,612.89</b>
IV <b>Expenses</b>			
(a) Cost of materials consumed	34	2,472.35	1,740.03
(b) Purchases of stock in trade		12.94	43.03
(c) Changes in inventories of finished goods, stock in trade and work-in-progress	35	(43.33)	19.36
(d) Employee benefits expenses	36	809.02	807.50
(e) Finance costs	37	319.08	362.44
(f) Depreciation and amortisation expenses	38	877.73	595.90
(g) Other expenses	39	4,169.49	3,331.07
<b>Total Expenses (IV)</b>		<b>8,617.28</b>	<b>6,899.33</b>
V <b>Profit before exceptional items and tax (III-IV)</b>		<b>503.50</b>	<b>713.56</b>
VI Exceptional items		Nil	Nil
VII <b>Profit before share in net profit/(Loss) of associate (V+VI)</b>		<b>503.50</b>	<b>713.56</b>
Add : Share in net (Loss) of associates		(2.95)	(2.35)
VIII <b>Profit before tax</b>		<b>500.55</b>	<b>711.21</b>
IX <b>Tax expense</b>	40		
(a) Current tax		117.73	106.48
(b) Tax expenses relating to earlier year		4.78	(2.16)
(c) MAT credit utilised		194.21	81.98
(d) MAT credit entitlement relating to earlier year		3.08	(3.86)
(e) Deferred tax (credit)/charge		(173.62)	37.91
<b>Total Tax Expense</b>		<b>146.18</b>	<b>220.35</b>
X <b>Profit for the year from continuing operations (VIII-IX)</b>		<b>354.37</b>	<b>490.86</b>
XI <b>Profit before tax from discontinued operations</b>		Nil	Nil
XII <b>Tax expense of discontinued operations</b>		Nil	Nil
XIII <b>Profit for the year from discontinued operations (XI-XII)</b>		Nil	Nil
XIV <b>Profit for the year (X+XIII)</b>		<b>354.37</b>	<b>490.86</b>
XV <b>Other comprehensive income</b>	41		
(a) Items that will not be reclassified to profit or loss		10.91	2.89
(b) Income tax relating to Items that will not be reclassified to profit or loss		(2.22)	(1.38)
(c) Items that will be reclassified to profit or loss		64.36	(55.51)
(d) Income tax relating to Items that will be reclassified to profit or loss		Nil	Nil
<b>Total Other comprehensive income</b>		<b>73.05</b>	<b>(54.00)</b>
XVI <b>Total comprehensive income for the year (XIV+XV)</b>		<b>427.42</b>	<b>436.87</b>
<b>Profit attributable to :</b>			
Owners		354.37	490.86
<b>Other comprehensive income attributable to :</b>			
Owners		73.05	(54.00)
<b>Total comprehensive income attributable to :</b>		<b>427.42</b>	<b>436.87</b>
Owners			
XVII <b>Earnings per equity share</b>	51		
(a) <b>Earnings per equity share (for continuing operations)</b>			
Basic (in ₹) & Diluted (in ₹)		24.26	33.60
(b) <b>Earnings per equity share (for discontinued operations)</b>			
Basic (in ₹) & Diluted (in ₹)		Nil	Nil
(c) <b>Earnings per equity share (for continuing and discontinued operations)</b>			
Basic (in ₹) & Diluted (in ₹)		24.26	33.60
Significant Accounting Policies	1		
The accompanying Notes 2 to 72 are an integral part of the Consolidated Financial Statements.			

As per our report of even date  
**For Rajendra D. Shah & Co**  
 Chartered Accountants  
 Firm Registration No 108363W

For and on behalf of the Board

**HIREN K. PATEL**  
 Managing Director  
 (DIN: 00145149)

**Dr. K. K. PATEL**  
 Chairman  
 (DIN: 00404099)

**RAJENDRA D. SHAH**  
 Proprietor  
 Membership No 4844  
 Place : Ahmedabad  
 Date : May 30, 2022

**PARESH SHETH**  
 Company Secretary  
 Place : Ahmedabad  
 Date : May 30, 2022

**MANAN SHAH**  
 Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

A. Equity share capital

Particulars	₹ in crore			
	As at 1 <sup>st</sup> April, 2020	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the year	Changes in equity share capital during the year
Equity shares of ₹ 5 each	73.04	Nil	73.04	Nil
				<b>As at 31<sup>st</sup> March, 2022</b>
				<b>73.04</b>

B. Other equity

Particulars	Reserves & Surplus					Items of Other comprehensive income			Total
	Security Premium	Capital Redemption Reserve	Debiture Redemption Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit plans	Equity instruments through other comprehensive income	Currency Fluctuation Reserve	
<b>Balance at April 1, 2020*</b>	29.81	42.35	78.17	1,990.77	4,430.53	(9.38)	38.96	572.57	7,173.78
Retained earning during the year	Nil	Nil	Nil	Nil	490.86	Nil	Nil	Nil	490.86
Other comprehensive income for the year	Nil	Nil	Nil	Nil	Nil	(4.41)	5.92	(55.51)	(54.00)
<b>Total comprehensive income for the year</b>	29.81	42.35	78.17	1,990.77	4,921.39	(13.79)	44.88	517.06	7,610.65
Transfer from Retained earnings to General Reserve	Nil	Nil	Nil	10.62	(10.62)	Nil	Nil	Nil	Nil
<b>Balance at March 31, 2021</b>	29.81	42.35	78.17	2,001.39	4,910.77	(13.79)	44.88	517.06	7,610.65

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

₹ in crore

Particulars	Reserves & Surplus			Items of Other comprehensive income				Total	
	Security Premium	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit plans	Equity instruments through other comprehensive income		Currency Fluctuation Reserve
<b>Balance at April 1, 2021*</b>	29.81	42.35	78.17	2,001.39	4,910.77	(13.79)	44.88	517.06	7,610.65
Retained earning during the year	Nil	Nil	Nil	Nil	354.37	Nil	Nil	Nil	354.37
Other comprehensive income for the year	Nil	Nil	Nil	Nil	Nil	(1.79)	10.48	64.36	73.05
<b>Total comprehensive income for the year</b>	<b>29.81</b>	<b>42.35</b>	<b>78.17</b>	<b>2,001.39</b>	<b>5,265.14</b>	<b>(15.58)</b>	<b>55.36</b>	<b>581.42</b>	<b>8,038.08</b>
Creation of Debenture Redemption Reserve from Retained Earnings	Nil	Nil	23.67	Nil	(23.67)	Nil	Nil	Nil	Nil
<b>Balance at March 31, 2022</b>	<b>29.81</b>	<b>42.35</b>	<b>101.84</b>	<b>2,001.39</b>	<b>5,241.47</b>	<b>(15.58)</b>	<b>55.36</b>	<b>581.42</b>	<b>8,038.07</b>

The accompanying Notes 2 to 72 are an integral part of the Consolidated Financial Statements.

\*There are no changes in equity due to prior period errors.

As per our report of even date  
**For Rajendra D. Shah & Co**  
 Chartered Accountants  
 Firm Registration No 108363W

**RAJENDRA D. SHAH**  
 Proprietor  
 Membership No 4844  
 Place : Ahmedabad  
 Date : May 30, 2022

For and on behalf of the Board

**HIREN K. PATEL**  
 Managing Director  
 (DIN: 00145149)

**Dr. K. K. PATEL**  
 Chairman  
 (DIN: 00404099)

**PARESH SHETH**  
 Company Secretary

**MANAN SHAH**  
 Chief Financial Officer

Place : Ahmedabad  
 Date : May 30, 2022



# Nirma Limited - Consolidated

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2022

₹ in crore

Particulars		2021-2022	2020-2021
<b>A</b>	<b>Cash flow from continuing operations</b>		
	<b>Cash flow from operating activities :</b>		
	Profit before tax from Continuing operations	500.55	711.21
	Adjustments for :		
	Depreciation and amortisation	877.73	595.90
	Interest Income	(15.38)	(33.04)
	Finance Cost – net of capitalization	319.08	362.44
	Exchange fluctuation gain/ loss (Net)	10.41	82.93
	Profit/Loss on sale of Property Plant and equipment (Net)	(4.43)	(83.61)
	Dividend on non current investment	(0.40)	(0.09)
	Provision for doubtful debts & loans and advances	0.34	20.27
	Provision for mines reclamation expenses	0.01	Nil
	Provision/Liabilities no longer required written back	(15.71)	(6.57)
	Non Cash Provision	2.91	(0.34)
	Share of Profit/Loss in associate	2.95	2.35
	Fair value gain on financial instruments at fair value through profit and loss	(0.98)	(0.11)
	Gain or loss on lease modification	0.06	Nil
	Bad debts Written off	2.04	Nil
	Bad debts provision written back	(4.43)	Nil
	Project written off	2.44	Nil
	Balances Written off (Net)	(4.26)	1.45
	Net gain on sale of current investment	(6.95)	(3.86)
		1,165.43	937.72
	Operating profit before working capital changes	1,665.98	1,648.93
	Adjustments for :		
	(Increase)/ Decrease in trade and other receivables	(173.21)	148.41
	(Increase)/ Decrease in Inventories	(441.91)	37.76
	Increase in trade/ other payables, provisions and other liability	333.74	(108.12)
		(281.38)	78.05
	Cash generated from operations	1,384.60	1,726.98
	Direct taxes paid (net of refund)	(139.32)	(7.90)
	Net cash from operating activities	1,245.28	1,719.08
<b>B</b>	<b>Cash flow generated from investing activities :</b>		
	Purchase of property plant and equipment (including capital work-In-progress)	(242.98)	(443.65)
	Purchase of intangible assets	Nil	(3.79)
	Sale of Property Plant and equipment	4.21	100.40
	Sale of current Investments	8,252.14	6,464.59
	Redemption of non-current Investment	1,800.00	Nil
	Purchase of non-current Investments	Nil	(1,200.00)
	Purchase of current investments	(8,318.75)	(6,408.84)
	Investment in Associates	(1.54)	(2.01)
	Interest received	(4.18)	56.57
	Dividend on non current investments	0.40	0.09
	Net cash used in investing activities	1,489.30	(1,436.64)
		2,734.58	282.44
<b>C</b>	<b>Cash flow generated from financing activities :</b>		
	Change in loans and advances	(48.83)	629.74
	Proceeds from Short Term borrowings	2,802.29	1,177.31
	Repayment of Short Term borrowings	(3,482.39)	(1,218.18)
	Proceeds from Long Term borrowings	1,062.17	310.29
	Repayment of Long Term borrowings	(2,446.36)	(688.02)

Particulars		2021-2022	2020-2021
Foreign Exchange Fluctuation	Nil		(26.23)
(Decrease)/Increase in Equity share capital reduction balance payable	(2.83)		(0.04)
(Decrease)/Increase in Preference share capital reduction balance payable	(0.33)		Nil
Payment of Lease Rental	(91.72)		(78.85)
Interest paid	(309.74)		(383.10)
Interest Paid on lease	(15.64)		(16.23)
Net cash used in financing activities		(2,533.38)	(293.30)
<b>Net increase in cash and cash equivalents</b>		<b>201.20</b>	<b>(10.86)</b>
Net increase/(decrease) in cash and cash equivalents		201.20	(10.86)
Cash and cash equivalents at the beginning of the year (Refer Note No. 13)		414.39	425.25
<b>Cash and cash equivalents at end of the year (Refer Note No. 13)</b>		<b>615.59</b>	<b>414.39</b>

**Notes :**

- (1) The accompanying notes 2 to 72 are an integral part of the Financial Statements.
- (2) The above Cash Flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard IND AS 7 – "Cash Flow Statements".
- (3) Disclosure as required by IND AS 7 - "Cash Flow Statements" - Changes in liabilities arising from financing activities:

₹ in crore

Particulars	2021-2022	2020-2021
Opening Balance of borrowing	5,229.06	5,646.87
Opening Balance of lease liability	330.63	327.69
<b><u>Non Cash Movement</u></b>		
Accrual of Interest on borrowings	317.59	401.90
Accrual of Interest on lease	15.64	16.23
Impact of currency Fluctuation on borrowing	Nil	(18.01)
Impact of currency Fluctuation on lease liability	9.40	(8.22)
Addition of lease liability	32.38	90.00
<b><u>Cash Movement</u></b>		
Proceeds from Borrowings	3,864.46	1,487.60
Principal Repayment	(5,928.75)	(1,906.20)
Principal Repayment of lease	(79.12)	(78.84)
Interest Repayment on borrowings	(309.74)	(383.10)
Interest Repayment on lease	(15.64)	(16.23)
<b>Closing Balance of Borrowings</b>	<b>3,172.62</b>	<b>5,229.06</b>
<b>Closing Balance of lease liability</b>	<b>293.29</b>	<b>330.63</b>

- (4) Previous year's figures have been regrouped, wherever necessary

As per our report of even date  
**For Rajendra D. Shah & Co**  
 Chartered Accountants  
 Firm Registration No 108363W

For and on behalf of the Board

**HIREN K. PATEL**  
 Managing Director  
 (DIN: 00145149)

**Dr. K. K. PATEL**  
 Chairman  
 (DIN: 00404099)

**RAJENDRA D. SHAH**  
 Proprietor  
 Membership No 4844  
 Place : Ahmedabad  
 Date : 30<sup>th</sup> May, 2022

**PARESH SHETH**  
 Company Secretary

**MANAN SHAH**  
 Chief Financial Officer

Place : Ahmedabad  
 Date : 30<sup>th</sup> May, 2022

# Nirma Limited - Consolidated

## Notes to consolidated financial statements for the year ended 31<sup>st</sup> March, 2022

### Note 1

#### I. Group Information

The consolidated financial statements comprise financial statements of Nirma Limited (the parent), its subsidiaries, joint venture and associate (collectively, the group) for the year ended 31 March, 2022. The parent is a company domiciled in India and incorporated under the provisions of Companies Act, 1956 of India. The group has its registered office at Nirma House, Ashram Road, Ahmedabad- 380009, Gujarat, India. The group is engaged in manufacturing and selling of various products as mentioned below:

- A. Industrial chemicals like Soda Ash, Linear Alkyl Benzene, Caustic Soda, Purified Phosphoric Acid etc.
- B. Consumer products like Detergents, Toilet Soaps, Salt, etc.

#### II. Basis of preparation

- A. The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time] and other relevant provisions of the Act.
- B. The financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value:
  1. Financial instruments measured at fair value through profit or loss (refer note 48)
  2. Financial instruments measured at fair value through other comprehensive income (refer note 48)
  3. Defined benefit plans – plan assets measured at fair value (refer note 46)

#### C. Principles of Consolidation

1. The Consolidated Financial Statements comprises the financial statements of the Company, its subsidiaries and associate (together “the Group”) have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, notified under Section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act.

The list of companies which are included in consolidation and the Parent company’s holdings therein are as under:

	Name of the Company	Country	Percentage Holding March 31, 2022
<b>a) Subsidiaries</b>			
1)	Karnavati Holdings Inc.	USA	100%
2)	Searles Valley Minerals Inc.	USA	100%
3)	Searles Domestic Water Company	USA	100%
4)	Trona Railway Company	USA	100%
5)	Searles Valley Minerals Europe	France	100%
<b>b) Associate</b>			
1)	FRM Trona Fuels LLC (Till 31 <sup>st</sup> December, 2021)	USA	49%

The financial statements of each of the above companies are drawn up to the same reporting date as that of the parent Company i.e. March 31, 2022 except FRM Trona Fuels LLC whose financial statements are drawn up to December 31, 2021.

#### Subsidiaries

2. The consolidated financial statements of the Company and its subsidiary companies have been prepared in accordance with the Ind AS 110 “Consolidated Financial Statements”. The intra-group balances, intra-group transactions and unrealised profits/losses if any are fully eliminated.

## Notes to consolidated financial statements for the year ended 31<sup>st</sup> March, 2022

3. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
4. The excess cost of the parent company of its investment in the subsidiary, on the acquisition dates over and above the parent company's share of fair value of net identifiable assets acquired and liability assumed in the subsidiary, is recognised in the Consolidated Financial Statements as Goodwill. On the other hand, where the share of fair value of net identifiable assets acquired and liability assumed as on the date of investment is in excess of cost of investments of the parent company, it is recognised as "Capital Reserve".

### Associates

5. Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

### Equity Method

6. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy.

## III. Significant accounting policies

### A. Revenue recognition

#### 1. Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, related discounts & incentives and volume rebates. It includes goods and service tax.

#### 2. Sale of goods – non-cash incentive schemes (deferred revenue)

The group operates a non-cash incentive scheme programme where dealers / agents are entitled to non-cash incentives on achievement of sales targets. Revenue related to the non-cash schemes is deferred and recognised when the targets are achieved. The amount of revenue is based on the realisation of the sales targets to the period of scheme defined.

## **Nirma Limited - Consolidated**

### **Notes to consolidated financial statements for the year ended 31<sup>st</sup> March, 2022**

#### **3. Interest income**

For all financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in other income in the statement of profit and loss.

#### **4. Dividends**

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

#### **B. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that a group incurs in connection with the borrowing of funds.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization.

#### **C. Government Grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. All the grants related to an expense item are recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

#### **D. 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 benefits / obligations are accounted by making suitable adjustments in raw material consumption.

#### **E. Taxes**

##### **1. Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the entity operates and generates taxable income.

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and established provisions where appropriate.

##### **2. Deferred tax**

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their corresponding carrying amounts for the financial reporting purposes.

## Notes to consolidated financial statements for the year ended 31<sup>st</sup> March, 2022

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:

- i. deductible temporary differences;
- ii. the carry forward of unused tax losses; and
- iii. the carry forward of unused tax credits.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised 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 consolidated statement of profit and loss and shown as MAT Credit Entitlement. The group reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to an extent there is no longer convincing evidence to the effect that the group will pay normal Income Tax during the specified period.

### 3. Discontinued operations

A discontinued operation is a component of the entity that has been disposed off or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations and;
- is part of a single co-ordinated plan to dispose of such a line of business or area of operations.

The results of discontinued operations are presented separately in the Consolidated Statement of Profit and Loss.

### F. Leases

The Group has adopted Ind AS 116 effective from April 1, 2019 using modified retrospective approach. For the purpose of preparation of Consolidated Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended March 31, 2020.

In respect of parent company, the cumulative effect of initial application is recognised in retained earnings as on April 1, 2019.

In respect of Indian subsidiary and foreign subsidiaries the right of use assets were recognised based on the amount equal to the lease liabilities adjusted for any related prepaid and accrued lease payment previously recognised. Lease liabilities were recognised based on the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information.

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### Notes to consolidated financial statements for the year ended 31<sup>st</sup> March, 2022

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. As a lessee, the Group previously classified leases as operating or finance lease based on its assessment of whether the lease transferred significantly the entire risk and rewards incidental to the ownership of the underlying asset of the Group. Under Ind AS 116, the Group recognizes the right-of-use assets and lease liabilities as stated in the Note 2 B.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### **1. Right-of-use assets**

- The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use).

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Leasehold buildings 8 to 10 years
- Leasehold Land 75 to 80 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (m) Impairment of non-financial assets.

#### **2. Lease Liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

#### **3. Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value.

## Notes to consolidated financial statements for the year ended 31<sup>st</sup> March, 2022

Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### G. Employee Benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contribution.

The group operates a defined benefit gratuity plan in India, which requires contributions to be made to a LIC.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- i. The date of the plan amendment or curtailment, and
- ii. The date that the group recognise related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The group recognise the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

1. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
2. Net interest expense or income

#### 1. Long-term employee benefits

Post-employment and other 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 other comprehensive income.

#### 2. Defined contribution plans

The group pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid.

### H. Non-current assets held for sale

The group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale is regarded met only when the assets are available for immediate sale in its present condition, subject only to terms

## Nirma Limited - Consolidated

### Notes to consolidated financial statements for the year ended 31<sup>st</sup> March, 2022

that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale of the asset to be highly probable when:

1. The appropriate level of management is committed to a plan to sell the asset.
2. An active program to locate a buyer and complete the plan has been initiated,
3. The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
4. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
5. Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

#### I. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost of the items. Acquisition cost includes expenditure that is directly attributable to getting the asset ready for intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Items of spare parts that meets the definition of 'property, plant and equipment' is recognised as property, plant and equipment. The depreciation on such an item of spare part will begin when the asset is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. In case of a spare part, as it may be readily available for use, it may be depreciated from the date of purchase of the spare part.

Capital work in progress is stated at cost and net of accumulated impairment losses, if any. All the direct expenditure related to implementation including incidental expenditure incurred during the period of implementation of a project, till it is commissioned, is accounted as Capital work in progress (CWIP) and after commissioning the same is transferred / allocated to the respective item of property, plant and equipment.

Pre-operating costs, being indirect in nature, are expensed to the statement of profit and loss as and when incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

#### Depreciation methods, estimated useful lives and residual value

Depreciation is calculated to allocate the cost of assets, net of their residual values, over their estimated useful lives. Components having value significant to the total cost of the asset and life different from that of the main asset are depreciated over its useful life. However, land is not depreciated. The useful lives so determined are as follows:

## Notes to consolidated financial statements for the year ended 31<sup>st</sup> March, 2022

Assets	Estimated useful life
Buildings	5 to 60 years
Plant and machinery	2 to 40 years
Furniture and fixtures	5 to 10 years
Office equipment	5 to 10 years
Vehicles	5 to 10 years
Helicopter	20 years
Mineral reserves	200 years
Right of Use of Assets	Over the period of Lease agreement.

Depreciation on fixed assets has been provided in the accounts based on useful life of the assets prescribed in Schedule II to the companies Act, 2013

Depreciation on fixed assets is provided on Straight Line Method except assets located at Mandali, Dhank, Chhatral, Trikampura, Caustic Soda Plant and Purified Phosphoric Acid at Bhavnagar, castor oil plant at Nandasan and at corporate office of parent company where depreciation is provided on written down value method.

Depreciation on additions is calculated on pro rata basis with reference to the date of addition.

Depreciation on assets sold/ discarded, during the period, has been provided up to the preceding month of sale / discarded.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains / (losses).

### J. Impairment of goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long-term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

### K. Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

### L. Intangibles

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the group and the cost of the asset can be measured reliably.

