

# Shri Dinesh Mills Limited, Vadodara.

---



## BOARD OF DIRECTORS

Shri Upendrabhai M. Patel	(Chairman Emeritus)
Shri Bharatbhai U. Patel	(Chairman & Managing Director)
Shri Nimishbhai U. Patel	(Managing Director)
Shri Atulbhai G. Shroff	
Shri Jal R. Patel	
Late Shri Ranjitsinh P. Gaekwad	(Upto 10th April, 2012)
Shri H. N. Elavia	
Shri Ambubhai T. Patel	
Shri Tanujbhai M. Patel	
Shri Sudhir Mankad	
Shri Rakesh Agrawal	
Shri J. B. Sojitra	

## COMPANY SECRETARY

Shri J. B. Sojitra

## BANKERS

Bank of Baroda  
Central Bank of India  
Indian Overseas Bank

## AUDITORS

M/s. Dhirubhai Shah & Co.  
Chartered Accountants  
Ahmedabad

## REGISTERED OFFICE

P.O.Box No. 2501,  
Padra Road,  
Vadodara - 390 020.  
Telephone : (0265) 2330060-65  
Fax : (0265) 2336195

## NOTICE

**NOTICE** is hereby given that 77th Annual General Meeting of the Members of Shri Dinesh Mills Ltd. will be held at the Registered Office of the Company at Padra Road, Vadodara on Tuesday, 11th September, 2012 at 11.00 A.M. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend for the year 2011-2012.
3. To appoint a Director in place of Shri Upendrabhai M. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Tanujbhai M. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. Dhirubhai Shah & Co., Chartered Accountants, Ahmedabad as Auditors and fix their remuneration.

Regd. Office :  
P.O. Box No. 2501,  
Padra Road,  
Vadodara - 390 020  
Dated : 12th June, 2012

By Order of the Board  
For **SHRI DINESH MILLS LTD.,**

**J. B. SOJITRA**  
**ASTT. VICE PRESIDENT &**  
**COMPANY SECRETARY**

### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The information as per Clause - 49 of the Listing Agreement with Bombay Stock Exchange Ltd. is annexed hereto in respect of item No. 3 and 4. (Annexure : A)
3. The Register of Members and Share Transfer Books will remain closed from Monday, 23rd July, 2012 to Friday, 27th July, 2012. (Both days inclusive)
4. The Company has already transferred unclaimed dividend to the Investor Education & Protection Fund for the Financial Year ended 31st March, 2004 pursuant to Section 205 A of the Companies Act, 1956.

Details of the unclaimed dividend which will be transferred to the Investor Education and Protection Fund are as follows:

Dividend No.	Date of Declaration	For the year	Due for transfer on
70	30-9-2005	2004-2005	05-11-2012
71	29-9-2006	2005-2006	04-11-2013
72	29-9-2007	2006-2007	04-11-2014
73	30-9-2008	2007-2008	05-11-2015
74	04-9-2009	2008-2009	10-10-2016
75	04-09-2010	2009-2010	10-10-2017
76	15-09-2011	2010-2011	21-10-2018



## SHRI DINESH MILLS LTD.

---

5. The Company will have to transfer dividend No.70 for the Financial Year 2004-2005 which remain unclaimed for a period of 7 years to the Investor Education & Protection Fund of the Central Govt. pursuant to Section 205 A of the Companies Act, 1956. Kindly note that once the unclaimed dividend is transferred to the Investor Education and Protection Fund, no claim shall lie in respect thereof.
  6. Dividend as recommended by the Board, if sanctioned by the Members will be paid by 30th September, 2012 to those shareholders whose names appear on the Register of Members of the Company on 22nd July, 2012 whereas the dividend relating to the shares in dematerialized form will be paid to the beneficial owners as per details to be furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. by National Electronic Clearing System. (NECS)
  7. Green Initiative: The Ministry of Corporate Affairs, Government of India, has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies vide its circulars dated April 21, 2011 & April 29, 2011 and accordingly, members are requested to inform the Company their Email address so as to enable the Company to send the Annual Report & Accounts in electronic form to save the papers, trees & environment.
  8. Shareholders are requested :
    - (a) not to bring their guests, relatives and children to the meeting as the entry is strictly restricted to the members and proxies only.
    - (b) to bring their copy of the Annual Report as the same will not be distributed at the time of the meeting.
-

**ANNEXURE TO THE NOTICE  
ANNEXURE : A**

**THE INFORMATION AS PER CLAUSE 49 OF THE LISTING AGREEMENT WITH BOMBAY STOCK EXCHANGE LTD. (ITEM No. 3 & 4)**

As per the requirement of Clause 49 of the Listing Agreement with Bombay Stock Exchange Ltd., the details in relation to the re-appointment of Shri Upendrabhai Patel and Shri Tanujbhai Patel are as under:-