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### Notes to consolidated financial statements for the year ended 31<sup>st</sup> March, 2022

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

#### Amortization methods, estimated useful lives and residual value

The Group's Intangible assets comprises assets with finite useful life which are amortised on a straight line basis over their estimated useful lives based on underlying contracts where applicable. The useful lives of intangible assets are assessed as either finite or indefinite. The useful life so determined are as follows:

Assets	Amortisation period
Lease and license rights	60 years
Mining rights	Amortised on unit of production method based on extraction of limestone from mines
Supplier Agreement	Up to the validity of the contract
Trademark	10 years
Computer Software	5 to 6 years
Customer Relationships	10 years

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

#### M. Impairment

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested for impairment annually and whenever there is an indication that the asset may be impaired. Assets that are subject to depreciation and amortization are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. Impairment losses, if any, are recognized in the consolidated Statement of Profit and Loss and included in depreciation and amortization expenses. Impairment losses are reversed in the consolidated Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

#### N. Inventories

Inventories are valued at the lower of cost and net realizable value.

- Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a monthly weighted average basis.
- Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on a monthly weighted average basis on lower of cost or net realizable value.

## Notes to consolidated financial statements for the year ended 31<sup>st</sup> March, 2022

3. **Stores and spares:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Items of spare parts that does not meet the definition of 'property, plant and equipment' has to be recognised as a part of inventories.
4. **Fuel:** cost includes cost of purchase and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on a monthly weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### O. Financial Instruments

#### 1. Financial assets

##### i. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

##### ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- a. Debt instruments at amortised cost
- b. Debt instruments at fair value through other comprehensive income (FVTOCI)
- c. Financial assets at fair value through profit or loss (FVTPL)
- d. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

##### iii. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

##### iv. Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

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### Notes to consolidated financial statements for the year ended 31<sup>st</sup> March, 2022

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

#### v. Financial instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

#### vi. Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The group makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

#### vii. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the group's balance sheet) when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - i) the group has transferred substantially all the risks and rewards of the asset, or
  - ii) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognize the transferred asset to the extent of the group's continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

## Notes to consolidated financial statements for the year ended 31<sup>st</sup> March, 2022

### viii. Impairment of financial assets

The group assesses impairment based on expected credit loss (ECL) model to the following:

- a. Financial assets measured at amortised cost;
- b. Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

- a. The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- b. Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The group follows 'simplified approach' for recognition of impairment loss allowance on:

- a. Trade receivables or contract revenue receivables; and
- b. All lease receivables resulting from transactions within the scope of Ind AS 116

Under the simplified approach, the group does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

### ix. Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

## Nirma Limited - Consolidated

### Notes to consolidated financial statements for the year ended 31<sup>st</sup> March, 2022

The group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

#### 2. Financial liabilities

##### i. Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

##### ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- a. Financial liabilities at fair value through profit or loss
- b. Loans and borrowings
- c. Financial guarantee contracts

##### iii. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The group has not designated any financial liability as at fair value through profit and loss.

##### iv. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

##### v. Financial guarantee contracts

Financial guarantee contracts issued by the group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the

## Notes to consolidated financial statements for the year ended 31<sup>st</sup> March, 2022

payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

When guarantees in relation to loans or other payables of associates are provided for no compensation the fair values are accounted for as contributions and recognised as part of the cost of the investment.

### vi. Preference shares

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as finance costs.

### vii. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

## 3. Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated Balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## P. Impairment of non-financial assets

The group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is determined:

1. In case of individual asset, at higher of the fair value less cost to sell and value in use; and
2. In case of cash-generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash-generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

## Nirma Limited - Consolidated

### Notes to consolidated financial statements for the year ended 31<sup>st</sup> March, 2022

#### Q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the group's cash management.

#### R. Cash dividend and non-cash distribution to equity holders of the parent

The group recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity. Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

#### S. Segment accounting

The Chief Operation-| Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products/services.

The accounting policies adopted for segment reporting are in line with the accounting policies of the group. 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 group as a whole and are not allocated to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

#### T. Provisions, Contingent liabilities, Contingent assets and Commitments

##### General

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
2. A present obligation arising from the past events, when no reliable estimate is possible;
3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

## Notes to consolidated financial statements for the year ended 31<sup>st</sup> March, 2022

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

The group provides for the expenses to reclaim the quarries used for mining. The total estimate of reclamation expenses is apportioned over the estimate of mineral reserves and a provision is made based on the minerals extracted during the year. Mines reclamation expenses are incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenditure.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

### **U. Dividend**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### **V. 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 shares outstanding during the period. Earnings considered in ascertaining the group'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.

### **W. Use of estimates and judgements**

The presentation of the financial statements is in conformity with the Ind AS which requires the management to make estimates, judgments 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 statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 40 - Current tax

Note 46 - Measurement of defined benefit obligations

Note 48 - Fair valuation of unlisted securities

Note 49 - Expected credit loss for receivables

### **X. Statement of cash flows**

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 or financing cash flows. The cash flows from operating, investing and finance activities of the group are segregated.

## Nirma Limited - Consolidated

### Notes to consolidated financial statements for the year ended 31<sup>st</sup> March, 2022

#### Y. Current and non-current classification

The group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

1. Expected to be realized or intended to be sold or consumed in normal operating cycle;
2. Held primarily for the purpose of trading;
3. Expected to be realized within twelve months after the reporting period, or
4. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

1. It is expected to be settled in normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The group has identified twelve months as its operating cycle.

#### Z. Foreign currency translation

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is group's functional and presentation currency.

##### 1. Transactions and balances

Transactions in foreign currencies are initially recorded by the group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

1. Assets and liabilities are translated at the closing rate at the date of that balance sheet
2. Income and expenses are translated at average exchange rate (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), On consolidation, exchange differences arising from the translation of any net investment in

## Notes to consolidated financial statements for the year ended 31<sup>st</sup> March, 2022

foreign entities are recognised in other comprehensive income and all resulting exchange differences are recognised in other comprehensive income.

### 2. Translation of financial statements of foreign entities

On consolidation, the assets and liabilities of foreign operations are translated into ₹ (Indian Rupees) at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Consolidated Statement of OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to Consolidated Statement of Profit and Loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after adoption of Ind AS 103– Business Combination, and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date. Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of adoption of Ind AS 103 – Business Combination, are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

### AA. Fair value measurement

The group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

1. In the principal market for the asset or liability, or
2. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

1. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or Liabilities.
2. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
3. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing

## **Nirma Limited - Consolidated**

### **Notes to consolidated financial statements for the year ended 31<sup>st</sup> March, 2022**

categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as unquoted financial assets. Involvement of external valuers is decided upon annually after discussion with and approval by the management. Selection criteria include market knowledge, reputation, independence and professional standards. The management decides, after discussions with the group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation.

The management, in conjunction with the group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the group's external valuers present the valuation results to the Audit Committee and the group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

1. Disclosures for valuation methods, significant estimates and assumptions.
2. Quantitative disclosures of fair value measurement hierarchy.
3. Investment in unquoted equity shares (discontinued operations).
4. Financial instruments (including those carried at amortised cost).

#### **BB. Exceptional items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the group is such that its disclosure improves the understanding of the performance of the group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

#### **CC. Rounding off**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirements of Schedule III, unless otherwise stated.

#### **DD. Standards issued but not yet effective and have not been adopted early by the Group**

##### **i. Amendment to existing issued Ind AS**

The MCA has also carried out amendments to the following accounting standards:

1. IND AS 16 Proceeds before Intended use
2. IND AS 37 Onerous Contracts – Costs of fulfilling a Contract
3. IND AS 103 Reference to Conceptual Framework
4. IND AS 109 Annual Improvements to Ind AS (2021)

Based on preliminary assessment, the company does not expect these amendments to have any significant impact on its consolidated financial statements.

## Notes to consolidated financial statements for the year ended 31<sup>st</sup> March, 2022

**EE.** On March 24,2021 the Ministry of Corporate Affairs (“MCA) through a notification, amended Schedule III of the Companies Act,2013. The amendments revise Division I, II and III of the Schedule III and are applicable from April 1,2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

### Balance Sheet:

- Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

### Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of the standalone financial statements.

The amendments are extensive and the group will evaluate the same to give effect to them as required by law.

Note – 2A : PROPERTY, PLANT AND EQUIPMENT

₹ in crore

Particulars	GROSS BLOCK (At carrying amount)				ACCUMULATED DEPRECIATION				NET BLOCK		
	As at 01.04.2021	Additions/ Adjustments during the year	Disposal/ Adjustment during the year	Translation Adjustments	As at 31.03.2022	As at 01.04.2021	Charge for the Year	Disposal/ Adjustment during the year	Translation Adjustments	As at 31.03.2022	As at 31.03.2021
1. Freehold land	58.20	Nil	Nil	Nil	58.20	Nil	Nil	Nil	Nil	Nil	58.20
2. Buildings	397.60	10.49	0.34	2.50	410.25	134.77	13.30	0.32	1.59	149.34	260.91
3. Plant & equipments	6,550.42	315.72	40.74	54.29	6,879.69	2,084.37	765.92	40.24	19.76	2,829.81	4,049.88
4. Furniture and fixtures	4.91	0.27	Nil	Nil	5.18	3.36	0.45	Nil	Nil	3.81	1.37
5. Vehicles	110.53	7.88	2.37	1.83	117.87	63.32	6.25	2.31	0.96	68.22	49.65
6. Office equipments	7.30	0.02	Nil	Nil	7.32	6.91	0.22	Nil	Nil	7.13	0.19
7. Helicopter	14.60	Nil	Nil	Nil	14.60	14.58	0.02	Nil	Nil	14.60	Nil
8. Mineral Reserves	240.03	Nil	Nil	7.46	247.49	7.49	1.26	Nil	0.26	9.01	238.48
<b>Total</b>	<b>7,393.59</b>	<b>334.38</b>	<b>43.45</b>	<b>66.08</b>	<b>7,740.60</b>	<b>2,314.80</b>	<b>787.42</b>	<b>42.87</b>	<b>22.57</b>	<b>3,081.92</b>	<b>4,658.68</b>

₹ in crore

Particulars	GROSS BLOCK (At carrying amount)				ACCUMULATED DEPRECIATION				NET BLOCK		
	As at 01.04.2020	Additions/ Adjustments during the year	Disposal/ Adjustment during the year	Translation Adjustments	As at 31.03.2021	As at 01.04.2020	Charge for the Year	Disposal/ Adjustment during the year	Translation Adjustments	As at 31.03.2021	As at 31.03.2020
1. Freehold land	62.23	4.58	8.61	Nil	58.20	Nil	Nil	Nil	Nil	Nil	62.23
2. Buildings	363.91	39.41	3.67	(2.04)	397.60	120.49	16.46	0.95	(1.23)	134.77	243.42
3. Plant & equipments	5,221.51	1,396.96	31.13	(36.92)	6,550.41	1,638.36	479.56	20.62	(12.93)	2,084.37	3,583.15
4. Furniture and fixtures	4.75	0.45	0.29	Nil	4.91	3.12	0.47	0.23	Nil	3.36	1.55
5. Vehicles	91.81	20.78	0.82	(1.24)	110.53	56.05	8.65	0.67	(0.71)	63.32	35.76
6. Office equipments	7.15	0.15	Nil	Nil	7.30	3.56	3.35	Nil	Nil	6.91	0.39
7. Helicopter	14.60	Nil	Nil	Nil	14.60	14.52	0.06	Nil	Nil	14.58	0.08
8. Mineral Reserves	246.17	Nil	Nil	(6.14)	240.03	6.40	1.26	Nil	(0.17)	7.49	232.54
<b>Total</b>	<b>6,012.13</b>	<b>1,462.32</b>	<b>44.52</b>	<b>(46.34)</b>	<b>7,393.59</b>	<b>1,842.50</b>	<b>509.81</b>	<b>22.47</b>	<b>(15.04)</b>	<b>2,314.80</b>	<b>4,169.63</b>

**Note – 2B : RIGHT OF USE ASSETS**

₹ in crore

Particulars	GROSS BLOCK (At carrying amount)					ACCUMULATED DEPRECIATION					NET BLOCK		
	As at 01.04.2021	Additions during the year	Disposal/ Adjustment during the year	Translation Adjustments	As at 31.03.2022	As at 01.04.2021	Charge for the Year	Disposal/ Adjustment during the year	Translation Adjustments	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2021
1. Leasehold land	22.91	227.12	Nil	0.71	250.74	2.19	2.91	Nil	0.09	5.19	245.55	20.72	20.72
2. Leasehold Building	16.29	Nil	0.81	0.35	15.83	4.63	3.09	0.81	0.12	7.03	8.80	11.66	11.66
3. Plant & equipment	51.66	38.33	6.18	2.17	85.98	16.66	22.23	1.78	0.87	37.98	47.99	35.00	35.00
4. Rail cars	358.65	1.36	3.56	11.11	367.57	117.90	57.20	0.31	4.66	179.45	188.11	240.75	240.75
5. Office equipment	1.51	0.27	Nil	0.05	1.83	0.45	0.34	Nil	0.02	0.81	1.02	1.06	1.06
6. Right-of-way	15.35	Nil	Nil	0.48	15.83	1.48	0.75	Nil	0.06	2.29	13.54	13.87	13.87
<b>Total</b>	466.37	267.08	10.55	14.87	737.77	143.31	86.53	2.90	5.81	232.75	505.00	323.06	323.06

₹ in crore

Particulars	GROSS BLOCK (At carrying amount)					ACCUMULATED DEPRECIATION					NET BLOCK		
	As at 01.04.2020	Additions during the year	Disposal/ Adjustment during the year	Translation Adjustments	As at 31.03.2021	As at 01.04.2020	Charge for the Year	Disposal/ Adjustment during the year	Translation Adjustments	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020	As at 31.03.2020
1. Leasehold land	23.49	Nil	Nil	(0.58)	22.91	1.12	1.11	Nil	(0.04)	2.19	20.72	22.37	22.37
2. Leasehold Building	15.10	1.48	Nil	(0.29)	16.29	1.65	3.01	Nil	(0.03)	4.63	11.66	13.45	13.45
3. Plant & equipment	68.16	8.11	23.05	(1.56)	51.66	19.54	19.70	22.12	(0.46)	16.66	35.00	48.62	48.62
4. Rail cars	286.89	85.49	5.82	(7.91)	358.65	62.97	58.32	1.28	(2.11)	117.90	240.75	223.92	223.92
5. Office equipment	1.13	0.61	0.20	(0.03)	1.51	0.34	0.32	0.20	(0.01)	0.45	1.06	0.79	0.79
6. Right-of-way	15.74	Nil	Nil	(0.39)	15.35	0.76	0.75	Nil	(0.03)	1.48	13.87	14.98	14.98
<b>Total</b>	410.51	95.69	29.07	(10.76)	466.37	86.38	83.21	23.60	(2.68)	143.31	323.06	324.13	324.13

**Note – 2C : CAPITAL WORK-IN-PROGRESS**

Particulars	As at 01.04.2021	Additions/ adjustment during the year	Transfer during the year	Translation Adjustments	Written off during the year	₹ in crore
						As at 31.03.2022
Capital work-in-progress	637.46	147.08	446.60	3.43	1.66	339.71

Particulars	As at 01.04.2020	Additions/ adjustment during the year	Transfer during the year	Translation Adjustments	Written off during the year	₹ in crore
						As at 31.03.2021
Capital work-in-progress	1,597.57	427.04	1,378.01	(9.14)	Nil	637.46

Notes : Pertains to Note no 2

- I. Building includes (₹ 1,000) (p.y ₹ 1,000) in respect of shares held in co-op housing society.
- II. Addition to block of Plant and equipments and others includes interest capitalised during the year for ₹ 21.53 crore (p.y ₹ 77.27 crore ).
- III. The group has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition i.e. April 1, 2015 and hence the net block carrying amount has been considered as the gross block carrying amount on that date.
- IV. Refer note no.42 for information on property, plant and equipment pledge as security by the group.
- V. Refer note no.43 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- VI. Refer note no.44 for capitalisation of expenses.
- VII. Land of ₹ Nil (p.y. ₹ 0.22 crore) acquired on amalgamation is not in name of the parent company.
- VIII. Refer note no. 45 for leases
- IX. Ageing schedule of capital work in progress.

**Ageing schedule of capital work in progress as at 31 March, 2022.**

Capital Work in Progress Ind AS	Amount in CWIP for a period of March 31, 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 Years	
Projects in progress	100.60	45.09	100.40	78.86	324.95
Projects temporarily suspended	1.15	9.99	3.38	0.24	14.76
Total	101.75	55.08	103.78	79.10	339.71

**Ageing schedule of capital work in progress as at 31 March, 2021.**

Capital Work in Progress Ind AS	Amount in CWIP for a period of March 31, 2021				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 Years	
Projects in progress	416.87	124.47	47.98	48.14	637.46
Projects temporarily suspended	Nil	Nil	Nil	Nil	Nil
Total	416.87	124.47	47.98	48.14	637.46

**NOTE - 3 : INVESTMENT PROPERTY**

Particulars	GROSS BLOCK (At carrying amount)				ACCUMULATED DEPRECIATION				NET BLOCK		
	As at 01.04.2021	Additions during the year	Disposal during the year	Translation Adjustments	As at 31.03.2022	Charge for the year	Disposal during the year	Translation Adjustments	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Land	10.30	Nil	Nil	Nil	10.30	Nil	Nil	Nil	Nil	10.30	10.30
<b>Total</b>	10.30	Nil	Nil	Nil	10.30	Nil	Nil	Nil	Nil	10.30	10.30

₹ in crore

Particulars	GROSS BLOCK (At carrying amount)				ACCUMULATED DEPRECIATION				NET BLOCK		
	As at 01.04.2020	Additions during the year	Disposal during the year	Translation Adjustments	As at 31.03.2021	Charge for the year	Disposal during the year	Translation Adjustments	As at 31.03.2021	As at 31.03.2020	As at 31.03.2020
Land	10.30	Nil	Nil	Nil	10.30	Nil	Nil	Nil	Nil	10.30	10.30
<b>Total</b>	10.30	Nil	Nil	Nil	10.30	Nil	Nil	Nil	Nil	10.30	10.30

₹ in crore

Notes :

I. Fair value of investment properties is ₹ 52.69 crore (p.y. ₹ 52.69 crore ).

II. The valuation is based on valuation performed and accredited by independent valuer. Fair valuation is based on replacement cost method. The fair value measurement is categorised in level 2 fair value hierarchy.

**NOTE - 4 : GOODWILL**

Particulars	GROSS BLOCK (At carrying amount)				ACCUMULATED AMORTISATION				NET BLOCK		
	As at 01.04.2021	Addition during the year	Disposal during the year	Translation Adjustments	As at 31.03.2022	Charge for the year	Disposal during the year	Translation Adjustments	As at 31.03.2022	As at 31.03.2021	As at 31.03.2021
Goodwill on Consolidation	203.49	Nil	Nil	6.33	209.82	Nil	Nil	Nil	Nil	209.82	203.49
<b>Total</b>	203.49	Nil	Nil	6.33	209.82	Nil	Nil	Nil	Nil	209.82	203.49

₹ in crore

Particulars	GROSS BLOCK (At carrying amount)				ACCUMULATED AMORTISATION				NET BLOCK		
	As at 01.04.2020	Additions during the year	Disposal during the year	Translation Adjustments	As at 31.03.2021	Charge for the year	Disposal during the year	Translation Adjustments	As at 31.03.2021	As at 31.03.2020	As at 31.03.2020
Goodwill on Consolidation	208.70	Nil	Nil	(5.21)	203.49	Nil	Nil	Nil	Nil	203.49	208.70
<b>Total</b>	208.70	Nil	Nil	(5.21)	203.49	Nil	Nil	Nil	Nil	203.49	208.70

₹ in crore

Note – 5A : OTHER INTANGIBLE ASSETS

₹ in crore

Particulars	GROSS BLOCK (At carrying amount)					ACCUMULATED AMORTISATION					NET BLOCK	
	As at 01.04.2021	Additions during the year	Disposal during the year	Translation Adjustments	As at 31.03.2022	As at 01.04.2021	Charge for the Year	Disposal during the year	Translation Adjustments	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
1. Trademarks	2.94	Nil	Nil	0.09	3.03	Nil	Nil	Nil	Nil	Nil	3.03	2.94
2. Computer software	23.63	Nil	Nil	0.13	23.76	3.92	3.76	Nil	0.06	7.74	16.02	19.71
3. Mining rights	1.27	Nil	Nil	Nil	1.27	0.03	0.01	Nil	Nil	0.04	1.23	1.24
4. Lease and license rights	1.78	Nil	Nil	Nil	1.78	Nil	Nil	Nil	Nil	Nil	1.78	1.78
5. Customer Relationship	8.02	Nil	Nil	0.25	8.27	8.01	Nil	Nil	0.25	8.26	0.01	0.01
<b>Total</b>	37.64	Nil	Nil	0.47	38.11	11.96	3.77	Nil	0.31	16.04	22.07	25.68

₹ in crore

Particulars	GROSS BLOCK (At carrying amount)					ACCUMULATED AMORTISATION					NET BLOCK	
	As at 01.04.2020	Additions during the year	Disposal during the year	Translation Adjustments	As at 31.03.2021	As at 01.04.2020	Charge for the Year	Disposal during the year	Translation Adjustments	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
1. Trademarks	3.02	Nil	Nil	(0.08)	2.94	Nil	Nil	Nil	Nil	Nil	2.94	3.02
2. Computer software	2.91	20.79	Nil	(0.07)	23.63	1.08	2.87	Nil	(0.03)	3.92	19.71	1.83
3. Mining rights	1.27	Nil	Nil	Nil	1.27	0.02	0.01	Nil	Nil	0.03	1.24	1.25
4. Lease and license rights	1.78	Nil	Nil	Nil	1.78	Nil	Nil	Nil	Nil	Nil	1.78	1.78
5. Customer Relationship	8.23	Nil	Nil	(0.21)	8.02	8.22	Nil	Nil	(0.21)	8.01	0.01	0.01
<b>Total</b>	17.21	20.79	Nil	(0.36)	37.64	9.32	2.88	Nil	(0.24)	11.96	25.68	7.89

Notes :

- I. The group has availed the deemed cost exemption in relation to the intangible assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.
- II. Refer note no.42 for information on other Intangible Assets pledge as security by the group.

**Note – 5B : INTANGIBLE ASSETS UNDER DEVELOPMENT**

₹ in crore

Particulars	As at 01.04.2021	Additions during the year	Transfer during the year	As at 31.03.2022
ERP Software	Nil	Nil	Nil	Nil

₹ in crore

Particulars	As at 01.04.2020	Additions during the year	Transfer during the year	As at 31.03.2021
ERP Software	15.61	3.79	19.40	Nil

Notes :

- I. Refer note no.44 for capitalisation of expenses.

**Note - 6 : NON-CURRENT FINANCIAL ASSETS : INVESTMENTS IN ASSOCIATE**

₹ in crore

Numbers		Particulars	As at 31.03.2022	As at 31.03.2021
As at 31.03.2022	As at 31.03.2021			
<b>Investment in associate at cost</b>				
<b>Investment in equity instruments - Unquoted - fully paid</b>				
Nil	49% Share	Investment in FRM Trona Fuels LLC (Till 31 <sup>st</sup> December, 2021) (Refer note no. 47 and 57)	Nil	1.40
		<b>Total</b>	<b>Nil</b>	<b>1.40</b>
Aggregate amount of unquoted investments			Nil	1.40
Aggregate amount of impairment in value of investments			Nil	Nil

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## Note – 7 : NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

₹ in crore

Numbers		Particulars	As at 31.03.2022	As at 31.03.2021
<b>(A) Investment in Quoted Equity instruments</b>				
Investments in fully paid up equity shares at fair value through other comprehensive income				
As at 31.03.2022	As at 31.03.2021	Quoted equity instruments		
7,090	7,090	Reliance Industries Ltd. face value of ₹ 10 each	1.87	1.42
3,53,053	3,53,053	Gujarat Heavy Chemicals Ltd. face value of ₹ 10 each	19.33	8.10
1,55,600	1,55,600	Tamilnadu Petro Products Ltd. face value of ₹ 10 each	1.78	0.76
32,535	32,535	Torrent Pharmaceuticals Ltd. face value of ₹ 5 each	9.08	8.28
<b>Total - A</b>			<b>32.06</b>	<b>18.56</b>
<b>(B) Investment in un-quoted Equity instruments</b>				
Investments in fully paid up un-quoted equity shares at fair value through other comprehensive income				
57,020	57,020	The Kalupur Comm.Co.Op.Bank Ltd. face value of ₹ 25 each	0.14	0.14
1,00,000	1,00,000	Enviro Infrastructure Company Ltd. face value of ₹ 10 each	1.15	0.99
10,00,000	10,00,000	Inlac Granston Ltd. face value of ₹ 10 each	1.00	1.00
		Less : Provision for impairment in value	1.00	1.00
<b>Total - B</b>			<b>1.29</b>	<b>1.13</b>
<b>(C) Investment in Un-quoted Preference instruments</b>				
Investments in fully paid up Un-quoted Preference shares at fair value through Profit and Loss				
5,00,00,000	5,00,00,000	1% Redeemable Cumulative Non-Convertible share of face value of ₹ 10 each (Redemption on 03-06-2022)	50.00	50.00
35,90,00,000	53,90,00,000	Aculife Healthcare Pvt Ltd. (Refer Note No.47)		
		9% Redeemable Non Cumulative Non Convertible share of face value ₹ 100 each	3,590.00	5,390.00
		Niyogi Enterprise Pvt Ltd (Refer Note No.47)		
<b>Total – C</b>			<b>3,640.00</b>	<b>5,440.00</b>
<b>(D) Un-quoted government securities at amortised cost</b>				
		National savings certificates lodged with various authorities (Refer note no.42)	0.01	0.01
<b>Total – D</b>			<b>0.01</b>	<b>0.01</b>
<b>Total (A+B+C+D)</b>			<b>3,673.36</b>	<b>5,459.70</b>
Aggregate amount of quoted investments			32.06	18.56
Aggregate market value of quoted investments			32.06	18.56
Aggregate amount of unquoted investments			3,642.30	5,442.14
Aggregate amount of impairment in value of investments			1.00	1.00

### Notes :

- I. Investments at fair value through other comprehensive income and profit and loss reflect investment in quoted and unquoted equity securities. Refer note no.48 for detailed disclosure on the fair values.
- II. Refer note no.49 for credit risk, liquidity risk and market risk for non current financial assets-investments.

**Note – 8 : NON-CURRENT FINANCIAL ASSETS - OTHERS**

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
Security deposits	1.44	1.46
Bank deposit with original maturity more than 12 months	1.29	1.51
<b>Total</b>	<b>2.73</b>	<b>2.97</b>

Notes :

I. Earmarked balances with various Statutory Authorities	1.29	1.51
II. Refer note no. 42 for information on assets pledged as security by the group.		
III. Refer note no. 48 for investments at fair value through other comprehensive income and profit and loss reflect investment in quoted and unquoted equity securities.		
IV. Refer note no. 49 for credit risk, liquidity risk and market risk for non current financial assets-others.		

**Note – 9 : OTHER NON-CURRENT ASSETS**

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Unsecured, considered good</b>		
Capital advances	11.62	1.16
Prepaid expenses	0.21	0.25
<b>Total</b>	<b>11.83</b>	<b>1.41</b>

Note :

Refer note no. 42 for information on assets pledged as security by the group.

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### Note – 10 : INVENTORIES

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
Raw materials & Packaging materials	336.44	191.04
Raw materials & Packaging materials in transit	40.31	18.54
<b>Total- A</b>	<b>376.75</b>	209.58
Work-in-progress	160.97	145.24
<b>Total- B</b>	<b>160.97</b>	145.24
Finished goods	507.54	422.97
Finished goods in transit	37.79	95.16
<b>Total- C</b>	<b>545.33</b>	518.13
Stock-in-trade (Traded Goods)	0.02	0.15
Stock-in-trade (Traded Goods) in transit	0.53	Nil
<b>Total- D</b>	<b>0.55</b>	0.15
Stores and spares	461.00	463.08
Stores and spares in transit	0.12	1.91
<b>Total- E</b>	<b>461.12</b>	464.99
Fuels	117.04	58.86
Fuels in transit	254.91	75.42
<b>Total- F</b>	<b>371.95</b>	134.28
<b>Total (A+B+C+D+E+F)</b>	<b>1,916.67</b>	1,472.37

#### Notes :

- I. Refer significant accounting policy sr. no. 1 (III) (N) for inventory.
- II. Write-downs of inventories to net realisable value accounted as at March 31, 2022 ₹ 30.25 crore (p.y ₹ 37.04 crore) were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in statement of profit and loss.
- III. The Foreign Subsidiary has charged to Statement of Profit and Loss on account of slow moving inventory of ₹ 5.11 crore (p.y ₹ 2.89 crore)
- IV. Refer note no.42 for information on inventory pledged as security by the group.

**Note - 11 : CURRENT FINANCIAL ASSETS - INVESTMENT**

₹ in crore

Units		Particulars	As at 31.03.2022	As at 31.03.2021
<b>Investment in mutual fund at fair value through profit and loss</b>				
<b>As at 31.03.2022</b>	As at 31.03.2021	<b>Unquoted mutual funds</b>		
<b>7,44,579</b>	1,84,239	Aditya Birla Sun life Liquid Fund face value of ₹100 each	<b>25.36</b>	6.07
<b>3,36,323</b>	Nil	Aditya Birla Sun Life Overnight fund face value of ₹1000 each	<b>38.50</b>	Nil
<b>1,53,102</b>	Nil	HDFC Overnight fund Collection A/c face value of ₹1000 each	<b>48.01</b>	Nil
<b>Nil</b>	14,22,844	ICICI Liquid Fund face value of ₹100 each	<b>Nil</b>	43.12
<b>Nil</b>	2,140	ICICI Prudential Liquid Fund face value of ₹100 each	<b>Nil</b>	0.06
<b>1,88,29,031</b>	Nil	SBI Arbitrage Opportunities fund face value of ₹10 each	<b>51.36</b>	Nil
<b>Nil</b>	1,06,154	SBI liquid Fund face value of ₹1000 each	<b>Nil</b>	34.00
<b>32,116</b>	Nil	SBI Overnight fund face value of ₹1000 each	<b>11.00</b>	Nil
<b>Nil</b>	2,49,988	Trust Mutual Fund - Banking & PSU Bond debt fund face value of ₹1000 each	<b>Nil</b>	25.04
<b>Total of Unquoted mutual funds</b>			<b>174.23</b>	108.29

Aggregate amount of unquoted investment	<b>174.23</b>	108.29
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Note :

- I. Refer note no.48 for investments at fair value through other comprehensive income and profit and loss reflect investment in quoted and unquoted equity securities respectively.
- II. Refer note no.49 for credit risk, liquidity risk and market risk for current financial assets.

**Note – 12 : CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
Unsecured, considered good from related parties (Refer note no.47)	<b>1.23</b>	2.60
Unsecured, considered good	<b>960.54</b>	819.52
Unsecured, considered Credit impaired	<b>6.03</b>	11.46
	<b>967.80</b>	833.58
Less: Impairment for Trade receivable	<b>6.03</b>	11.46
<b>Total</b>	<b>961.77</b>	822.12

Notes:

- I. Refer note no. 42 for Trade Receivables pledged as security by the group.
- II. Refer note no. 49 for credit risk, liquidity risk and market risk for current financial assets.
- III. Ageing of Trade receivable.

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### Trade receivable ageing schedule as at 31.03.2022

₹ in crore

Particulars	As at 31 March 2022						
	Outstanding for the following periods from the due date of payment						Total
	Current but not due	Less than 6 Months	6 Months- 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables – considered good	845.97	113.99	0.15	1.37	0.14	0.15	961.77
Undisputed Trade Receivables – which have significant increase in credit risk	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Undisputed Trade Receivables – credit impaired	Nil	0.08	0.40	5.44	0.02	Nil	5.94
Disputed Trade Receivables – considered good	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Disputed Trade receivables – which have significant increase in credit risk	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Disputed Trade Receivables – credit impaired	Nil	Nil	Nil	0.09	Nil	Nil	0.09
	845.97	114.07	0.55	6.90	0.16	0.15	967.80
Less Allowance for credit impairment	Nil	0.08	0.40	5.53	0.02	Nil	6.03
Total	845.97	113.99	0.15	1.37	0.14	0.15	961.77

### Trade receivable ageing schedule as at 31.03.2021

₹ in crore

Particulars	As at 31 March 2021						
	Outstanding for the following periods from the due date of payment						Total
	Current but not due	Less than 6 Months	6 Months- 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables – considered good	757.76	62.11	2.00	0.11	Nil	0.14	822.12
Undisputed Trade Receivables – which have significant increase in credit risk	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Undisputed Trade Receivables – credit impaired	Nil	Nil	6.83	Nil	Nil	Nil	6.83
Disputed Trade Receivables – considered good	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Disputed Trade receivables – which have significant increase in credit risk	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Disputed Trade Receivables – credit impaired	Nil	0.04	2.55	1.85	0.18	0.01	4.63
	757.76	62.15	11.38	1.96	0.18	0.15	833.58
Less Allowance for credit impairment	Nil	0.04	9.38	1.85	0.18	0.01	11.46
Total	757.76	62.11	2.00	0.11	Nil	0.14	822.12

Note : There are no unbilled receivable as at 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021.

**Note – 13 : CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS**

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Cash and cash equivalents</b>		
Balance with banks		
In current accounts	615.23	414.04
Cash on hand	0.36	0.35
<b>Total</b>	<b>615.59</b>	<b>414.39</b>

Note:

Refer note no. 49 for credit risk, liquidity risk and market risk for current financial assets.

**Note – 14 : CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES**

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Other bank balances</b>		
(a) In deposit accounts (with original maturity more than 3 months but less than 12 months)	482.35	467.70
(b) Secured premium notes money received and due for refund	0.14	0.14
(c) Equity share capital reduction balance	Nil	2.83
(d) Preference share capital redemption balance	Nil	0.33
<b>Total</b>	<b>482.49</b>	<b>471.00</b>

Notes :

- I. Refer note no. 42 for information on assets pledged as security by the group.
- II. Refer note no. 49 for credit risk, liquidity risk and market risk for current financial assets.

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### Note - 15 : CURRENT FINANCIAL ASSETS - LOANS

₹ in crore

Particulars	₹ in crore	
	As at 31.03.2022	As at 31.03.2021
<b>Secured, Considered good</b>	Nil	Nil
<b>Unsecured, Considered good</b>		
Loans and advances to employees	3.36	2.64
Loans & advances to others	20.51	12.27
Inter corporate deposit to others	52.93	3.00
<b>Unsecured, Considered credit impaired</b>		
Loans & advances to others	13.17	13.17
Less : Impairment for Loans and Advances	13.17	13.17
	Nil	Nil
Inter corporate deposit to others (Refer note no. I below)	25.02	25.02
Less : Impairment for Inter Corporate Deposit	25.02	25.02
	Nil	Nil
<b>Total</b>	<b>76.80</b>	<b>17.91</b>

Notes :

- I. Provision for inter corporate deposit is made as market value of security is unlikely to realise.
- II. Refer note no. 42 for information on assets pledged as security by the group.
- III. Refer note no. 49 for credit risk, liquidity risk and market risk for current financial assets.

### Note – 16 : CURRENT FINANCIAL ASSETS - OTHERS

₹ in crore

Particulars	₹ in crore	
	As at 31.03.2022	As at 31.03.2021
<b>Unsecured, Considered good</b>		
Security deposits	5.09	4.97
Income receivable	3.56	1.68
Other receivable	3.90	2.06
<b>Total</b>	<b>12.55</b>	<b>8.71</b>

Notes:

- I. Refer note no. 42 for information on assets pledged as security by the group.
- II. Refer note no. 49 for credit risk, liquidity risk and market risk for current financial assets.

**Note – 17 : OTHER CURRENT ASSETS**

₹ in crore

Particulars	₹ in crore	
	As at 31.03.2022	As at 31.03.2021
Advances to suppliers	52.99	40.90
Less : Impairment for doubtful advances to supplier	3.52	3.52
	49.47	37.38
Balance with statutory authorities	28.70	24.47
Prepaid expenses	61.64	53.89
<b>Total</b>	<b>139.81</b>	<b>115.74</b>

Note:

Refer note no. 42 for information on assets pledged as security by the group.

**Note – 18 : CURRENT TAX ASSETS (NET)**

₹ in crore

Particulars	₹ in crore	
	As at 31.03.2022	As at 31.03.2021
Current tax Assets (Net)	176.68	167.76
<b>Total</b>	<b>176.68</b>	<b>167.76</b>

Note:

Refer note no. 42 for information on assets pledged as security by the group.

**Note – 19 : EQUITY SHARE CAPITAL**

₹ in crore

Particulars	As at 31.03.2022		As at 31.03.2021	
	Number of shares	₹	Number of shares	₹
<b>AUTHORISED</b>				
Equity shares of ₹ 5 each	146,10,00,000	730.50	146,10,00,000	730.50
6% Redeemable non cumulative non convertible preference shares of ₹ 100 each	10,00,000	10.00	10,00,000	10.00
6% Redeemable non cumulative non convertible preference shares of ₹ 1 each	25,00,00,000	25.00	25,00,00,000	25.00
5% Redeemable non cumulative non convertible preference shares of ₹ 1 each	10,00,00,000	10.00	10,00,00,000	10.00
		775.50		775.50
<b>ISSUED AND SUBSCRIBED</b>				
Equity shares of ₹ 5 each	14,60,75,130	73.04	14,60,75,130	73.04
<b>FULLY PAID UP</b>				
Equity shares of ₹ 5 each	14,60,75,130	73.04	14,60,75,130	73.04
<b>Total</b>	<b>14,60,75,130</b>	<b>73.04</b>	<b>14,60,75,130</b>	<b>73.04</b>

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### Note – 19a : EQUITY SHARE CAPITAL

#### I. The Reconciliation of Number of Equity Shares outstanding at the beginning and at the end of the year.

₹ in crore

Particulars	As at 31.03.2022		As at 31.03.2021	
	Number of shares	₹	Number of shares	₹
Opening Balance	14,60,75,130	73.04	14,60,75,130	73.04
Closing Balance	14,60,75,130	73.04	14,60,75,130	73.04

#### II. Rights, preferences and restrictions attached to equity shares

##### Equity Shares

The Parent 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 shareholders are eligible to receive the remaining assets of the Parent Company after distribution of all preferential amount in proportion to their shareholding.

#### III. The details of Shareholders of Parent company holding more than 5 % of Shares

Particulars	As at 31.03.2022		As at 31.03.2021	
	No. of shares held	% of Total paid up Equity Share Capital	No. of shares held	% of Total paid up Equity Share Capital
<b>Equity shares</b>				
Dr. Karsanbhai K. Patel	8,61,52,936	58.98	8,61,52,936	58.98
Shri Rakesh K. Patel	2,86,68,905	19.63	2,86,68,905	19.63
Shri Hiren K. Patel	2,91,45,609	19.95	2,91,45,609	19.95

#### IV. Equity share Holding Pattern -Shares held by promoter's at the end of the year.

Particulars	31.03.2022			31.03.2021		
	No. of shares held	% of Total paid up Equity Share Capital	Changes during the year	No. of shares held	% of Total paid up Equity Share Capital	Changes during the year
Dr. Karsanbhai K. Patel	8,61,52,936	58.98	Nil	8,61,52,936	58.98	Nil

**Note - 20 : OTHER EQUITY**

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Equity Security Premium</b>		
Opening balance	29.81	29.81
Closing balance	29.81	29.81
<b>Capital Redemption Reserve</b>		
Opening balance	42.35	42.35
Closing balance	42.35	42.35
<b>Debenture Redemption Reserve</b>		
Opening balance	78.17	78.17
Add : Transferred from retained earnings	23.67	Nil
Closing balance	101.84	78.17
<b>General reserve</b>		
Opening balance	2,001.39	1,990.77
Add : Transferred from retained earning	Nil	10.62
Closing balance	2,001.39	2,001.39
<b>Other Comprehensive Income</b>		
Opening balance	31.09	29.58
Add/(Less) : Equity instruments through other comprehensive income	10.48	5.92
Less : Remeasurement of defined benefit plans	1.79	4.41
Closing balance	39.78	31.09
<b>Currency Fluctuation Reserve</b>		
Opening balance	517.06	572.57
Add/(Less) : Addition during the year	64.36	(55.51)
Closing balance	581.42	517.06
<b>Retained Earnings</b>		
Opening balance	4,910.77	4,430.53
Add : Retained earnings during the year	354.37	490.86
Less: Transfer to debenture redemption reserve	23.67	Nil
Less : Transfer to general reserve	Nil	10.62
Closing balance	5,241.47	4,910.77
<b>Total</b>	<b>8,038.07</b>	<b>7,610.65</b>

**Note – 20a : OTHER EQUITY**

Notes :

**Description of nature and purpose of each reserve:**
**I. Equity security premium**

The amount received in excess of face value of the equity shares is recognised in equity security premium.

**II. Capital Redemption Reserve**

It represents reserve created on buy back of equity shares and redemption of preference shares. It is a non distributable reserve.

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### III. Debenture Redemption Reserve

The company is required to create a debenture redemption reserve out of the profit for redemption of debentures.

### IV. General Reserve

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

### V. Other comprehensive income

a) The fair value change of the equity instruments measured at fair value through other comprehensive income is recognised in equity instruments through Other Comprehensive Income.

b) The remeasurement gain/(loss) on net defined benefit plans is recognised in Other Comprehensive Income net of tax.

### VI. Currency Fluctuation Reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly to other comprehensive income and accumulated in the Currency Fluctuation Reserve.

### VII. Retained earnings

Retained earnings are the profits that the group has earned till date less any transfer to other reserves, dividends or other distributions to shareholders.

## Note - 21 : NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Secured</b>		
<b>Debentures</b>		
Non-convertible debentures (Refer note no. I below)	305.70	309.47
	305.70	309.47
<b>Term Loans from Banks</b>		
Term Loan from Banks (Refer note no. II, III, IV, V & VI below)	1,192.84	2,230.85
	1,192.84	2,230.85
<b>Unsecured</b>		
Non-convertible debentures (Refer note no. VII below)	Nil	896.50
Loan from directors -related parties (Refer note no. VIII below & 47)	10.00	10.00
<b>Total</b>	<b>1,508.54</b>	<b>3,446.82</b>

**NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS**

Notes:

₹ in crore

Sr. No.	Particulars	As at 31.03.2022		As at 31.03.2021	
		Non Current	Current	Non Current	Current
I.	7.75 % Secured Listed Rated Redeemable Non Convertible Debentures (NCD) Series V of face value of ₹ 10 lacs each	305.70	24.03	309.47	20.08
	(a) It is redeemable at par on 02.06.2023. Effective interest rate is 7.82%. (p.y 7.82%)				
	(b) The Non-convertible debenture is secured by first pari-passu charge on the whole of the movable and immovable fixed assets including land, building, plant & machinery at (i) Mandali including ambaliyasan and baliyasan Dist. Mehsana, (ii) Chhatral - Dist. Gandhinagar, (iii) Moraiya – Dist. - Ahmedabad, (iv) Dhank – Dist. Rajkot, (v) Kalatalav – Dist. – Bhavnagar, (vi) Porbandar Dist. - Porbandar (vii) Alindra – Dist. – Vadodara and (viii) Trikampura – Dist. - Ahmedabad (only movable Plant and Machinery). All above Plants located in the State of Gujarat.				
II.	Term loan from State Bank of India is repayable in 10 years starting from September 30, 2016 on equal quarterly basis. During first & second year 3% third & fourth year 8% fifth to Ninth year 13% and 3% in the 10th year of term loan amount. The company made pre-payment of 10% during the previous year. Effective interest rate is 6 month MCLR+0.20%. Term Loan was paid during the year.	Nil	Nil	676.66	195.00
	The Term loan from bank is secured by First pari-passu charge on Movable plant and machinery of the company be brought into or upon or to be stored or be in or about of the Company's factories, premises and godowns – and – on Immovable properties including all plants, machineries and buildings fixed to the land (immovable property) of various plants at (i) Mandali (Including Ambaliyasan and Baliyasan) Dist. Mehsana, (ii) Chhatral - Dist. Gandhinagar, (iii) Moraiya – Dist. - Ahmedabad, (iv) Dhank – Dist. Rajkot, (v) Kalatalav – Dist. – Bhavnagar, (vi) Porbandar Dist. - Porbandar and (vii) Alindra including Bhadarva and Chandranagar - Dist - Vadodara.				
III.	Term loan from State Bank of India is repayable from December, 2020 in 20 equal quarterly installments. Starting from Second Year 10%, Third to Sixth Year 20% and Seventh Year 10% of term loan. Effective interest rate is 6 months MCLR+0.20%. During the year, the loan was fully repaid.	Nil	Nil	314.02	90.00
	The Term loan from bank is secured by First pari-passu charge on Movable plant and machinery of the company be brought into or upon or to be stored or be in or about of the Company's factories, premises and godowns – and – on Immovable properties including all plants, machineries and buildings fixed to the land (immovable property) of various plants at (i) Mandali (Including Ambaliyasan and Baliyasan) Dist. Mehsana, (ii) Chhatral - Dist. Gandhinagar, (iii) Moraiya – Dist. - Ahmedabad, (iv) Dhank – Dist. Rajkot, (v) Kalatalav – Dist. – Bhavnagar, (vi) Porbandar Dist. - Porbandar.				
IV.	Term loan from HSBC Bank Ltd. is repayable in 21 equal quarterly installments starting from 24 <sup>th</sup> month from the date of first withdrawal i.e September 30, 2020. During the previous year, the company prepaid 6.67% of term loan of ₹ 300.00 crore, and the last installment of term loan will be due on September 03, 2025. Effective interest rate is 3 month T Bill + Spread 5.73%. (p.y. Effective interest rate is 1 month MCLR +0.30%.)	142.75	57.14	179.87	57.14
	The Term loan from bank is secured by First pari-passu charge on Movable plant and machinery of the company be brought into or upon or to be stored or be in or about of the Company's factories, premises and godowns – and – on Immovable properties including all plants, machineries and buildings fixed to the land (immovable property) of various plants at (i) Mandali (Including Ambaliyasan and Baliyasan) Dist. Mehsana, (ii) Chhatral - Dist. Gandhinagar, (iii) Moraiya – Dist. - Ahmedabad, (iv) Dhank – Dist. Rajkot, (v) Kalatalav – Dist. – Bhavnagar, (vi) Porbandar Dist. – Porbandar				
V.(A)	Term loan from Kotak Mahindra Bank Ltd. is repayable in 20 equal quarterly installments starting from the quarter following the month of first disbursement i.e May, 2020. Effective interest rate is 5.25% linked to External Bench Mark + 1.25%. (p.y. effective interest rate is 6.40% linked to External Bench Mark + 2.40%.)	179.44	90.00	269.24	90.00
V.(B)	Term loan from State Bank Of India is repayable in 20 equal quarterly installments starting from 12 months following the month of first disbursement on quarterly basis i.e March 31, 2021. Effective interest rate is above 6 month MCLR+0.20%. Term loan was prepaid during the year.	Nil	Nil	448.98	120.00
V.(C)	Term loan from Axis bank Ltd. is repayable in 12 equal quarterly installments starting from 24 months from the month of first disbursement on quarterly basis i.e February, 2022. Due to prepayment of 8% of Term loan of Rs 250 crore in the previous year, repayment is revised to 11 equal quarterly installments and balance amount as last quarterly instalment. Effective interest rate is 5.25 %, linked to T-Bill/ Repo rate. (p.y. effective interest rate is 6.50%, Linked to External Bench Mark + 3.07%.)	146.36	83.33	208.75	20.83
V.(D)	Term loan from HSBC Bank Ltd. is repayable in 12 equal quarterly installments starting from the end of the 7th month from the first disbursement i.e September, 2020. Effective interest rate is 3 month T Bill + Spread 5.76%. (p.y. Effective interest rate is 6.40%, linked to External Bench Mark + 2.95%.)	95.24	38.10	133.33	38.10
	The Term loan from banks are secured by First pari-passu charge on Movable plant and machinery of the company be brought into or upon or to be stored or be in or about of the Company's factories, premises and godowns – and – on Immovable properties including all plants, machineries and buildings fixed to the land (immovable property) of various plants at (i) Mandali (Including Ambaliyasan and Baliyasan) Dist. Mehsana, (ii) Chhatral - Dist. Gandhinagar, (iii) Moraiya – Dist. - Ahmedabad, (iv) Dhank – Dist. Rajkot, (v) Kalatalav – Dist. – Bhavnagar, (vi) Porbandar Dist. - Porbandar (vii) Alindra including bhadarva– Dist. – Vadodara and (viii) Trikampura – Dist. - Ahmedbad (only movable Plant and Machinery).				

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## NON-CURRENT FINANCIAL LIABILITIES – BORROWINGS

Notes:

₹ in crore

Sr. No.	Particulars	As at 31.03.2022		As at 31.03.2021	
		Non Current	Current	Non Current	Current
VI.	On 31 <sup>st</sup> March 2022 the foreign subsidiaries refinanced its Primary Revolving and Secondary Revolving Credit Facilities. The foreign subsidiaries refinanced its debt obligations with a INR 568.42 crore Term Loan and a INR 246.32 crore Asset Based Lending Credit Facility (ABL) less outstanding letters of credit. The ABL Credit Facility is secured by SVM's accounts receivable, inventory and property, plant and equipment. The Term Loan is secured by Kamavati's cash deposits with the lender, accounts receivable, inventory, and property, plant, and equipment. The ABL Credit Facility and Term Loan will expire on 31 <sup>st</sup> March 2027. As a result the related outstanding balances at 31 <sup>st</sup> March 2022 are classified as long-term on the accompanying Consolidated Balance Sheets. Due to the revolving nature of loans under the foreign subsidiaries credit facility, additional borrowings and periodic repayments and re-borrowings may be made until the maturity date of 31 <sup>st</sup> March 2025. SVM had outstanding letters of credit totaling INR 51.15 crore and INR 49.73 crore for the years ended 31 <sup>st</sup> March 2022 and 2021, respectively. Available borrowings under the ABL Credit Facility as of 31 <sup>st</sup> March 2022 were INR 134.53 crore and under the Primary Credit Facility were INR 84.53 as of 31 <sup>st</sup> March 2021. Available borrowings under the Term Loan and Secondary Credit Facility as of 31 <sup>st</sup> March 2022 and 2021 were Nil. Loans under the amended ABL Credit Facility bear interest at 30-day SOFR plus 2.25%. Loans under the Term Loan bear interest at 30-day SOFR plus 0.85%. The unused portion of the ABL is subject to an unused line fee of 0.25%. The ABL and Term Loan have certain covenants the foreign subsidiaries must maintain. The foreign subsidiaries must meet a fixed charged coverage ratio of 1:1 if the availability on the ABL falls below INR 37.8 crore. Statements of current assets filed by the foreign subsidiaries with bank are in agreement with the books of accounts.	629.05	Nil	Nil	650.52
VII.	9.50 % Unsecured Subordinated, Rated, Listed Non Convertible Debentures Series- IV Tranche 1 redeemable at par on July 06, 2077 with call option can be exercised by the Parent company at the end of call tenor i.e. 5 years from July 06, 2017 and annually every year thereafter with the maximum additional interest cost of 2% p.a.. Effective interest rate is 9.70%. (p.y. effective interest rate 9.70%).	Nil	962.58	896.50	64.48
VIII.	Unsecured loan from directors-related parties carry interest @ 8 % p.a. (p.y. Interest @ 8% p.a). The loan is repayable after 1 year.	10.00	Nil	10.00	Nil
IX.	The carrying amount of financial and non-financial assets pledge as security for secured borrowings are disclosed in note no. 42.				
X.	Refer note no. 48 for detail disclosure for fair value				
XI.	Refer note no. 49 for credit risk, liquidity risk and market risk for non-current financial liabilities.				
XII.	The group has complied all covenants for loans.				
XIII.	The quarterly returns or statements filed by the Company for working capital limits with banks are in agreement with the books of account of the Company.				
XIV.	There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.				

### Note - 22 : NON-CURRENT FINANCIAL LIABILITIES - OTHERS

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
Trade Deposits	81.81	76.61
<b>Total</b>	<b>81.81</b>	<b>76.61</b>

Notes :

- I. Refer note no.48 for investments at fair value through other comprehensive income and profit and loss reflect investment in quoted and unquoted equity securities.
- II. Refer note no.49 for credit risk, liquidity risk and market risk for non-current financial liabilities.

**Note - 23 : NON-CURRENT PROVISIONS**

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Provisions</b>		
Provision for employee benefits (Refer note no. 46)	166.39	153.08
Provision for Decommissioning liability*	77.38	71.25
Provision for environmental clean up expenses*	19.98	19.38
Provision for mines reclamation expenses*	0.10	0.35
<b>Total</b>	<b>263.85</b>	<b>244.06</b>

\*Refer note no. 56

**Note - 24 : DEFERRED TAX LIABILITIES (Net)**

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Deferred Tax Liabilities</b>		
Property, plant and equipment and investment property	716.35	804.82
Financial assets at fair value through OCI	2.21	Nil
	<b>718.56</b>	<b>804.82</b>
<b>Deferred Tax Assets</b>		
MAT credit	Nil	197.29
Financial assets at fair value through OCI	Nil	0.01
Net carry forward operating loss of foreign subsidiaries	74.70	46.61
Reversal of Deferred tax on reversal of Fair valued Assets	0.33	Nil
Financial assets at fair value through profit and loss	3.42	1.65
Others	288.45	235.36
	<b>366.90</b>	<b>480.92</b>
<b>Net deferred tax liabilities</b>	<b>351.66</b>	<b>323.90</b>

Note :

The group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

**Note – 24A : Movements in deferred tax liabilities**

₹ in crore

Particulars	Property, plant and equipment and investment property	Intangible assets	MAT Credit	Net carry forward operating loss of foreign subsidiaries	Financial assets at fair value through profit or loss	Deferred tax liability on business combination	Reversal of Deferred tax on reversal of Fair valued Assets	Financial assets at fair value through OCI	Other items	Total
At 1 <sup>st</sup> April, 2021	804.82	Nil	(197.29)	(46.61)	(1.65)	Nil	Nil	(0.01)	(235.36)	323.90
<b>Charged/(credited)</b>										
To profit and loss - Continuing Operation	(88.47)	Nil	197.29	(28.09)	(1.77)	Nil	(0.63)	Nil	(54.66)	23.67
To other comprehensive income	Nil	Nil	Nil	Nil	Nil	Nil	Nil	2.22	Nil	2.22
Exchange rate fluctuation effect	Nil	Nil	Nil	Nil	Nil	Nil	0.30	Nil	1.57	1.87
<b>At 31<sup>st</sup> March, 2022</b>	<b>716.35</b>	<b>Nil</b>	<b>Nil</b>	<b>(74.70)</b>	<b>(3.42)</b>	<b>Nil</b>	<b>(0.33)</b>	<b>2.21</b>	<b>(288.45)</b>	<b>351.66</b>

**Movements in deferred tax liabilities**

₹ in crore

Particulars	Property, plant and equipment and investment property	Intangible assets	MAT Credit	Net carry forward operating loss of foreign subsidiaries	Financial assets at fair value through profit or loss	Deferred tax liability on business combination	Reversal of Deferred tax on reversal of Fair valued Assets	Financial assets at fair value through OCI	Other items	Total
At 1 <sup>st</sup> April, 2020	624.10	Nil	(275.41)	Nil	0.97	Nil	Nil	(1.39)	(139.89)	208.38
<b>Charged/(credited)</b>										
To profit and loss - Continuing Operation	180.72	Nil	78.12	(46.61)	(2.62)	Nil	Nil	Nil	(93.58)	116.03
To other comprehensive income	Nil	Nil	Nil	Nil	Nil	Nil	Nil	1.38	Nil	1.38
Exchange rate fluctuation effect	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(1.89)	(1.89)
<b>At 31<sup>st</sup> March, 2021</b>	<b>804.82</b>	<b>Nil</b>	<b>(197.29)</b>	<b>(46.61)</b>	<b>(1.65)</b>	<b>Nil</b>	<b>Nil</b>	<b>(0.01)</b>	<b>(235.36)</b>	<b>323.90</b>

**Note - 25 : OTHER NON CURRENT LIABILITIES**

₹ in crore

Particulars	As at	As at
	31.03.2022	31.03.2021
Deferred revenue	4.72	6.45
<b>Total</b>	<b>4.72</b>	<b>6.45</b>

**Note - 26 : CURRENT FINANCIAL LIABILITIES - BORROWINGS**

₹ in crore

Particulars	As at	As at
	31.03.2022	31.03.2021
<b>Secured</b>		
Cash credit facility (Refer note no. I below)	0.36	10.21
Working Capital Demand Loan (Refer note no. I below)	405.70	177.66
Current maturity of non-convertible debentures (Refer note no. 21)	24.03	20.08
Current maturity of term loans from Bank (Refer note no. 21)	268.57	1,261.59
<b>Unsecured</b>		
Commercial Paper (Refer note no. II below)	Nil	248.22
Current maturity of non-convertible debentures (Refer note no. 21)	962.58	64.48
<b>Total</b>	<b>1,661.24</b>	<b>1,782.24</b>

**Notes:**

- I. The credit facilities from banks ₹ 406.06 crore (p.y. ₹ 187.87 crore) are secured on (a) First pari-passu charge on stock, stock in process, semi finished and finished goods, book debts, current assets of the parent company lying at (i) Mandali incl. Ambaliyasan, Baliyasan, dist. Mehsana, (ii) Chhatral, Dist. Gandhinagar, (iii) Trikampura, Dist. Ahmedabad, (iv) Soda ash project, Kalatalav, Bhavnagar, (v) Moraiya Dist. Ahmedabad, (vi) Alindra including Bhadarva, Dist. Vadodara, (vii) Saurashtra Chemicals division of Nirma Limited, Birlasagar, Porbandar, salt works and lime stone mines at different site in Gujarat, (viii) depot at various places, (b) Second pari-passu charge on whole of movable plant & machinery situated at (i) Mandali (incl. Ambaliyasan, Baliyasan Dist. Mehsana), (ii) Chhatral, Dist. Gandhinagar, (iii) Moraiya Dist. Ahmedabad, (iv) Alindra including Bhadarva, Dist. Vadodara, (v) Dhank, Dis. Rajkot, (c) Second pari-passu charge on the immovable assets of the parent company at, (i) Mandali (incl. Ambaliyasan, Baliyasan Dist. Mehsana), (ii) Chhatral, Dist. Gandhinagar, (iii) Moraiya Dist. Ahmedabad, (iv) Alindra including Bhadarva, Dist. Vadodara, (v) Dhank, Dis. Rajkot.

Effective cost is in the range of 6% to 10% p.a (p.y 6 % to 10 % p.a)

- II. Effective interest rate for commercial paper is 3.70 % p.a. (p.y 3.61 % p.a).
- III. The carrying amount of financial and non-financial assets pledged as security for secured borrowings is disclosed in note no. 42.
- IV. Refer note no. 49 for credit risk, liquidity risk and market risk for current financial liabilities.

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### Note - 27 : CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

₹ in crore

Particulars	As at	As at
	31.03.2022	31.03.2021
<b>Trade payables</b>		
Micro & Small Enterprise (Refer Note no. 54)	11.84	1.94
Other than Micro & Small Enterprise	753.07	557.70
<b>Total</b>	<b>764.91</b>	<b>559.64</b>

#### Ageing of Trade Payable.

##### Trade payables ageing schedule as at 31<sup>st</sup> March 2022

₹ in crore

Particulars	As at 31 <sup>st</sup> March 2022					
	Outstanding for the following periods from the due date of payment					
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed dues – MSME	Nil	11.78	0.04	Nil	0.02	11.84
Undisputed dues – Others	352.07*	338.54	7.06	1.41	3.72	702.80
Disputed dues - MSME	Nil	Nil	Nil	Nil	Nil	Nil
Disputed dues - Others - Net	Nil	41.24	8.78	Nil	0.25	50.27
Total	<b>352.07</b>	<b>391.56</b>	<b>15.88</b>	<b>1.41</b>	<b>3.99</b>	<b>764.91</b>

\*Includes ₹ 28.04 crores of unbilled.

##### Trade payable ageing schedule as at 31.03.2021

₹ in crore

Particulars	As at 31 March 2021					
	Outstanding for the following periods from the due date of payment					
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed dues – MSME	Nil	1.94	Nil	Nil	Nil	1.94
Undisputed dues – Others	289.61*	263.81	1.11	1.88	1.71	558.12
Disputed dues - MSME	Nil	Nil	Nil	Nil	Nil	Nil
Disputed dues - Others - Net	Nil	8.50	Nil	Nil	(8.92)	(0.42)
Total	<b>289.61</b>	<b>274.25</b>	<b>1.11</b>	<b>1.88</b>	<b>(7.21)</b>	<b>559.64</b>

\*Includes ₹ 24.44 crores of unbilled.

Note :

#### I. 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 group. This has been relied upon by the auditors.

#### II. Refer note no. 48 for detailed disclosure on fair values.

#### III. Refer note no. 49 for credit risk, liquidity risk and market risk for current financial liabilities.

#### IV. The information on Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding as at the Balance Sheet date, has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the

auditors. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date. These facts have been relied upon by the auditors.

**Note - 28 : CURRENT FINANCIAL LIABILITIES - OTHERS**

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Secured</b>	Nil	Nil
<b>Unsecured</b>		
Interest accrued but not due	2.84	Nil
Unclaimed matured non convertible debentures /secured premium notes and interest thereon	0.14	0.14
Liability for equity share capital reduction (Refer note no.I below)	0.65	0.65
Equity share capital reduction balance payable	Nil	2.83
Preference share capital redemption balance payable	Nil	0.33
Creditors for capital expenditure	15.19	19.58
Other payables	68.39	113.64
<b>Total</b>	<b>87.21</b>	<b>137.17</b>

Notes :

- I. Balance payable on 32,584 equity shares kept in abeyance due to court matter.
- II. Refer note no. 48 for detailed disclosure on fair values.
- III. Refer note no.49 for credit risk, liquidity risk and market risk for current financial liabilities.

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### Note - 29 : OTHER CURRENT LIABILITIES

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
Advance received from customers	63.87	8.41
Statutory liabilities	185.48	113.04
Deferred revenue	1.93	4.17
Others	2.25	1.38
<b>Total</b>	<b>253.53</b>	<b>127.00</b>

### Note - 30 : CURRENT PROVISIONS

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
Provision for employee benefits (Refer note no.46)	39.70	51.24
Provision for Renewable Power Obligations*	61.40	49.56
Provision in respect of litigation relating to Indirect taxes*	142.00	130.60
Provision in respect of litigation relating to Income tax*	330.00	330.00
Provision for environmental clean up expenses*	0.61	0.59
<b>Total</b>	<b>573.71</b>	<b>561.99</b>

\* Refer note no 56

### Note - 31 : CURRENT TAX LIABILITIES (NET)

₹ in crore

Particulars	As at 31.03.2022	As at 31.03.2021
Income tax provision (net)	34.52	52.35
<b>Total</b>	<b>34.52</b>	<b>52.35</b>

### Note - 32 : REVENUE FROM OPERATIONS

₹ in crore

Particulars	2021-2022	2020-2021
<b>Revenue from operations</b>		
<b>Sale of Products</b>		
Finished goods	8,900.34	7,390.48
Stock in trade	9.78	7.74
	8,910.12	7,398.22
<b>Sale of Services</b>		
Processing charges	22.68	10.94
<b>Other operating revenues</b>		
Duty drawback & other export incentives	3.73	6.11
Scrap sales	26.72	16.99
<b>Total</b>	<b>8,963.25</b>	<b>7,432.26</b>

**Revenue from contracts with customers**
**A) Disaggregated revenue information**

Set out below is the disaggregation of the group's revenue from contracts with customers:

Segment	For the year ended March 31, 2022				For the year ended March 31, 2021			
	Soaps & Surfactants	Processed Minerals	Others	Total	Soaps & Surfactants	Processed Minerals	Others	Total
<b>Type of goods or service</b>								
<b>Sale of manufactured goods</b>								
Soda Ash	2,342.48	1,403.23	Nil	3,745.71	1,779.09	1,489.83	Nil	3,268.92
Detergents	989.73	Nil	Nil	989.73	895.69	Nil	Nil	895.69
Caustic Soda	846.53	Nil	Nil	846.53	374.11	Nil	Nil	374.11
Toilet Soap	704.93	Nil	Nil	704.93	652.60	Nil	Nil	652.60
Linear Alkyl Benzene	964.34	Nil	Nil	964.34	808.72	Nil	Nil	808.72
Others	56.58	1,044.55	547.97	1,649.10	57.12	907.46	425.86	1,390.44
<b>Total</b>	<b>5,904.59</b>	<b>2,447.78</b>	<b>547.97</b>	<b>8,900.34</b>	<b>4,567.33</b>	<b>2,397.29</b>	<b>425.86</b>	<b>7,390.48</b>
<b>Sale of traded products</b>								
Soda Ash	7.85	Nil	Nil	7.85	6.58	Nil	Nil	6.58
Detergents	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Others	Nil	1.93	Nil	1.93	Nil	1.16	Nil	1.16
<b>Total</b>	<b>7.85</b>	<b>1.93</b>	<b>Nil</b>	<b>9.78</b>	<b>6.58</b>	<b>1.16</b>	<b>Nil</b>	<b>7.74</b>
<b>Sale of Services</b>								
<b>Processing charges</b>								
Soda Ash	0.40	Nil	Nil	0.40	Nil	Nil	Nil	Nil
Detergents	0.02	Nil	Nil	0.02	Nil	Nil	Nil	Nil
Linear Alkyl Benzene	0.09	Nil	Nil	0.09	Nil	Nil	Nil	Nil
Others	22.16	Nil	0.01	22.17	10.14	Nil	0.80	10.94
<b>Total</b>	<b>22.67</b>	<b>Nil</b>	<b>0.01</b>	<b>22.68</b>	<b>10.14</b>	<b>Nil</b>	<b>0.80</b>	<b>10.94</b>
<b>Other operating revenues</b>								
Duty drawback & other export incentives	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Soda Ash	0.25	Nil	Nil	0.25	5.17	Nil	Nil	5.17
Caustic Soda	1.84	Nil	Nil	1.84	Nil	Nil	Nil	Nil
Others	1.62	Nil	0.02	1.64	0.40	Nil	0.54	0.94
<b>Total</b>	<b>3.71</b>	<b>Nil</b>	<b>0.02</b>	<b>3.73</b>	<b>5.57</b>	<b>Nil</b>	<b>0.54</b>	<b>6.11</b>
<b>Scrap Sales</b>								
Soda Ash	10.74	Nil	Nil	10.74	5.70	Nil	Nil	5.70
Detergents	1.58	Nil	Nil	1.58	1.56	Nil	Nil	1.56
Toilet Soap	0.15	Nil	Nil	0.15	0.10	Nil	Nil	0.10
Linear Alkyl Benzene	0.49	Nil	Nil	0.49	0.46	Nil	Nil	0.46
Others	13.75	Nil	0.01	13.76	7.31	Nil	1.86	9.17
<b>Total</b>	<b>26.71</b>	<b>Nil</b>	<b>0.01</b>	<b>26.72</b>	<b>15.13</b>	<b>Nil</b>	<b>1.86</b>	<b>16.99</b>

₹ in crore

Segment	For the year ended March 31, 2022				For the year ended March 31, 2021			
	Soaps & Surfactants	Processed Minerals	Others	Total	Soaps & Surfactants	Processed Minerals	Others	Total
<b>Total revenue from contracts with customers</b>	<b>5,965.53</b>	<b>2,449.71</b>	<b>548.01</b>	<b>8,963.25</b>	<b>4,604.75</b>	<b>2,398.45</b>	<b>429.06</b>	<b>7,432.26</b>
India	5,521.63	112.12	544.52	6,178.27	4,465.47	131.61	405.13	5,002.21
USA	102.59	986.69	Nil	1,089.28	Nil	1,034.84	Nil	1,034.84
Rest of the world	341.31	1,350.90	3.49	1,695.70	139.28	1,232.00	23.93	1,395.21
<b>Total revenue from contracts with customers</b>	<b>5,965.53</b>	<b>2,449.71</b>	<b>548.01</b>	<b>8,963.25</b>	<b>4,604.75</b>	<b>2,398.45</b>	<b>429.06</b>	<b>7,432.26</b>
<b>Timing of revenue recognition</b>								
Goods transferred at a point in time	5,965.53	2,449.71	548.01	8,963.25	4,604.75	2,398.45	429.06	7,432.26
<b>Total revenue from contracts with customers</b>	<b>5,965.53</b>	<b>2,449.71</b>	<b>548.01</b>	<b>8,963.25</b>	<b>4,604.75</b>	<b>2,398.45</b>	<b>429.06</b>	<b>7,432.26</b>

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

₹ in crore

Segment	For the year ended March 31, 2022				For the year ended March 31, 2021			
	Soaps & Surfactants	Processed Minerals	Others	Total	Soaps & Surfactants	Processed Minerals	Others	Total
<b>Revenue</b>								
External customer	5,965.53	2,449.71	548.01	8,963.25	4,604.75	2,398.45	429.06	7,432.26
Inter-segment	15.61	Nil	1.65	17.26	16.80	Nil	1.15	17.95
Inter-segment adjustment and elimination	(15.61)	Nil	(1.65)	(17.26)	(16.80)	Nil	(1.15)	(17.95)
<b>Total revenue from contracts with customers</b>	<b>5,965.53</b>	<b>2,449.71</b>	<b>548.01</b>	<b>8,963.25</b>	<b>4,604.75</b>	<b>2,398.45</b>	<b>429.06</b>	<b>7,432.26</b>

**B) Contract balances**

The following table provides information about receivables, contract assets and contract liabilities from contract with customers

Particulars	₹ in crore	
	As at March 31, 2022	As at March 31, 2021
Trade receivables*	961.77	822.12
Contract liabilities	21.46	19.35
Advances from customers (Refer note no - 29)	63.87	8.41

\*Trade receivables are generally on terms up to 90 days.

**C) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price**

Particulars	₹ in crore	
	2021-2022	2020-2021
Revenue as per contracted price	9,198.70	7,666.30
Discount	(235.45)	(234.04)
<b>Revenue from contract with customers</b>	<b>8,963.25</b>	<b>7,432.26</b>

**D) The transaction price allocated to the remaining performance obligation non-executed as at March 31, 2022 is as follows:**

Particulars	₹ in crore	
	As at March 31, 2022	As at March 31, 2021
Advances from customers (Refer note no - 29)	63.87	8.41

Management expects that the entire transaction price allotted to the non executed contract as at the end of the reporting period will be recognised as revenue during the next financial year.

**Note - 33 : OTHER INCOME**

Particulars	₹ in crore	
	2021-2022	2020-2021
Interest income	12.49	18.58
Interest income from financial assets at amortised cost	2.89	14.45
Dividend income from equity investments designated at fair value through other comprehensive income	0.40	0.09
Net gain on sale of current investments	6.95	3.86
Profit on sale of property, plant & equipment	4.44	83.67
Exchange fluctuation change (net)	Nil	3.55
Claims and refunds	79.68	28.29
Government grants	11.26	10.70
Provision no longer required written back	20.36	6.57
Gain on lease modification	0.10	0.21
Others	18.96	10.66
<b>Total</b>	<b>157.53</b>	<b>180.63</b>

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### Note - 34 : COST OF MATERIALS CONSUMED

₹ in crore

Particulars	2021-2022		2020-2021	
	2021-2022	2020-2021	2021-2022	2020-2021
Stock of Raw material and Packing material at the beginning of the year for continuing operations (A)	191.04	196.91		
Add: Purchases (net) (B)	2,617.75	1,734.16		
Less: Stock of Raw material and Packing material at the end of the year for continuing operations (C)	336.44	191.04		
Cost of Raw material Consumed (Including Packaging Materials) for continuing operations (A+B-C)	2,472.35	1,740.03		

### Note - 35 :

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

₹ in crore

Particulars	2021-2022			
	Finished Goods	Stock in Trade	Work-in-progress	Total
Inventories at the beginning of the year for continuing operations (A)	518.13	0.15	145.24	663.52
Inventories at the end of the year for continuing operations (B)	545.33	0.55	160.97	706.85
Changes in inventories of finished goods, stock-in-trade and work-in-progress for continuing operations (A-B)	(27.20)	(0.40)	(15.73)	(43.33)

₹ in crore

Particulars	2020-2021			
	Finished Goods	Stock in Trade	Work-in-progress	Total
Inventories at the beginning of the year for continuing operations (A)	572.50	2.16	108.22	682.88
Inventories at the end of the year for continuing operations (B)	518.13	0.15	145.24	663.52
Changes in inventories of finished goods, stock-in-trade and work-in-progress for continuing operations (A-B)	54.37	2.01	(37.02)	19.36

### Note - 36 : EMPLOYEE BENEFITS EXPENSES

₹ in crore

Particulars	2021-2022		2020-2021	
	2021-2022	2020-2021	2021-2022	2020-2021
Salaries and wages	674.34	678.62		
Contributions to provident and other funds (Refer note no.46)	44.19	43.55		
Gratuity (Refer note no.46)	13.56	13.12		
Leave compensation (Refer note no.46)	17.72	21.07		
Staff welfare expense	59.21	51.14		
<b>Total</b>	<b>809.02</b>	<b>807.50</b>		

Note:

The Code on Social Security, 2020 ("the Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Parent company will assess the impact of the Code when it comes into effect.

**Note - 37 : FINANCE COSTS**

₹ in crore

Particulars	2021-2022	2020-2021
Interest and finance charges on financial liabilities not at fair value through profit or loss	257.48	387.68
Other interest expense	63.65	33.89
Unwinding interest on assets retirement obligation	3.84	1.91
Interest on Lease	15.64	16.23
Less : Interest cost capitalised (Refer note no.44)	21.53	77.27
<b>Total</b>	<b>319.08</b>	<b>362.44</b>

**Note:**

The capitalisation rate used to determine the amount of borrowing cost to be capitalised is 7.43% for parent company and 2.64% for foreign subsidiaries (p.y. 7.43% for parent company and 2.64% for foreign subsidiaries), the weighted average interest rate of respective entities.

**Note - 38 : DEPRECIATION AND AMORTISATION EXPENSES**

₹ in crore

Particulars	2021-2022	2020-2021
Depreciation of property, plant and equipment (Refer note no.2A)	787.42	509.81
Amortisation of intangible assets (Refer note no.5)	3.78	2.88
Depreciation of Right of use assets (Refer note no.2B)	86.53	83.21
<b>Total</b>	<b>877.73</b>	<b>595.90</b>

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### Note - 39 : OTHER EXPENSES

₹ in crore

Particulars	2021-2022	2020-2021
Consumption of stores and spare parts	336.84	257.00
Power and fuel expenses	2,139.94	1,463.31
Processing charges	1.78	3.86
Rent expenses/ Lease rent (Refer note no.45)	35.09	23.50
Repairs		
To building	10.27	10.05
To plant and machinery	80.94	77.34
To others	8.17	7.47
	99.38	94.86
Insurance expenses	70.30	61.55
Rates and taxes	77.99	69.40
Payments to auditors (Refer note no.55)		
Audit fees	2.84	3.31
Taxation matters	0.79	1.28
Variable Lease Expense	3.70	3.22
Directors' fees	0.07	0.13
Discount on sales	4.09	2.85
Commission on sales	24.61	25.51
Freight and transportation expenses	1,039.95	977.36
GST expenses	3.59	3.76
Advertisement expenses	45.25	42.12
Exchange fluctuation loss (net)	2.34	Nil
Loss on sale of property, plant & equipment	0.01	0.06
Donation (Refer note no.I below)	0.88	11.71
Sales promotion expenses	0.07	Nil
Provision for doubtful debts	0.34	8.75
Provision for doubtful advances	Nil	16.36
Provision for sales tax expense	1.31	Nil
Bad debts & doubtful advances written off	2.04	Nil
Balances written off	Nil	1.45
Corporate social responsibility expenses	15.23	14.62
Other expenses [Net of Transport Income ₹ 0.01 crore (p.y. ₹ 0.01 crore)] (Refer note no.II below)	261.06	245.10
<b>Total</b>	<b>4,169.49</b>	<b>3,331.07</b>

Notes :

- I. Donation includes donation to political parties ₹ 0.31 crore (p.y. ₹ 10.60 crore)
- II. Includes prior period adjustments(net) ₹ 0.42 crore (p.y. ₹ 2.91 crore).

**Note - 40 : TAX EXPENSES**

₹ in crore

Particulars	2021-2022	2020-2021
Current tax	117.73	106.48
Tax expenses relating to earlier year	4.78	(2.16)
MAT credit utilised	194.21	81.98
MAT credit entitlement relating to earlier year	3.08	(3.86)
Deferred tax (credit)/charge	(173.62)	37.91
<b>Total</b>	<b>146.18</b>	<b>220.35</b>

Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income tax is summarised below:

₹ in crore

Particulars	2021-2022	2020-2021
<b>Enacted income tax rate in India applicable to the Parent company</b>	<b>34.94%</b>	34.94%
<b>Profit before tax from continuing operations</b>	<b>500.56</b>	711.51
<b>Profit before tax from continuing operations and discontinued operations</b>	<b>500.55</b>	711.51
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India from continuing operations	174.92	248.63
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India from continuing operations and discontinued operations	174.92	248.63
<b>Tax effect of the amounts which are not deductible/ (taxable) in calculating taxable income</b>		
Permanent disallowances	6.77	11.10
Deduction claimed under Income Tax Act	(9.32)	(13.96)
Other deductible expenses	76.41	(42.67)
MAT credit entitlement/ (utilization)	0.01	Nil
Temporary differences having deferred tax consequences (net)	5.88	43.12
Adjustment related to earlier years	4.78	(2.16)
MAT credit entitlement related to earlier years	3.08	(3.86)
Effect of tax rate in USA	11.81	7.54
Tax on exempted income	(16.71)	(35.68)
Deferred tax expense (net)	(110.62)	4.34
Other items	(0.83)	3.95
<b>Total tax expense</b>	<b>146.18</b>	220.35
<b>Tax expense from continuing operations</b>	<b>146.18</b>	220.35
<b>Effective tax rate</b>	<b>29.20%</b>	30.97%

Notes :

- I. In calculation of tax expense for the current year and earlier years, the Parent company had claimed certain deductions as allowable under Income Tax Act which were disputed by the department and the matter is pending before tax authorities.

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- II. In respect of foreign subsidiaries, For the years ended March 31, 2022 and 2021, the provisions for income taxes for the year 2022 is different than expected from applying statutory rates to pretax income. The difference is predominately due to the impact resulting from the 2021 enactment of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES" Act) and permanent tax differences, primarily depletion. On March 27, 2020, the U.S. government enacted comprehensive tax legislation. The CARES Act makes broad and complex changes to the U.S. tax code, including, but not limited to, (1) granting taxpayers a 5-year carryback period for net operating losses ("NOLs") arising in the tax years beginning after December 31, 2017 and before January 1, 2021; and (2) accelerating the utilization of any remaining minimum tax credits (corporate alternative minimum tax credits) to offset against regular tax or elect to claim the entire refundable credit beginning in tax year 2019. The foreign subsidiaries generated a federal NOL for the year ended March 31, 2021 and carried the NOLs back to March 31, 2017, 2018 and 2019. The NOL carryback years fall under the pre Tax Cut and Jobs Act of 2017 ("TCJA") tax.

The foreign subsidiaries earned tax credits for refined coal treatments related to the joint venture with FRM. The foreign subsidiaries earned refined coal tax credits of INR 14.2 crore and INR 15.26 crore for the years ended March 31, 2022 and 2021, respectively.

- III. At March 31, 2022 and 2021, the foreign subsidiaries had federal and California alternative minimum tax ("AMT") credit carryforwards of approximately INR 24.5 crores and INR 23.76 crores, respectively, which may be carried forward indefinitely. The foreign subsidiaries also had federal general business credit carryforwards of INR 63.42 crores at March 31, 2022, which can be carried forward for 20 years. The CARES Act accelerated the utilization of remaining federal AMT credits effective immediately. The foreign subsidiaries elected and claimed remaining refundable federal AMT credits. As of March 31, 2022, California has not confirmed to the CARES Act's provision regarding the acceleration of AMT credit utilization. Thus, due to the nature of the items giving rise to the AMT credit carryforwards, the utilization of the California AMT credit carryforwards is uncertain. Accordingly, the foreign subsidiaries has recorded a valuation allowance of INR 19.28 crores and INR 18.70 crores as at March 31, 2022 and 2021, respectively related to such California AMT credits. The foreign subsidiaries also has a federal net operating loss carryforward of INR 363.34 crores which was generated in the years ending March 31, 2022 and 2021, which carries forward indefinitely. The foreign subsidiaries also has state net operating loss carryforwards of INR 452.9 crores which were generated in the year ending March 31, 2020, 2021 and 2022 which are carried forward from 10 years to indefinitely. The foreign subsidiaries believe the results of future operations will generate sufficient taxable income to realize the benefit of the remaining deferred tax assets.

The foreign subsidiaries file income tax returns in the U.S. federal jurisdiction, various state jurisdictions, and France. Tax years ending after fiscal 2019 remain subject to examination and assessment for federal purposes and for certain states after fiscal year 2018. However, the federal and state loss and credit carryforwards and amounts utilized in open years are also open for potential adjustment. As of the date of these financial statements, there are no ongoing examinations.

During the years ended March 31, 2022 and 2021, the foreign subsidiaries had no uncertain tax positions.

**Note - 41 : STATEMENT OF OTHER COMPREHENSIVE INCOME**

₹ in crore

Particulars	2021-2022	2020-2021
<b>I. Items that will not be reclassified to profit or loss</b>		
Equity instruments through Other Comprehensive Income	13.66	8.80
Remeasurement of defined benefit plans	(2.75)	(5.91)
<b>Total (A)</b>	<b>10.91</b>	<b>2.89</b>
<b>II. Income tax relating to these items that will not be reclassified to profit or loss</b>		
Deferred Tax impact on Equity Instruments through Other Comprehensive Income	(3.18)	(2.88)
Deferred Tax impact on actuarial gains and losses	0.96	1.50
<b>Total (B)</b>	<b>(2.22)</b>	<b>(1.38)</b>
<b>III. Items that will be reclassified to profit or loss</b>		
Exchange differences in translating the financial statements of foreign operations	64.36	(55.51)
Deferred gain on cash flow hedge	Nil	Nil
<b>Total (C)</b>	<b>64.36</b>	<b>(55.51)</b>
<b>Total (A + B + C)</b>	<b>73.05</b>	<b>(54.00)</b>

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**Notes to the consolidated financial statements**

**Note - 42 : Assets Pledged as Security**

The carrying amount of assets pledged as security for current and non-current borrowings are:

₹ in crore

	Assets description	As at	
		31.03.2022	31.03.2021
<b>I.</b>	<b>Current Financial Assets</b>		
	<i>First charge</i>		
	A. Trade receivables	962.64	820.62
	B. Other Current Financial Assets	11.97	8.71
	C. Bank deposits	358.11	361.80
<b>II.</b>	<b>Current Assets</b>		
	<i>First &amp; Second charge</i>		
	A. Inventories	1,915.30	1,471.54
	B. Other Current Assets	96.19	64.73
	C. Current Tax Assets (Net)	Nil	167.76
	<b>Total current assets pledged as security</b>	<b>3,344.21</b>	<b>2,895.16</b>
<b>III.</b>	<b>Non-Current Financial Assets</b>		
	A. National savings certificate	0.01	0.01
	B. Bank deposits (lien with statutory authorities)	1.29	1.51
	C. Capital Advances	11.62	1.16
	D. Prepaid Expenses	0.07	0.09
<b>IV.</b>	<b>Property, Plant and Equipment</b>		
	<i>First &amp; Second charge</i>		
	A. Freehold land	37.10	37.10
	B. Buildings	259.46	260.94
	C. Plant and equipments	4,048.20	4,465.92
	D. Mineral Reserves	238.49	232.54
	E. Other moveable assets	28.29	28.54
<b>V.</b>	<b>Capital work in progress</b>	<b>331.35</b>	<b>417.89</b>
	<b>Total non-current assets pledged as security</b>	<b>4,955.88</b>	<b>5,445.70</b>
	<b>Total assets pledged as security</b>	<b>8,300.09</b>	<b>8,340.86</b>

## Notes to the consolidated financial statements

### Note - 43 : Contingent liabilities not provided for in accounts :

#### Contingent liabilities :

₹ in crore

	Particulars	As at	
		31.03.2022	31.03.2021
<b>A.</b>	Claims against the group not acknowledged as debts		
1	For custom duty	Nil	0.26
2	For direct tax*	2,750.00	2,580.00
3	For sales tax	Nil	0.52
4	For excise duty and service tax and GST [Appeals decided in favour of the company ₹ Nil (p.y. ₹ 1.56 cr)	Nil	3.68
5	Others	37.39	119.23
	<b>Total</b>	<b>2,787.39</b>	<b>2,703.69</b>
	*Income tax department has raised demands by making various additions / disallowances. The group is contesting demand, in appeals, at various levels. However, based on legal advice, the group does not expect any liability in this regard.		
6	Estimated amount of contracts, remaining to be executed, on capital account (Net of payment)	240.68	248.36
7	For letters of credit	181.29	122.54
8	For bank guarantee	107.54	119.13
9	Corporate guarantee of ₹ 28 cr (p.y. ₹ 470.66 cr) given by the parent company. Liability to the extent of outstanding balance	12.52	438.50
10	Undertaking given to Hon'ble High court of Gujarat for dues payable to HDFC Bank regarding its claim against healthcare division, now demerged from the group and transferred to Aculife Healthcare Pvt. Ltd. During the year, HDFC Bank withdrew case from Hon'ble High Court.		Not ascertainable

#### Notes:

- 11 The foreign subsidiaries' shipments through the San Diego and Long Beach, California ports require a minimum annual guaranty (MAG). The Port of San Diego requires that the foreign subsidiary 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 foreign subsidiaries ship an annual minimum tonnage through the port at the basis rates. The San Diego port agreement is currently in a hold over period. The foreign subsidiaries intend to remain in San Diego for at least another twenty years if it can successfully renew its agreement with the Port of San Diego over such period. The Long Beach port agreement expires in December 2023. For the San Diego port, the foreign subsidiaries recorded ₹ 5.42 crore, and ₹ 5.17 crore in unfulfilled MAG commitments as of March 31, 2022 and March 31, 2021 respectively, which are included in accounts payable. Future MAG commitments based on the lease periods noted above on the San Diego and Long Beach ports through the respective contract expiration dates are ₹ 89.20 crore and ₹ 67.63 crore, respectively.
- 12 The foreign subsidiaries have various agreements with customers to sell specified amounts of sodium sulfate, soda ash, salt, and boron products over a period of 1 to 3 years at fixed sales prices and minimum quantities. Management does not anticipate any significant losses from these contracts.
- 13 As of March 31, 2017, the foreign subsidiaries have entered into supply contracts to purchase coal and as of March 31, 2022, it has entered into supply contracts to purchase natural gas. The purchase commitments have been for amounts to be consumed within the normal production process, and thus, the foreign subsidiaries have determined that these contracts meet normal purchases and sales exceptions. As such, these contracts have been excluded from recognition within these financial statements until the actual contracts are physically settled. The purchase commitments for coal are with two suppliers and one supplier for natural gas and require the foreign subsidiary to purchase a minimum usage. Future minimum purchases remaining under the coal agreement are ₹ 46.88 crore through December 31, 2022. Future minimum purchases remaining under the gas agreement are ₹ 9.01 crore through October 31, 2023.

## Nirma Limited - Consolidated

### Notes to the consolidated financial statements

14. The foreign subsidiaries are self-insured for certain employee health benefits (₹ 1.97 crore annually per employee with no annual aggregate) and workers compensation (₹ 5.68 crore per accident). Self-insurance costs are accrued based upon the aggregate of the liability for reported claims and an estimated liability for claims incurred but not reported. The liability is included in current other accrued liabilities and other non current liabilities.

At March 31, 2022 and March 31 2021, the foreign subsidiaries recorded a liability of ₹ 12.02 crore, and ₹ 10.99 crore respectively, in other accrued liabilities for self-insured medical costs. At March 31, 2022 and March 31 2021, the foreign subsidiaries recorded a liability of ₹ 31.51 crore (₹ 6.42 crore classified in other accrued liabilities and ₹ 25.07 crore in other non current liabilities), and ₹ 35.31 crore (₹ 6.84 crore classified in other accrued liabilities and ₹ 28.48 crore in other non current liabilities), respectively, for self-insured worker's compensation costs.

15. A substantial portion of the land used in the foreign subsidiaries operations in Searles Valley, California is owned by the U.S. government. The foreign subsidiaries pay a royalty to the U.S. government of 5% on the net sales value of the minerals extracted from government land. The U.S government reduced the royalty rate for Soda Ash products from 5% to 2% for a 10 year period starting on January 1, 2021. The leases generally have a term of 10 years with preferential renewal options. Royalty expense included in Cost of goods sold-products was ₹ 38.88 crores, ₹ 54.56 crores, for the years ended March 31, 2022 and March 31, 2021 respectively.

16. The Company is currently in litigation with the Indian Wells Groundwater Authority "IWGA" over the IWGA's replenishment fee. On 1<sup>st</sup> January 2015 California enacted the Sustainable Groundwater Management Act due to a severe multi-year drought in California and a growing understanding the groundwater was being pumped faster than it was being replenished. The IWGA was established under the SGMA and created a Groundwater Sustainability Plan "GSP" on 16<sup>th</sup> January 2020. Under the GSP the IWGA set up a significant replenishment fee based on water consumption. The Company is challenging the replenishment fee based the Company's belief it has prescriptive water rights not subject to the IWGA's replenishment fee. The Company does continue to accrue for the replenishment fee and late fees. The Company has accrued ₹ 48.71 crore as of 31<sup>st</sup> March 2022 classified in Accounts payable.

17. The group has reviewed all its pending litigations and proceedings and has adequately provided where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The group does not expect the outcome of these proceedings to have materially adverse effect on its financial position. The group does not expect any reimbursements in respect of the above contingent liabilities.

18. At March 31, 2022 and 2021, the Company recorded accruals ₹ 20.58 crore (₹ 0.61 crore classified in Other accrued liabilities and ₹ 19.98 crore in Other noncurrent liabilities) and ₹ 19.96 crore (₹ 0.58 crore classified in current Provision and ₹ 19.38 crores in non current provisions) respectively for future costs associated with environmental matters.

#### Note 44

The following expenditures have been capitalised as part of fixed assets:

Particulars	₹ in crore	
	2021-2022	2020-2021
Employee cost	1.89	2.35
Power and fuel expenses	0.37	0.66
Finance Cost	21.53	77.27
Other expenses	0.15	0.18
<b>Total</b>	<b>23.94</b>	<b>80.46</b>

## Notes to the consolidated financial statements

### Note - 45

#### a) Disclosures under Ind AS 116 - Leases

##### Group as a lessee

The Group's leases have initial lease term ranging from 1 month to 80 years. The foreign subsidiary's rail car leases have initial lease terms ranging from 1 to 10 years, some of which include options to extend or renew the leases for 2 to 7 years. For rail car leases, the options to extend are not considered reasonably certain as lease commencement because of the availability of alternative rail cars and ease of relocation.

In foreign subsidiaries, other leases have initial lease terms ranging from 1 month to 20 years, some of leases may include automatic renewal options or options to extend the leases for up to 20 years. Generally, the renewal option periods are not included within the lease term because the foreign subsidiary typically does not exercise renewal options except the San Diego port lease.

The San Diego land lease is currently in a month-to-month holdover. The foreign subsidiary believes both parties will more likely than not extend the agreement for a period of 20 years.

Such options are appropriately considered in determination of the lease term based on the management's judgement. For leases where the lease term is less than 12 months with no purchase option, the Group has elected to apply exemption for short term leases and accordingly, right of use assets and lease liabilities for these contracts are not recognised.

The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

#### b) Lease expense recognised in Profit and Loss statement not included in the measurement of lease liability.

Particulars	₹ in crore	
	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on Right-of-use assets	86.53	83.21
Variable lease expense	3.70	3.22
Expense relating to short-term lease	35.09	23.50

#### c) Maturity analysis of lease liability-contractual undiscounted cash flow

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Not later than one year	92.77	82.89
Later than one year and not later than five years	188.51	244.12
Later than five years	56.69	62.41
<b>Total undiscounted lease liabilities at March 31, 2022</b>	<b>337.97</b>	<b>389.42</b>

#### d) Discounted Lease Liability included in statement of financial position at March 31, 2022

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Current	176.27	68.60
Non-Current	117.01	262.03
<b>Lease liabilities</b>	<b>293.28</b>	<b>330.63</b>

#### e) The total cash outflow for leases for year ended March 31, 2022 is ₹ 136.07 crores.(p.y ₹ 111.82 crores)

## Nirma Limited - Consolidated

### Notes to the consolidated financial statements

#### Note 46 : Gratuity and other post employment benefit plans

The group operates post employment and other long term employee benefits defined plans as follows:

##### I. Defined Contribution plan

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

Particulars	₹ in crore	
	2021-2022	2020-2021
Employer's Contribution to Provident Fund	20.39	18.88
Employer's Contribution to Superannuation Fund	Nil	Nil

## Notes to the consolidated financial statements

### 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 for gratuity.

Description	As at 31.03.2022				As at 31.03.2021			
	Gratuity* (India)	Leave Encashment (Unfunded) (India)	Death Retirement (Unfunded) (India)	Employee Benefits (Unfunded) (Foreign)	Gratuity* (India)	Leave Encashment (Unfunded) (India)	Death Retirement (Unfunded) (India)	Employee Benefits (Unfunded) (Foreign)
<b>A. Reconciliation of opening and closing balances of Defined Benefit obligation</b>								
a. Obligation as at the beginning of the year	87.84	47.32	Nil	43.38	73.89	38.53	Nil	47.32
b. Transfer in/(out) obligation (Refer note No:59)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c. Current Service Cost	8.65	11.23	Nil	22.97	8.44	11.68	Nil	27.17
d. Interest Cost	5.43	2.55	Nil	0.63	4.82	2.22	Nil	0.29
e. Actuarial Gain/(Loss)	2.27	3.94	Nil	(3.08)	5.59	7.16	Nil	(6.56)
f. Benefits Paid	(4.84)	(19.06)	Nil	(28.59)	(4.90)	(12.27)	Nil	(23.69)
g. Exchange rate difference	Nil	Nil	Nil	1.00	Nil	Nil	Nil	(1.15)
h. Obligation as at the end of the year	99.35	45.98	Nil	36.52	87.84	47.32	Nil	43.38
<b>B. Reconciliation of opening and closing balances of fair value of plan assets</b>								
a. Fair Value of Plan Assets as at the beginning of the year	9.97	Nil	Nil	Nil	8.75	Nil	Nil	Nil
b. Transfer in/(out) obligation (Refer note No:59)	Nil	Nil	Nil	Nil	0.40	Nil	Nil	Nil
c. Interest Income	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d. Expected return on Plan Assets	0.68	Nil	Nil	Nil	0.63	Nil	Nil	Nil
e. Actuarial Gain/(Loss)	(0.48)	Nil	Nil	Nil	(0.32)	Nil	Nil	Nil
f. Employer's Contributions	0.26	Nil	Nil	Nil	2.02	Nil	Nil	Nil
g. Benefits Paid	(3.19)	Nil	Nil	Nil	(1.51)	Nil	Nil	Nil
h. Fair Value of Plan Assets as at the end of the year	7.24	Nil	Nil	Nil	9.97	Nil	Nil	Nil
<b>C. Reconciliation of fair value of assets and obligation</b>								
a. Fair Value of Plan Assets as at the end of the year	7.24	Nil	Nil	Nil	9.97	Nil	Nil	Nil
b. Present Value of Obligation as at the end of the year	(99.35)	(45.98)	Nil	(36.52)	(87.84)	(47.32)	Nil	(43.38)
c. Amount recognised in the Balance Sheet	(92.11)	(45.98)	Nil	(36.52)	(77.87)	(47.32)	Nil	(43.38)

₹ in crore

## Notes to the consolidated financial statements

₹ in crore

Description	As at 31.03.2022				As at 31.03.2021			
	Gratuity* (India)	Leave Encashment (Unfunded) (India)	Death Retirement (Unfunded) (India)	Employee Benefits (Unfunded) (Foreign)	Gratuity* (India)	Leave Encashment (Unfunded) (India)	Death Retirement (Unfunded) (India)	Employee Benefits (Unfunded) (Foreign)
<b>D. Investment Details of Plan Assets</b>								
a. Bank balance	56%	Nil	Nil	Nil	20%	Nil	Nil	Nil
b. Invested with Scheme of Insurance	44%	Nil	Nil	Nil	80%	Nil	Nil	Nil
<b>E. Actuarial Assumptions</b>								
a. Discount Rate (per annum)	7.00%	7.00%	Nil	2.40%	6.45%	6.80%	Nil	1.60%
b. Estimated Rate of return on Plan Assets (per annum)	7.00%	Nil	Nil	Nil	6.45%	Nil	Nil	Nil
c. Rate of escalation in salary (per annum)	6.00%	6.00%	Nil	4.00%	6.00%	6.00%	Nil	4.00%

₹ in crore

Description	2021-2022				2020-2021			
	Gratuity* (India)	Leave Encashment (Unfunded) (India)	Death Retirement (Unfunded) (India)	Employee Benefits (Unfunded) (Foreign)	Gratuity* (India)	Leave Encashment (Unfunded) (India)	Death Retirement (Unfunded) (India)	Employee Benefits (Unfunded) (Foreign)
<b>F. Expense recognised during the year</b>								
(i) Current Service Cost	8.65	11.23	Nil	22.97	8.44	11.68	Nil	27.17
(ii) Interest Cost	5.43	2.55	Nil	0.63	4.82	2.22	Nil	0.29
(iii) Expected return on Plan Assets	(0.68)	Nil	Nil	Nil	(0.63)	Nil	Nil	Nil
(iv) Actuarial (Gain)/Loss	2.75	3.94	Nil	(3.08)	5.91	7.16	Nil	(6.56)
(v) Expenses recognised during the year	16.15	17.72	Nil	20.52	18.54	21.06	Nil	20.90

Notes:

- I. 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.
- II. 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 group's policy for management of plan assets, market prices prevailing on that date, applicable to the period over which the obligation is to be set.

## Notes to the consolidated financial statements

### G. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	31.03.2022							
	Increase			Decrease				
	Gratuity* (India)	Leave Encashment (Unfunded) (India)	Death Retirement (Unfunded) (India)	Employee Benefits (Unfunded) (Foreign)	Gratuity* (India)	Leave Encashment (Unfunded) (India)	Death Retirement (Unfunded) (India)	Employee Benefits (Unfunded) (Foreign)
Discount rate (0.5% to 1% movement)	(4.43)	(0.81)	Nil	1.33	4.80	2.85	Nil	(1.44)
Salary growth rate (0.5% to 1% movement)	4.80	2.85	Nil	(1.41)	(4.47)	(0.84)	Nil	1.32
Employee Turnover rate (1 % movement)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mortality pre Retirement	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

₹ in crore

Particulars	31.03.2021							
	Increase			Decrease				
	Gratuity* (India)	Leave Encashment (Unfunded) (India)	Death Retirement (Unfunded) (India)	Employee Benefits (Unfunded) (Foreign)	Gratuity* (India)	Leave Encashment (Unfunded) (India)	Death Retirement (Unfunded) (India)	Employee Benefits (Unfunded) (Foreign)
Discount rate (0.5% to 1% movement)	(4.21)	(1.88)	Nil	1.69	4.58	2.06	Nil	(1.84)
Salary growth rate (0.5% to 1% movement)	4.56	2.06	Nil	(1.79)	(4.23)	(1.90)	Nil	1.66
Employee Turnover rate (1 % movement)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mortality pre Retirement	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

₹ in crore

\*Partially Funded

Note:

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

### H. The Expected Contributions to the Plan for the next annual reporting period.

	₹ in crore	
The Expected Contributions for the next year in for Gratuity	As on 31.03.2022	As on 31.03.2021
	9.29	8.66

## Notes to the consolidated financial statements

### I. The Maturity Profile of Defined Benefit Obligation

	As on 31.03.2022 In Years		As on 31.03.2021 In Years	
The Weighted Average Duration (Years) as at valuation date for Gratuity (India)	9.71	10.29		
The Weighted Average Duration (Years) as at valuation date for Leave Encashment (India)	11.23	11.92		
The Weighted Average Duration (Years) as at valuation date for Employee Benefits ( Foreign)	7.74	7.97		

₹ in crore

Particulars	Expected Future Cash flows (Undiscounted)													
	As on 31.03.2022						As on 31.03.2021							
	India			Foreign			India			Foreign				
	Gratuity	Leave Encashment	Employee Benefits	Gratuity	Leave Encashment	Employee Benefits	Gratuity	Leave Encashment	Employee Benefits	Gratuity	Leave Encashment	Employee Benefits		
	₹	%	₹	%	%	₹	%	%	₹	%	%	₹	%	%
Year 1 Cashflow	10.43	4.60%	15.44	15.30%	8.54	9.00%	7.40	3.80%	15.52	15.58%	9.06	18.19%		
Year 2 Cashflow	6.43	2.80%	1.85	1.80%	2.56	3.40%	5.30	2.70%	1.72	1.70%	3.49	7.01%		
Year 3 Cashflow	8.46	3.70%	2.94	2.90%	2.77	3.22%	5.32	2.70%	1.81	1.80%	2.55	5.11%		
Year 4 Cashflow	8.26	3.60%	2.74	2.70%	2.25	2.28%	7.30	3.70%	2.65	2.70%	2.83	5.68%		
Year 5 Cashflow	7.83	3.40%	2.40	2.40%	2.35	2.71%	7.13	3.70%	2.68	2.70%	2.55	5.11%		
Year 6 to Year 10 Cash flow	43.66	19.10%	13.53	13.40%	2.45	2.76%	37.03	19.00%	12.62	12.80%	10.67	21.44%		

The future accrual is not considered in arriving at the above cash-flows.

### J. Major Risk to the Plan

#### a. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise either by Adverse Salary Growth Experience, Variability in mortality rates, Variability in withdrawal rates or Variability in availment rates.

#### b. Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter valuation period.

#### c. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Entity there can be strain on the cash flows.

## Notes to the consolidated financial statements

### d. Market Risk

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

### e. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

### f. Changes in yields:

A decrease in yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' assets.

## Note 47 : Related party disclosures

### The names of related parties with relationship and transactions with them:

#### I. Relationship:

A. Shri Karsanbhai K. Patel, Shri Rakesh K. Patel and Shri Hiren K. Patel are directly and indirectly having control over the company.

#### B. Associate

Name of the entity	Country	Nature of holding	Ownership interest held
FRM Trona Fuels LLC (Till 31 <sup>st</sup> December, 2021) The above entity was associate of SVM	USA	Indirect	49%

#### C. Key Management Personnel:

Particulars	Designation
<b>Executive Directors</b>	
Shri Hiren K. Patel	Managing Director
Shri Shailesh V. Sonara	Director (Environment and Safety)
<b>Non Executive Directors</b>	
Dr. Karsanbhai K. Patel	Chairman
Shri Rakesh K. Patel	Vice Chairman
Shri Pankaj R. Patel	Director
Shri Kaushik N. Patel	Director
Shri Vijay R. Shah	Director
Smt. Purvi A. Pokhariyal	Director
<b>Other Key Management Personnel</b>	
Shri Manan Shah	Chief Financial Officer
Shri Paresh Sheth	Company Secretary

## Nirma Limited - Consolidated

### Notes to the consolidated financial statements

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

Sr.no.	Name of the entity
1	Dr. Karsanbhai K. Patel
2	Shri Rakesh K. Patel
3	Smt. Toralben K. Patel

**E. Entities over which Key Management Personnel / relatives of Key Management Personnel exercise control with whom transactions done during the said financial year**

Sr.no.	Name of the entity
1	Nirma Credit and Capital Private Limited
2	Nirma Chemical Works Private Limited
3	Navin Overseas FZC, UAE
4	Aculife Healthcare Private Limited
5	Niyogi Enterprise Private Limited
6	Nuvoco Vistas Corporation Limited (w.e.f. 7th January 2020)

**F. Entities over which Key Management Personnel / relatives of Key Management Personnel have significant influence with whom transactions done during the said financial year**

Sr.no.	Name of the entity
1	Shree Rama Multi-tech Limited
2	Nirma Education and Research Foundation
3	Nirma University
4	Manjar Discretionary Trust
5	Sureel Enterprise Private Limited (w.e.f. 15 <sup>th</sup> December, 2020)
6	Kamlaben Trust
7	Vimlaben Trust
8	Saukem Medical Centre
9	Birlasagar Higher Secondary School
10	S K Patel Family Trust
11	Sarvamangal Trust
12	Nisarg Enterprise Private Limited (w.e.f. 15 <sup>th</sup> December, 2020)

**G. Key Management Personnel compensation**

Particulars	₹ in crore	
	2021-2022	2020-2021
Short-term employee benefits	6.52	4.91
Long Term Post-employment benefits	0.95	0.17
<b>Total compensation</b>	<b>7.47</b>	<b>5.08</b>

## Notes to the consolidated financial statements

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

₹ in crore

<b>A. Key Management Personnel</b>		<b>2021-2022</b>	<b>2020-2021</b>
1	Remuneration	<b>6.43</b>	3.67
	Shri Hiren K. Patel	<b>4.89</b>	2.31
	Shri Shailesh Sonara	<b>0.19</b>	0.20
	Shri Manan Shah	<b>0.58</b>	0.56
	Shri Paresh Sheth	<b>0.77</b>	0.60
2	Loan - taken	<b>27.05</b>	15.13
	Shri Hiren K. Patel	<b>27.05</b>	15.13
3	Loan - repaid	<b>27.05</b>	15.13
	Shri Hiren K. Patel	<b>27.05</b>	15.13
4	Interest expenses	<b>0.38</b>	0.36
	Shri Hiren K. Patel	<b>0.38</b>	0.36
5	Perquisites	<b>1.03</b>	1.42
	Shri Hiren K. Patel	<b>1.03</b>	1.42
		<b>As at</b>	As at
		<b>31.03.2022</b>	<b>31.03.2021</b>
6	Net Closing balance - credit	<b>5.00</b>	5.00

₹ in crore

<b>B. Relatives of Key Management Personnel</b>		<b>2021-2022</b>	<b>2020-2021</b>
1	Directors' sitting fees	<b>0.02</b>	0.04
	Dr. Karsanbhai K. Patel	<b>0.01</b>	0.02
	Shri Rakesh K. Patel	<b>0.01</b>	0.02
2	Directors' Remuneration	<b>0.01</b>	0.02
	Dr. Karsanbhai K. Patel	<b>(₹ 31,076/-)</b>	0.01
	Shri Rakesh K. Patel	<b>0.01</b>	0.01
3	Loan - taken	<b>23.70</b>	11.23
	Shri Rakesh K. Patel	<b>23.70</b>	11.23
4	Loan - repaid	<b>23.70</b>	10.94
	Shri Rakesh K. Patel	<b>23.70</b>	10.94
5	Interest expenses	<b>0.38</b>	0.36
	Shri Rakesh K. Patel	<b>0.38</b>	0.36
6	Lease / Rent expense	<b>0.06</b>	0.06
	Smt. Toralben K. Patel	<b>0.06</b>	0.06
7	Lease / Rent expense	<b>0.07</b>	Nil
	Dr. Karsanbhai K. Patel	<b>0.07</b>	Nil
		<b>As at</b>	As at
		<b>31.03.2022</b>	<b>31.03.2021</b>
8	Closing balance - credit	<b>5.00</b>	5.00

**Nirma Limited - Consolidated**  
**Notes to the consolidated financial statements**

₹ in crore

<b>C.</b>	<b>Non-Executive Directors</b>	<b>2021-2022</b>	<b>2020-2021</b>
1	Sitting Fees	<b>0.04</b>	0.09
	Shri Pankaj R. Patel	<b>0.01</b>	0.02
	Shri Kaushik N. Patel	<b>0.01</b>	0.02
	Shri Vijay R. Shah	<b>0.01</b>	0.03
	Smt. Purvi A. Pokhariyal	<b>0.01</b>	0.02

₹ in crore

<b>D.</b>	<b>Entities over which Key Management Personnel / relatives of Key Management Personnel exercise control</b>	<b>2021-2022</b>	<b>2020-2021</b>
1	Sale of finished goods/ services	<b>47.75</b>	72.31
	Navin Overseas FZC, UAE	<b>1.86</b>	46.19
	Aculife Healthcare Private Limited	<b>0.39</b>	1.27
	Nuvoco Vistas Corporation Limited	<b>0.05</b>	0.09
	Nirma Chemical works Private Limited	<b>18.58</b>	18.35
	Niyogi Enterprise Private Limited	<b>26.87</b>	6.41
2	Purchase of materials	<b>238.70</b>	136.33
	Navin Overseas FZC, UAE	<b>235.96</b>	132.36
	Nuvoco Vistas Corporation Limited	<b>2.60</b>	2.70
	Niyogi Enterprise Private Ltd.	<b>0.14</b>	0.22
	Aculife Healthcare Private Ltd.	<b>(₹ 2,850/-)</b>	1.05
3	Purchase of vehicle	<b>Nil</b>	0.07
	Nuvoco Vistas Corporation Limited	<b>Nil</b>	0.07
4	Royalty Income	<b>0.06</b>	0.07
	Aculife Healthcare Private Limited	<b>0.06</b>	0.07
5	Rent expense	<b>0.31</b>	0.33
	Nirma Credit and Capital Private Limited	<b>0.31</b>	0.33
6	Rent Income	<b>0.03</b>	0.03
	Aculife Healthcare Private Limited	<b>0.03</b>	0.02
	Niyogi Enterprise Private Limited	<b>(₹ 48,000/-)</b>	0.01
7	Investment / Purchase of Preference Shares	<b>Nil</b>	1,200.00
	Niyogi Enterprise Private Limited	<b>Nil</b>	1,200.00
8	Redemption of Preference Shares	<b>1,800.00</b>	Nil
	Niyogi Enterprise Private Limited	<b>1,800.00</b>	Nil
9	ICD Given	<b>Nil</b>	160.00
	Nuvoco Vistas Corporation Limited	<b>Nil</b>	160.00
10	ICD received back	<b>Nil</b>	821.31
	Nuvoco Vistas Corporation Limited	<b>Nil</b>	821.31
11	Interest income	<b>Nil</b>	10.52
	Nuvoco Vistas Corporation Limited	<b>Nil</b>	10.52
12	Corporate Guarantee release	<b>425.00</b>	1,600.00
	Nuvoco Vistas Corporation Limited	<b>Nil</b>	1,600.00
	Niyogi Enterprise Private Limited	<b>425.00</b>	Nil

## Notes to the consolidated financial statements

₹ in crore

D.	Entities over which Key Management Personnel / relatives of Key Management Personnel exercise control	2021-2022	2020-2021
13	Corporate Guarantee given	Nil	425.00
	Niyogi Enterprise Private Limited	Nil	425.00
14	Corporate Guarantee given and released in the form of Put option	Nil	170.00
	Nuvoco Vistas Corporation Limited (Guarantee Expired on 19 <sup>th</sup> October, 2020)	Nil	170.00
15	Guarantee Commission Income	0.45	0.80
	Niyogi Enterprise Private Limited	0.45	0.80
16	Sale of Property, Plant and Equipment	Nil	83.26
	Niyogi Enterprise Private Limited	Nil	83.26
17	Gratuity Fund received	Nil	0.01
	Aculife Healthcare Private Limited	Nil	0.01
		<b>As at 31.03.2022</b>	As at 31.03.2021
18	Net closing balance – debit	0.10	2.53
19	Net closing balance – credit	22.62	4.42

## Nirma Limited - Consolidated

### Notes to the consolidated financial statements

₹ in crore

E.	Entities over which Key Management Personnel / relatives of Key Management Personnel have significant influence	2021-2022	2020-2021
1	Sale of finished goods	0.01	0.02
	Nirma University	0.01	0.02
2	Sale of materials/services	0.11	0.05
	Shree Rama Multitech Limited	0.11	0.05
3	Purchase of materials/services	0.04	Nil
	Shree Rama Multitech Limited	0.04	Nil
	Nirma University	(₹ 40,000/-)	Nil
4	Lease / Rent expense	0.40	0.54
	Manjar Discretionary Trust	0.28	0.30
	S K Patel Family Trust	Nil	0.07
	Sarvamangal Trust	Nil	0.05
	Vimlaben Trust	0.09	0.09
5	Corporate social responsibility expense	24.90	23.34
	Nirma University	Nil	1.50
	Nirma Education and Research Foundation	24.90	21.84
6	Job work charges	Nil	1.15
	Nisarg Enterprise Private Limited	Nil	1.15
7	Gratuity Fund received	Nil	0.40
	Sureel Enterprise Private Limited	Nil	0.40
8	Gratuity Fund returned	0.40	Nil
	Sureel Enterprise Private Limited	0.40	Nil
9	Staff Welfare Expense	0.62	0.76
	Saukem Medical Centre	0.07	0.10
	Birlasagar Higher Secondary School	0.55	0.66
10	Sale of store item	0.02	Nil
	Birlasagar Higher Secondary School	0.02	Nil
		<b>As at</b>	<b>As at</b>
		<b>31.03.2022</b>	<b>31.03.2021</b>
11	Net closing balance – debit	0.01	0.07
12	Net closing balance – credit	0.76	0.78

### III. Terms and conditions

- A. The loans from key management personnel are long term in nature and interest is payable at the rate of 8% per annum. Goods were sold to related parties during the year based on the price lists in force and terms that would be available to third parties. All other transactions were made on normal commercial terms and conditions at market rates. All outstanding balances are unsecured and are repayable in cash.
- B. Disclosure is made in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year.

## Notes to the consolidated financial statements

Note 48 : Financial instruments – Fair values and risk management

### I. Accounting classification and fair values

₹ in crore

Particulars	As at 31.03.2022							
	Carrying amount			Fair value				
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial assets measured at each reporting date</b>								
Other current financial assets-Investments	174.23	Nil	Nil	174.23	Nil	174.23	Nil	174.23
Listed equity instruments	Nil	32.06	Nil	32.06	32.06	Nil	Nil	32.06
Unquoted equity instruments	Nil	1.29	Nil	1.29	Nil	Nil	1.29	1.29
Unquoted financial investments	3,640.00	Nil	Nil	3,640.00	Nil	Nil	3,640.00	3,640.00
<b>Financial assets measured at amortised cost</b>								
Unquoted government securities	Nil	Nil	0.01	0.01	Nil	Nil	Nil	Nil
Loans (current)	Nil	Nil	76.80	76.80	Nil	Nil	Nil	Nil
Other non current financial assets	Nil	Nil	2.73	2.73	Nil	Nil	Nil	Nil
Other current financial assets	Nil	Nil	12.55	12.55	Nil	Nil	Nil	Nil
Trade receivables	Nil	Nil	961.77	961.77	Nil	Nil	Nil	Nil
Cash and cash equivalents	Nil	Nil	615.59	615.59	Nil	Nil	Nil	Nil
Other bank balances	Nil	Nil	482.49	482.49	Nil	Nil	Nil	Nil
<b>Total Financial Assets</b>	<b>3,814.23</b>	<b>33.35</b>	<b>2,151.94</b>	<b>5,999.52</b>	<b>32.06</b>	<b>174.23</b>	<b>3,641.29</b>	<b>3,847.58</b>
<b>Financial liabilities measured at amortised cost</b>								
Non current borrowings	Nil	Nil	1,508.54	1,508.54	Nil	Nil	Nil	Nil
Current borrowings	Nil	Nil	1,661.24	1,661.24	Nil	Nil	Nil	Nil
Non current financial liabilities- Others	Nil	Nil	81.81	81.81	Nil	Nil	Nil	Nil
Lease Liability	Nil	Nil	117.01	117.01	Nil	Nil	Nil	Nil
Trade payables	Nil	Nil	764.91	764.91	Nil	Nil	Nil	Nil
Other financial liabilities	Nil	Nil	87.21	87.21	Nil	Nil	Nil	Nil
Lease Liability-Current	Nil	Nil	176.27	176.27	Nil	Nil	Nil	Nil
<b>Total Financial Liabilities</b>	<b>Nil</b>	<b>Nil</b>	<b>4,396.99</b>	<b>4,396.99</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

## Notes to the consolidated financial statements

## Nirma Limited - Consolidated

₹ in crore

Particulars	As at 31.03.2021							
	Carrying amount			Fair value				
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial assets measured at each reporting date</b>								
Other current financial assets-Investments	108.29	Nil	Nil	108.29	Nil	108.29	Nil	108.29
Listed equity instruments	Nil	18.56	Nil	18.56	18.56	Nil	Nil	18.56
Unquoted equity instruments	Nil	1.13	Nil	1.13	Nil	Nil	1.13	1.13
Unquoted financial investments	5,440.00	Nil	Nil	5,440.00	Nil	Nil	5,440.00	5,440.00
<b>Financial assets measured at amortised cost</b>								
Unquoted government securities	Nil	Nil	0.01	0.01	Nil	Nil	Nil	Nil
Loans (current)	Nil	Nil	17.91	17.91	Nil	Nil	Nil	Nil
Other non current financial assets	Nil	Nil	2.97	2.97	Nil	Nil	Nil	Nil
Other current financial assets	Nil	Nil	8.71	8.71	Nil	Nil	Nil	Nil
Trade receivables	Nil	Nil	822.12	822.12	Nil	Nil	Nil	Nil
Cash and cash equivalents	Nil	Nil	414.39	414.39	Nil	Nil	Nil	Nil
Other bank balances	Nil	Nil	471.00	471.00	Nil	Nil	Nil	Nil
<b>Total Financial Assets</b>	5,548.29	19.69	1,737.11	7,305.09	18.56	108.29	5,441.13	5,567.98
<b>Financial liabilities measured at amortised cost</b>								
Non current borrowings	Nil	Nil	3,446.82	3,446.82	Nil	Nil	Nil	Nil
Current borrowings	Nil	Nil	1,782.24	1,782.24	Nil	Nil	Nil	Nil
Non current financial liabilities- Others	Nil	Nil	76.61	76.61	Nil	Nil	Nil	Nil
Lease Liability	Nil	Nil	262.03	262.03	Nil	Nil	Nil	Nil
Trade payables	Nil	Nil	559.64	559.64	Nil	Nil	Nil	Nil
Other financial liabilities	Nil	Nil	137.17	137.17	Nil	Nil	Nil	Nil
Lease Liability-Current	Nil	Nil	68.60	68.60	Nil	Nil	Nil	Nil
<b>Total Financial Liabilities</b>	Nil	Nil	6,333.11	6,333.11	Nil	Nil	Nil	Nil

## Notes to the consolidated financial statements

### II. Fair value of financial assets and liabilities measured at amortised cost

₹ in crore

Particulars	31.03.2022		31.03.2021	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
<b>Investments</b>				
Unquoted government securities	0.01	0.01	0.01	0.01
Other non current financial assets	2.73	2.73	2.97	2.97
<b>Total financial assets</b>	<b>2.74</b>	<b>2.74</b>	2.98	2.98
<b>Financial liabilities</b>				
Non current borrowings	1,508.54	1,508.54	3,446.82	3,446.82
Non current financial liabilities- Others	81.81	81.81	76.61	76.61
Lease Liability	117.01	117.01	262.03	262.03
<b>Total financial liabilities</b>	<b>1,707.36</b>	<b>1,707.36</b>	3,785.46	3,785.46

Notes:

The following methods and assumptions were used to estimate the fair values:

- I. The carrying amounts of trade receivables, trade payables, cash and cash equivalents, other bank balance, other current financial liability, loans and other current assets are considered to be the same as their fair values, due to their short-term nature.
- II. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy due to the use of significant observable inputs, including counter party credit risk.
- III. The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

### III. Measurement of fair values

#### A. Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

#### Financial Instruments measured at fair value.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
FVTOCI in unquoted equity shares	<b>Market comparison technique:</b> The valuation model is based on two approaches : <b>1. Asset approach</b> - seek to determine the business value based on the value of it's assets. The aim is to determine the business value based on the fair market value of its assets less its liabilities. The asset approach is based on the economic principle of substitution which adopts the approach of cost to create another business similar to one under consideration that will produce the same economic benefits for its owners.	Comparable unobservable entity has been taken as a base for the valuation of unquoted equity shares	The estimated fair value would increase (decrease) if: There is a change in pricing multiple owing to change in earnings of the entity.
	<b>2. Market approach</b> - relies on signs from the real market place to determine what a business is worth. The market approach based valuation methods establish the business value in comparison to similar businesses. The methods rely on the pricing multiples which determine a relationship between the business economic performance, such as its revenues or profits, and its potential selling price.		
FVTPL in unquoted financial instrument	<b>Unquoted preference shares:</b> The investment measured at fair value and falling under fair value hierarchy Level 3 are valued on the basis of valuation reports provided by external valuers.	N.A.	N.A.

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Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
	<b>Unquoted mutual fund:</b> The fair value of investments in mutual funds units and falling under fair value hierarchy Level 2 is based on the net asset value ("NAV") as stated by the issuers of these mutual fund units in the published statement as at balance sheet date. NAV represent the price at which the issuer will issue further units of the mutual funds and the price at which issuers will redeem such units from the investors.	N.A.	N.A.

#### B. Transfers between Levels 1 and 2

There is no transfer between Level 1 and Level 2 during the reporting periods.

#### C. Level 3 fair values

##### 1. Movement in the values of unquoted equity/preference instruments for the period ended 31 March, 2022 is as below:

₹ in crore

Particulars	Unquoted Equity/ Preference instruments
<b>As at 01.04.2020</b>	4,240.40
Acquisitions/ (disposals)	1,200.00
Gains/ (losses) recognised in other comprehensive income	0.74
Gains/ (losses) recognised in statement of profit or loss	Nil
<b>As at 31.03.2021</b>	5,441.14
Acquisitions/ (disposals)	<b>(1,800.00)</b>
Gains/ (losses) recognised in other comprehensive income	<b>0.16</b>
<b>As at 31.03.2022</b>	<b>3,641.30</b>

##### 2. Sensitivity analysis

For the fair values of unquoted investments, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, will have the following effects.

₹ in crore

Significant observable inputs	31.03.2022		31.03.2021	
	OCI and Profit & Loss		OCI and Profit & Loss	
	Increase	Decrease	Increase	Decrease
<b>Unquoted instruments measured through OCI and Profit &amp; loss</b>				
5% movement	<b>182.07</b>	<b>182.07</b>	272.06	272.06

#### Note 49 : Financial risk management

The group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

##### I. Risk management framework

The parent company's board of directors has overall responsibility for the establishment and oversight of the group's risk management framework. The group manages market risk through a finance department,

## Notes to the consolidated financial statements

which evaluates and exercises independent control over the entire process of market risk management. The finance department recommends risk management objectives and policies, which are approved by Board of Directors. The activities of this department include management of cash resources, borrowing strategies and ensuring compliance with market risk limits and policies.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. The group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

### II. Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the group's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure.

#### A. Trade receivables

Trade receivables of the group are typically unsecured. Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which group grants credit terms in the normal course of business. The group performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. The group has no concentration of credit risk as the customer base is geographically distributed.

At March 31, 2022, the maximum exposure to credit risk for trade receivables by geographic region is as follows:

₹ in crore

Particulars	Carrying amount	
	31.03.2022	31.03.2021
Domestic	514.25	320.29
Other regions	447.52	501.83
<b>Total</b>	<b>961.77</b>	<b>822.12</b>

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### Notes to the consolidated financial statements

#### A.1. Impairment

At March 31, 2022, the ageing of trade and other receivables is as follows.

₹ in crore

Particulars	Carrying amount					
	31.03.2022			31.03.2021		
	Gross	Provision	Net	Gross	Provision	Net
Neither past due nor impaired	355.16	Nil	355.16	408.60	Nil	408.60
Upto 30 days	587.74	Nil	587.74	387.13	Nil	387.13
Between 31–90 days	9.82	Nil	9.82	18.63	Nil	18.63
More than 90 days	15.07	6.02	9.05	19.22	11.46	7.76
<b>Total</b>	<b>967.79</b>	<b>6.02</b>	<b>961.77</b>	<b>833.58</b>	<b>11.46</b>	<b>822.12</b>
% of expected credit losses (More than 90 days)		0.62%			1.37%	

Note :

The above receivables which are past due but not impaired are assessed on individual case to case basis and relate to a number of independent third party customers from whom there is no recent history of default. These financial assets were not impaired as there had not been a significant change in credit quality and the amounts were still considered recoverable based on the nature of the activity of the customer portfolio to which they belong and the type of customers. There are no other classes of financial assets that are past due but not impaired except for trade receivables as at 31.03.2022, 31.03.2021.

#### A.2. Movement in provision of doubtful debts

₹ in crore

Particulars	31.03.2022	31.03.2021
Opening provision	11.46	2.80
Additional provision made	0.34	8.75
Provision reversed	(5.77)	Nil
Exchange rate difference	Nil	(0.09)
<b>Closing provision</b>	<b>6.03</b>	<b>11.46</b>

#### A.3. Movement in provision of doubtful loans & advances

₹ in crore

Particulars	31.03.2022	31.03.2021
Opening provision	38.19	21.82
Additional provision made	Nil	16.37
<b>Closing provision</b>	<b>38.19</b>	<b>38.19</b>

### III. Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

#### A. The group maintains the following lines of credit:

Credit facility of ₹ 406.06 crore (p.y. ₹ 187.87 crore) that is secured through book debts and stock. Interest is payable at the rate of varying from 5% to 10% p.a.(p.y. 7.5% to 8% p.a)

## Notes to the consolidated financial statements

- B. The group had access to the following undrawn borrowing facilities at the end of the reporting period:**

₹ in crore

Particulars	As at	
	31.03.2022	31.03.2021
<b>Floating rate</b>		
<b>Fund Base</b>		
Expiring within one year (bank overdraft and other facilities)	<b>1,279.62</b>	1,396.66
<b>Non Fund Base</b>		
Expiring within one year (bank overdraft and other facilities)	<b>162.32</b>	208.06

**C. Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreements.

₹ in crore

Particulars	As at 31.03.2022					
	Contractual cash flows					
	Carrying amount	Less than 12 months	1-2 years	3-5 years	More than 5 years	Total
<b>Non-derivative financial liabilities</b>						
Non current borrowings	1,508.54	0.80	623.98	876.87	Nil	1,501.65
Non current financial liabilities	81.81	Nil	Nil	Nil	81.81	81.81
Lease Liability	117.01	11.00	56.45	36.73	57.04	161.22
Current borrowings	1,661.24	1,713.17	Nil	Nil	Nil	1,713.17
Trade and other payables	764.91	764.91	Nil	Nil	Nil	764.91
Other current financial liabilities	87.21	87.21	Nil	Nil	Nil	87.21
Lease Liability-Current	176.27	176.27	Nil	Nil	Nil	176.27

Includes interest payable

₹ in crore

Particulars	As at 31.03.2021					
	Contractual cash flows					
	Carrying amount	Less than 12 months	1-2 years	3-5 years	More than 5 years	Total
<b>Non-derivative financial liabilities</b>						
Non current borrowings	3,446.82	110.33	1,782.79	2,034.83	Nil	3,927.95
Non current financial liabilities	76.61	Nil	Nil	Nil	76.61	76.61
Lease Liability	262.03	Nil	150.64	92.82	62.33	305.79
Current borrowings	1,782.24	1,990.37	Nil	Nil	Nil	1,990.37
Trade and other payables	559.64	559.64	Nil	Nil	Nil	559.64
Lease Liability-Current	68.60	82.73	Nil	Nil	Nil	82.73
Other current financial liabilities	137.17	137.17	Nil	Nil	Nil	137.17

Includes interest payable

## IV. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of investments. Thus, exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in foreign currency revenues and costs.

### A. Currency risk

The functional currency of the group is Indian Rupee. The group is exposed to currency risk on account of payables and receivables in foreign currency. Since the average exports account only for

## Nirma Limited - Consolidated

### Notes to the consolidated financial statements

6.87% (p.y. 3.38%) of total sales this is not perceived to be a major risk. The average imports account for 22.62% (p.y. 20.29%) of total purchases. The group, as per its risk management policy, uses foreign exchange forward contracts to hedge foreign exchange exposure. The group has formulated policy to meet the currency risk.

Group does not use derivative financial instruments for trading or speculative purposes.

#### A.1. Foreign Currency Exposure

₹/FC in crore

Particulars	Currency	31.03.2022	31.03.2021
a) Against export	USD	0.76	0.44
	INR	57.70	31.84
b) Against import (including capital import)	USD	2.93	0.82
	INR	222.68	60.18
	EURO	(€ 11,985/-)	(€ 2,257/-)
	INR	0.10	0.02
c) Against reimbursement of expense	USD	(\$ 855/-)	Nil
	INR	0.01	Nil
	EURO	(€ 547/-)	(€ 24,810/-)
	INR	0.00	0.22
Net statement of financial exposure	USD	(2.17)	(0.38)
	INR	(164.98)	(28.12)
	EURO	(€ 12,532/-)	(€ 27,067/-)
	INR	(0.11)	(0.24)

#### A.2. Sensitivity

Profit or loss is sensitive to Fluctuation in Currency rate:

₹ in crore

As on 31.03.2022 Particulars	Impact on profit before tax	
	Increase	Decrease
Currency rates (5% increase/ decrease)		
USD	8.25	8.25
EURO	0.01	0.01

₹ in crore

As on 31.03.2021 Particulars	Impact on profit before tax	
	Increase	Decrease
Currency rates (5% increase/ decrease)		
USD	1.41	1.41
EURO	0.01	0.01

#### B. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. The group adopts a policy to ensure that maximum interest rate exposure is at a fixed rate. This is achieved by entering into fixed-rate instruments.

## Notes to the consolidated financial statements

### B.1. Exposure to interest rate risk

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

₹ in crore		
Particulars	31.03.2022	31.03.2021
<b>Fixed-rate instruments</b>		
Financial assets	3,710.99	5,461.44
Financial liabilities	1,302.31	1,625.38
<b>Total</b>	<b>5,013.30</b>	<b>7,086.82</b>
<b>Variable-rate instruments</b>		
Financial liabilities	1,867.47	3,680.31
<b>Total</b>	<b>1,867.47</b>	<b>3,680.31</b>

As at the end of the reporting period, the group had the following variable rate borrowings outstanding:

<b>As on 31.03.2022</b>		
Weighted average interest rate		6.17%
Balance		1,867.47
% of total loans		58.91%
<b>As on 31.03.2021</b>		
Weighted average interest rate		6.58%
Balance		3,680.31
% of total loans		69.37%

### B.2. Sensitivity

Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of changes in interest rates:

₹ in crore		
As on 31.03.2022	Impact on profit before tax	
Particulars	Decrease	Increase
Interest rates (0.50% increase/ decrease)	9.34	9.34

₹ in crore		
As on 31.03.2021	Impact on profit before tax	
Particulars	Decrease	Increase
Interest rates (0.50% increase/ decrease)	18.40	18.40

### B.3. Fair value sensitivity analysis for fixed-rate instruments

The group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the group does not have any designate derivatives (interest rate swaps). Therefore, a change in interest rates at the reporting date would not affect profit or loss.

# Nirma Limited - Consolidated

## Notes to the consolidated financial statements

### C. Price risk

The group is exposed to price risk, which arises from investments in FVOCI equity securities and mutual funds designated as FVTPL instruments. The management monitors the proportion of equity securities in its investment portfolio based on market price of equity securities. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are duly approved. The primary goal is to maximise investment returns.

#### C.1.Sensitivity

The table below summarises the impact on account of changes in prices of FVOCI securities and mutual funds designated at FVTPL. The analysis below is based on the assumptions that the price has increased/decreased by 5% in case of quoted equity instruments and 1% in case of unquoted mutual funds with all the other variables held constant.

₹ in crore

As on 31.03.2022	Impact on profit before tax		Impact on other components of equity	
	Increase	Decrease	Increase	Decrease
Particulars				
Quoted Equity instruments (5% increase/ decrease)	Nil	Nil	1.60	1.60
Un-quoted Mutual Fund instruments (1% increase/ decrease)	1.74	1.74	Nil	Nil

₹ in crore

As on 31.03.2021	Impact on profit before tax		Impact on other components of equity	
	Increase	Decrease	Increase	Decrease
Particulars				
Quoted Equity instruments (5% increase/ decrease)	Nil	Nil	0.93	0.93
Un-quoted Mutual Fund instruments (1% increase/ decrease)	1.08	1.08	Nil	Nil

### Note 50 : Capital Management

The group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents.

The group's adjusted net debt to equity ratio is as follows:

₹ in crore

Particulars	As at	
	31.03.2022	31.03.2021
Total liabilities	5,878.98	7,648.86
Less : Cash and bank balances	1,098.08	885.39
<b>Adjusted net debt</b>	<b>4,780.90</b>	6,763.47
Total equity	8,111.11	7,683.69
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.59</b>	0.88

## Notes to the consolidated financial statements

### Note 51 : Earnings per share

Particulars	[Number of shares]	
	31.03.2022	31.03.2021
Issued equity shares	14,60,75,130	14,60,75,130
<b>Weighted average shares outstanding - Basic and Diluted - A</b>	<b>14,60,75,130</b>	14,60,75,130

Net profit available to equity holders of the parent company used in the basic and diluted earnings per share was determine as follows:

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Profit and loss after tax from continuing operations -B	354.37	490.86
Basic & Diluted Earnings per share of continuing & discontinuing operations [B/A] [₹]	24.26	33.60

### Note 52

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 had filed appeals before the Division Bench of Hon'ble High Court of Gujarat. Matter was settled with one of party and they withdrew the case. Appeal filed by other two parties is continuing. The Scheme is subject to the outcome of the said appeal. The demerged undertaking i.e. healthcare division has been transferred to Aculife Healthcare Private Ltd. from 01.10.2014.

### Note 53

The Ministry of Environmental & Forests, the Government of India cancelled the Environment Clearance granted to the cement project at Mahuva, Gujarat, pursuant to which, the Parent company has filed an appeal before the National Green Tribunal (NGT). The parent company's appeal was allowed by NGT. Against this order of NGT, appeal was preferred before Hon'ble Supreme Court which is pending.

## Nirma Limited - Consolidated

### Notes to the consolidated financial statements

#### Note 54 : Due to micro, small and medium enterprises:

Under the Micro Small and Medium Enterprises Development Act, 2006, (MSMED) which came in to force from 02.10.2006, 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 in respect of Parent company are disclosed as below:

₹ in crore

Sr. No.	Particulars	31.03.2022	31.03.2021
i.	Principal amount remaining unpaid to any supplier as at the year end and Interest thereon.		
	Principal amount due to micro and small enterprises	11.84	1.94
	Interest due on above	Nil	Nil
ii.	Amount of interest paid by the Company in terms of section 16 of the MSMED, Act 2006 along with the amount of the payment made to the supplier beyond the appointed day during year.		
	Principal amount	Nil	Nil
	Interest due on above	Nil	Nil
iii.	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 year) but without adding the interest specified under the MSMED, Act 2006.	Nil	Nil
iv.	Amount of interest accrued and remaining unpaid at the end of accounting year.	Nil	Nil

The information on Micro, Small and Medium Enterprises, to whom the Group owes dues, which are outstanding as at the Balance Sheet date, has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the auditors. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Group has not received any claim for interest from any supplier as at the balance sheet date. These facts have been relied upon by the auditors.

#### Note 55 : Other Disclosures

₹ in crore

Particulars	2021-2022	2020-2021
<b>I. Payment to Auditors</b>		
<b>A. Statutory Auditors</b>		
(1) For Statutory Audit	2.55	3.03
(2) For Limited Review	0.25	0.25
(3) For Taxation Matters	0.79	1.28
<b>Total</b>	<b>3.59</b>	<b>4.56</b>
<b>B. Cost Auditors</b>		
Audit Fee	0.04	0.03
<b>Total</b>	<b>0.04</b>	<b>0.03</b>

## Notes to the consolidated financial statements

### Note 56 : Disclosures as required by Indian Accounting Standard (Ind AS) 37 - Provisions

₹ in crore

Particulars	Provision for decommissioning obligations		Provision for environment clean up expenses	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>Carrying amount at the beginning of the year #</b>	<b>71.25</b>	71.14	<b>19.97</b>	20.47
Currency Translation	<b>2.28</b>	(1.80)	<b>0.62</b>	(0.50)
Unwinding of Discounts	<b>3.85</b>	1.91	<b>Nil</b>	Nil
<b>Carrying amount at the end of the year #</b>	<b>77.38</b>	71.25	<b>20.59</b>	19.97

₹ in crore

Particulars	Mines reclamation expense		Provision for RPO Obligation	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>Carrying amount at the beginning of the year #</b>	<b>0.35</b>	0.29	<b>49.56</b>	38.22
Additional provision made during the year	<b>0.10</b>	0.06	<b>11.84</b>	11.34
Amounts written back during the year	<b>(0.35)</b>	Nil	<b>Nil</b>	Nil
<b>Carrying amount at the end of the year #</b>	<b>0.10</b>	0.35	<b>61.40</b>	49.56

₹ in crore

Particulars	Indirect taxes litigation		Income Tax Litigation	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>Carrying amount at the beginning of the year #</b>	<b>130.60</b>	126.50	<b>330.00</b>	330.00
Additional provision made during the year	<b>18.38</b>	8.67	<b>Nil</b>	Nil
Paid during the year	<b>(6.98)</b>	(0.26)	<b>Nil</b>	Nil
Amounts written back during the year	<b>Nil</b>	(4.31)	<b>Nil</b>	Nil
<b>Carrying amount at the end of the year #</b>	<b>142.00</b>	130.60	<b>330.00</b>	330.00

# This includes current and non current portion.

## Nirma Limited - Consolidated

### Notes to the consolidated financial statements

#### Note 57 : Interests in other entities

The Consolidated Financial Statements present the Consolidated Accounts of Nirma Limited with its following Subsidiaries, Joint Venture and Associate

#### A. Subsidiaries

Name of business	Place of Business / incorporation	Ownership interests held by group		Principal activities
		31.03.2022	31.03.2021	
Karnavati Holdings Inc.	USA	100%	100%	Wholly owned subsidiary (WOS) of Nirma Ltd. It does not have any operations of its own.
Searles Valley Minerals Inc.(SVM)	USA	100%	100%	It is engaged in the business of mining and manufacturing of Soda ash, boron minerals and salts.
Searles Domestic Water Company LLC	USA	100%	100%	It is engaged in the production of potable water which is majorly consumed captively by SVM for the production of soda ash.
Trona Railway Company LLC	USA	100%	100%	It is engaged in the business of providing railway transportation services for SVM's products.
Searles Valley Minerals Europe	France	100%	100%	It is engaged in the business of selling SVM's products in the European markets.

#### B. Associate

##### (i) Interest in Associate

Name of business	Place of Business / incorporation	Ownership interests held by group		Principal activities
		31.03.2022	31.03.2021	
FRM Trona Fuels LLC (Till 31 <sup>st</sup> December, 2021)	USA	Nil	49%	It was engaged in the business of fuel treatment

##### (ii) Commitments & contingent liabilities

There is no commitment or contingent liabilities as on the reporting date.

##### (iii) Summarised financial information

Particulars	₹ in crore	
	31.03.2022	31.03.2021
<b>Current Assets</b>		
Cash & cash equivalents	Nil	0.89
Other Assets	Nil	2.77
<b>Non Current Assets</b>		
Tangible assets	Nil	3.97
<b>Current Liabilities</b>		
Financial liabilities (excluding trade payables)	Nil	2.85

## Notes to the consolidated financial statements

### (iv) Reconciliation to carrying amount

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Net assets	Nil	2.85
Group's share in %	Nil	49%
Group's share in ₹	Nil	1.40
<b>Carrying amount of investment</b>	<b>Nil</b>	<b>1.40</b>

### (v) Summarised performance

Particulars	₹ in crore	
	2021-2022	2020-2021
Revenue	140.07	158.93
Cost of goods sold	(139.86)	(158.74)
Other expenses	(8.72)	(4.99)
Profit/ (Loss) for the year	(8.51)	(4.80)
Group's share in %*	49%	49%
Group's share in ₹*	(2.95)	(2.35)

\*The entity FRM Trona Fuels LLC was dissolved on 31<sup>st</sup> December, 2021.

### Note 58 : Reclassification note

Disclosure pursuant to Ind AS-1 "Presentation of Financial Statements" (specified under section 133 of the Companies Act 2013, read with rule 7 of Companies (Accounts) Rules, 2015) are given below:

Following are the restatement made in the current year's financial statements pertaining to previous year:

Particulars	₹ in crore	
	As at 31 <sup>st</sup> March, 2021 (Published)	As at 31 <sup>st</sup> March, 2021 (Restated)
Note No. 12- Trade Receivable	820.99	822.12
Note No. 17- Other Current Assets-Advance to Supplier	37.19	37.38
Note No. 22- Other Financial Liability-Non Current	338.64	76.61
Lease Liability-Non Current	Nil	262.03
Note No. 26- Borrowings-Current	436.09	1,782.24
Note No. 27- Trade Payable due to - Other than Micro & Small Enterprise	557.51	557.70
Note No. 28- Other Financial Liability- Current	1,551.92	137.17
Lease Liability- Current	Nil	68.60
Note No. 29- Other Current Liability	125.87	127.00

The above reclassifications in the prior year's published numbers have been made for better presentation in the financial statements and to conform to the current year's classification/disclosure. This does not have any impact on the profit and hence no change in the basic and diluted earnings per share of previous year.

### Note 59 : Basis of consolidation

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

**Nirma Limited - Consolidated**  
**Notes to the consolidated financial statements**

**I. 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%

**II. The significant associate companies considered in the consolidated financial statements are as under:**

<b>Sr. No.</b>	<b>Name of Associates</b>	<b>Country of incorporation</b>	<b>Proportion of ownership interest</b>
1	FRM Trona Fuels LLC (Till 31 <sup>st</sup> December, 2021)	USA	49%

## Notes to the consolidated financial statements

### III. Disclosure mandated by Schedule III of Companies Act, 2013 by way of additional information:

₹ in crore

Name of the entities	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income			
	Amount		Amount		Amount		Amount			
	As at 31.03.2022	As at 31.03.2021	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21		
<b>Parent:</b>										
Nirma Limited	77.76%	75.72%	6,307.26	5,818.09	480.49	532.37	11.88%	1.51	489.18	533.88
<b>Subsidiaries:</b>										
<b>Foreign</b>										
Kamavati Holdings Inc.	29.06%	29.73%	2,357.27	2,284.29	1.94	2.53	70.25%	(49.75)	53.26	(47.22)
Searles Valley Minerals Inc.	13.60%	16.03%	1,103.17	1,231.76	(154.60)	(74.51)	(41.93)%	29.04	(185.23)	(45.47)
Searles Valley Minerals Europe	0.05%	0.05%	3.88	3.68	0.09	0.31	(0.05)%	0.06	0.05	0.37
Searles Domestic Water Company LLC	0.10%	0.09%	8.13	7.06	0.84	0.95	0.36%	(0.17)	1.10	0.78
Trona Railway Company LLC	7.50%	7.31%	608.41	561.88	28.57	31.88	22.35%	(10.84)	44.90	21.04
<b>Associate:</b>										
<b>Foreign</b>										
FRM Trona LLC (Till 31 <sup>st</sup> December, 2021)	0.00%	0.02%	0.00	1.40	(2.95)	(2.35)	Nil	Nil	(2.95)	(2.35)
<b>Intercompany elimination and consolidation adjustments</b>	(28.07)%	(28.95)%	(2,277.01)	(2,224.47)	(0.01)	(0.32)	37.13%	(23.85)	27.11	(24.16)
<b>Grand Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>8,111.11</b>	<b>7,683.69</b>	<b>354.37</b>	<b>490.86</b>	<b>100.00%</b>	<b>73.05</b>	<b>427.42</b>	<b>436.87</b>

## Nirma Limited - Consolidated

### Notes to the consolidated financial statements

#### Note 60 : Relationship with struck off Companies.

₹ in crore

Category	Name of struck off Company	Nature of transactions with struck off Company	Balance as at	
			31.03.2022	31.03.2021
Debtor	LAXMI AGRO INDUSTRIAL CONSULTANTS AND EXPORTERS PVT LTD	Receivable	Nil	0.12
Debtor	AQUATECH SYSTEMS (ASIA)PRIVATE LIMITED	Receivable	₹ 1560/-	₹ 3000/-
Creditor	KELD ELLENTOFT INDIA PVT LTD	Payable	Nil	(0.04)
Creditor	ADVANCE VALVES PRIVATE LIMITED	Payable	(0.04)	Nil
Creditor	ULTRA PURE GASES KOLKATA PRIVATE LIMITED	Payable	(₹ 37,283/-)	(₹ 15,298/-)
Creditor	AQUATECH SYSTEMS (ASIA)PRIVATE LIMITED	Payable	(0.02)	(0.26)
Creditor	DANFOSS INDUSTRIES PRIVATE LIMITED	Payable	Nil	(0.03)
Creditor	PROGRESSIVE MOTORS PRIVATE LIMITED	Payable	(0.01)	(0.01)
Creditor	AERAVAT INFRABUILD PRIVATE LIMITED	Payable	Nil	(0.04)

#### Note 61 - Registration of charges or satisfaction with Registrar of Companies (ROC):

The group does not have any charge or satisfaction which is yet to be registered with ROC beyond the statutory period.

#### Note 62 - Details of Benami Property held:

The Group does not have any benami property where any proceeding has been initiated or pending against the group for holding any benami property.

#### Note 63 - Compliance with number of layers of companies :

The Holding Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

#### Note 64 - Utilisation of Borrowed funds

- (i) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries)
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiarie
- (ii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiarie

## Notes to the consolidated financial statements

### Note 65 - Quarterly returns and Wilful defaulter:

- (i) Quarterly returns or statements of current assets filed by the Company with bank or financial institutions are in agreement with the books of account.
- (ii) The Company has not been declared as a wilful defaulter by any bank or financial institutions.

### Note 66 - Undisclosed income :

The Group does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

### Note 67 - Details of Crypto Currency or Virtual Currency:

The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

### Note 68 - Title deeds of Immovable Property not held in name of the Company:

All immovable properties of the company are in the name of the Holding Company.

### Note 69 : Key Financial ratio & Definitions

₹ in crore

Sr No.	Key Financial ratio & Definitions		31-03-2022	31-03-2021	Difference	%	Remarks
1	Current Ratio	Current Asset / Current Liabilities	1.98	1.85	0.13	7.14	
2	Debt equity ratio	Total liabilities / Total shareholders' equity	0.33	0.65	(0.32)	(48.78)	Reduction of borrowing funds.
3	Debt Service Coverage Ratio	EBITDA/ (interest+ Principal)	1.08	0.98	0.10	10.34	
4	ROE (Return on Equity)	Net Income/ Shareholder's Equity	4.37	6.39	(2.02)	(31.61)	Increase in Principal payment of Current maturity of Long term debt.
5	Inventory turnover	Sales of product and services / Average inventory (Annualised)	5.29	4.98	0.31	6.13	
6	Trade Receivables turnover	Net credit sales / Average Accounts Receivable (No. of days)	36.32	45.06	(8.74)	(19.40)	
7	Trade payables turnover	Net AP / Average AP (No. of days)	45.37	55.99	(10.62)	(18.97)	
8	Net capital turnover	Net Annual Sales/ Average Working capital	1.11	0.97	0.14	14.24	
9	Net Profit	Net Profit / Revenue x 100	3.95	6.60	(2.65)	(40.14)	Increase in cost of production, depreciation and other expenses.
10	Return on Capital employed	Earning before Interest and Tax/Capital Employed	7.85	8.91	(1.06)	(11.92)	
11	Return on investment	Net return on investment/ Cost of Investment *100	3.39	4.08	(0.68)	(16.71)	

## **Nirma Limited - Consolidated**

### **Notes to the consolidated financial statements**

#### **Note 70 : SEGMENT INFORMATION**

##### **(A) Description of segments and principal activities**

The Group's management, consisting of the managing director, the chief financial officer and the manager for corporate planning, monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment and has identified three reportable segments of its business. Management monitors the performance of respective segments separately.

1. **Soaps and surfactants** - Group manufactures various products like detergents, toilet soaps, soda ash, caustic soda & linear alkyl benzene.
2. **Processed minerals** - Group manufactures inorganic chemicals.
3. **Others** - All the segments other than segments identified above are collectively included in this segment. These are not reportable operating segments, as they are not separately included in the reports provided by the management. The results of these operations are included in the 'Others' column.

**(B)** Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.

## Notes to the consolidated financial statements

(C) Information about Primary Business Segment as at and for the year ended on 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021

₹ in crore

Particulars	Soaps & Surfactants		Processed Minerals		Other Businesses		Unallocated		Total	
	2021-2022	2020-2021	2021-2022	2020-2021	2021-2022	2020-2021	2021-2022	2020-2021	2021-2022	2020-2021
<b>Segment revenue</b>										
External	5,965.52	4,604.75	2,449.71	2,398.45	548.02	429.06	Nil	Nil	8963.25	7432.26
Inter segment (*)	15.61	16.80	Nil	Nil	1.65	1.15	Nil	Nil	17.26	17.95
<b>Total revenue</b>	<b>5,965.52</b>	<b>4,604.75</b>	<b>2,449.71</b>	<b>2,398.45</b>	<b>548.02</b>	<b>429.06</b>	<b>Nil</b>	<b>Nil</b>	<b>8963.25</b>	<b>7,432.26</b>
<b>Segment Result</b>										
Segment result	1,315.92	1,147.86	(148.90)	(13.75)	(268.13)	(43.74)	Nil	Nil	898.89	1090.37
Unallocated expenditure net of unallocated income	Nil	Nil	Nil	Nil	Nil	Nil	91.69	47.39	91.69	47.39
Interest expenses	46.97	20.70	40.29	22.38	0.95	1.29	230.87	318.07	319.08	362.44
Interest income	1.55	1.41	Nil	1.94	0.12	0.18	13.71	29.51	15.38	33.04
<b>Profit/(loss) before exceptional items and tax</b>	<b>1,270.50</b>	<b>1,128.57</b>	<b>(189.19)</b>	<b>(34.19)</b>	<b>(268.96)</b>	<b>(44.85)</b>	<b>(308.85)</b>	<b>(335.95)</b>	<b>503.50</b>	<b>713.58</b>
Share of net profits of investments accounted for using equity method	Nil	Nil	(2.95)	(2.35)	Nil	Nil	Nil	Nil	(2.95)	(2.35)
<b>Profit/(loss) before exceptional items and tax</b>	<b>1,270.50</b>	<b>1,128.57</b>	<b>(192.14)</b>	<b>(36.54)</b>	<b>(268.96)</b>	<b>(44.85)</b>	<b>(308.85)</b>	<b>(335.95)</b>	<b>500.55</b>	<b>711.23</b>
Exceptional items	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Profit before tax</b>	<b>1,270.50</b>	<b>1,128.57</b>	<b>(192.14)</b>	<b>(36.54)</b>	<b>(268.96)</b>	<b>(44.85)</b>	<b>(308.85)</b>	<b>(335.95)</b>	<b>500.55</b>	<b>711.23</b>
<b>Tax Expenses</b>										
- Current tax	Nil	Nil	(3.77)	(28.52)	Nil	Nil	121.50	135.00	117.73	106.48
- Mat credit utilised/ (Entitlement)	Nil	Nil	Nil	Nil	Nil	Nil	194.21	81.98	194.21	81.98
- Deferred tax	Nil	Nil	(63.00)	33.57	Nil	Nil	(110.62)	4.34	(173.62)	37.91
- Tax expense relating to prior years	Nil	Nil	Nil	Nil	Nil	Nil	4.78	(2.16)	4.78	(2.16)
- Mat credit Entitlement related to earlier years	Nil	Nil	Nil	Nil	Nil	Nil	3.08	(3.86)	3.08	(3.86)
<b>Profit / ( Loss ) for the Year</b>	<b>1,270.50</b>	<b>1,128.57</b>	<b>(125.37)</b>	<b>(41.59)</b>	<b>(268.96)</b>	<b>(44.85)</b>	<b>(521.80)</b>	<b>(551.25)</b>	<b>354.37</b>	<b>490.88</b>
<b>Net Profit</b>	<b>1,270.50</b>	<b>1,128.57</b>	<b>(125.37)</b>	<b>(41.59)</b>	<b>(268.96)</b>	<b>(44.85)</b>	<b>(521.80)</b>	<b>(551.25)</b>	<b>354.37</b>	<b>490.88</b>
<b>Other information</b>										
Segment assets	5,122.77	4,502.72	3,773.37	3,935.49	521.16	895.25	4,572.79	5,997.69	13990.09	15331.15
Investment in Associate /Joint Venture	Nil	Nil	Nil	1.40	Nil	Nil	Nil	Nil	Nil	1.40
Segment liabilities	1,085.39	845.36	1,436.62	1,537.86	65.64	29.32	3,291.33	5,236.32	5878.98	7648.86
Capital expenditure	156.03	188.59	131.71	154.30	6.71	56.31	9.26	203.89	303.71	603.09
Depreciation and amortization	219.77	250.97	266.22	219.75	384.75	117.24	6.99	7.94	877.73	595.90
Non-cash expenses other than depreciation and amortisation	2.63	4.41	0.16	Nil	0.27	0.09	0.02	17.22	3.08	21.72

## Notes to the consolidated financial statements

### (D) Information about secondary geographic segment

₹ in crore

Particulars	India		USA		Rest of the world		Total	
	2021-2022	2020-2021	2021-2022	2020-2021	2021-2022	2020-2021	2021-2022	2020-2021
<b>Revenue*</b>								
External	6,178.27	5,002.21	1,089.28	1,034.84	1,695.70	1,395.21	8,963.25	7,432.26
Inter segment	10.49	39.76	Nil	Nil	Nil	Nil	10.49	39.76
<b>Total revenue</b>	<b>6,178.27</b>	<b>5,002.21</b>	<b>1,089.28</b>	<b>1,034.84</b>	<b>1,695.70</b>	<b>1,395.21</b>	<b>8,963.25</b>	<b>7,432.26</b>
<b>Other Information**</b>								
Carrying cost of segment non current assets@	3,764.52	4,193.69	1,982.58	2,066.20	Nil	Nil	5,747.10	6,259.89
Carrying cost of Segment Assets	10,216.24	11,395.66	3,773.85	3,936.89	Nil	Nil	13,990.09	15,332.55
Addition to Property, Plant & Equipment including intangible Assets	476.82	1,016.59	124.65	562.22	Nil	Nil	601.47	1,578.81

\* Based on location of Customers

\*\* Based on location of Assets

@ Excluding Financial Assets, Investments accounted for using equity method and deferred tax asset

(E) None of the entity's external customers account for 10 percent or more of an entity's revenue.

## Notes to the consolidated financial statements

### Note No- 71

Figures have been presented in 'crores' of rupees with two decimals. Figures less than ₹ 50,000 have been shown at actual in brackets.

### Note No- 72

The financial statements are approved for issue by the Audit Committee as at its meeting on May 30, 2022 and by the Board of Directors on May 30, 2022.

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As per our report of even date  
**For Rajendra D. Shah & Co**  
Chartered Accountants  
Firm Registration No 108363W

**RAJENDRA D. SHAH**  
Proprietor  
Membership No 4844  
Place : Ahmedabad  
Date : May 30, 2022

For and on behalf of the Board

**HIREN K. PATEL**  
Managing Director  
(DIN: 00145149)

**PARESH SHETH**  
Company Secretary

Place : Ahmedabad  
Date : May 30, 2022

**Dr. K. K. PATEL**  
Chairman  
(DIN: 00404099)

**MANAN SHAH**  
Chief Financial Officer

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