- (1) **Name** : **Shri Upendrabhai M. Patel**  
Age : 84 years  
Qualifications : B.Sc. (Hons.), M.B.A. (U.S.A.)  
Expertise : Overall management and turning around of companies.  
Tenure : Director of the Company since 28-08-1951.  
Shareholding in the Company : 5,31,655 Equity shares of Rs.10/- each.  
Other Directorships :  

<u>Name of the Company</u>	<u>Position Held</u>	<u>Member/Chairman of Committee</u>
Dinesh Remedies Ltd.	Director	None

  
Inter Relationship : He is related to Shri B. U. Patel and Shri N. U. Patel, Managing Directors of the Company.
- (2) **Name** : **Shri Tanujbhai M. Patel**  
Age : 58 years  
Qualifications : B.S. (U.S.A.)  
Expertise : Wide expertise in Bearing Industry Company  
Tenure : Director of the Company since 26-12-1984  
Shareholding in the Company : 1020 Equity Shares of Rs. 10/- each.  
Other Directorships : None  
Inter Relationship : He is not related to any Directors of the Company.  

<u>Name of the Company</u>	<u>Position Held</u>	<u>Member/Chairman of Committee</u>
1. ABC Bearings Ltd.	Executive Director	Member-Transfer cum shareholders/ Investors' Grievance Committee.
2. NSK-ABC Bearings Ltd.	Director	None

  
Inter Relationship : He is not related to any Directors of the Company.

Regd. Office :  
P.O. Box No. 2501,  
Padra Road,  
Vadodara - 390 020  
Dated : 12th June, 2012

By Order of the Board  
For **SHRI DINESH MILLS LTD.,**

**J. B. SOJITRA**  
**ASTT. VICE PRESIDENT &**  
**COMPANY SECRETARY**



## SHRI DINESH MILLS LTD.

### DIRECTORS' REPORT

To,  
The Members,

Your Directors have pleasure in presenting their Report together with the Audited Accounts for the financial year ended 31st March, 2012.

<b>FINANCIAL RESULTS :</b>		(Rs.in Lacs)	
<b>PARTICULARS</b>	<b>2011 - 2012</b>	<b>2010 - 2011</b>	
<b>SALES TURNOVER (NET)</b>	<b>8648.87</b>	8252.28	
<b>GROSS PROFIT</b>	<b>1577.34</b>	1844.04	
Less: A. Depreciation	<b>849.84</b>	747.69	
B. Provision for Taxation:			
(i) Current Tax	<b>106.05</b>	411.70	
(ii) Deferred Tax	<b>120.70</b>	<b>226.75</b>	(94.01)
			317.69
<b>NET PROFIT</b>	<b>500.75</b>	778.66	
Add: (A) Previous Year's Surplus	<b>261.84</b>	203.93	
(B) Adjustments relating to earlier years	<b>NIL</b>	(13.61)	
(C) Excess Depreciation written back	<b>NIL</b>	15.53	
<b>Profits available for Appropriation</b>	<b>762.59</b>	<b>984.51</b>	
Appropriating therefrom:			
(A) Proposed Dividend	<b>105.55</b>	105.55	
(B) Dividend Tax on above	<b>17.12</b>	17.12	
(C) General Reserve	<b>400.00</b>	600.00	
(D) Surplus carried to B/S.	<b>239.92</b>	261.84	

#### DIVIDEND

Your Directors have recommended for your consideration Dividend of Rs.2/- per Equity share (Previous year Rs.2/- per Equity share) on 52,77,500 equity shares of Rs.10/- each amounting to Rs. 1,05,55,000/- for the financial year ended 31st March, 2012.

#### MANAGEMENT DISCUSSION AND ANALYSIS:

##### A. OVERALL REVIEW OF OPERATIONS:

We are a composite textile sector company manufacturing woolen / worsted suiting and machine clothing (felt). The Company manufactures and markets high quality products under the brand name 'dinesh'. There are few organized sector companies and many companies are in un-organized sector and the Company has to face cut throat competition in the domestic and international markets. During the year under review, Sales Turnover has been increased to Rs. 8649 lacs from Rs. 8252 lacs but the Net Profit has been decreased to Rs. 501 lacs from Rs.778 lacs as compared to the previous year mainly due to increase in the raw material price, depreciation and other overheads.

During the year under review, the export of suiting has been decreased to Rs. 310 lacs as compared to Rs. 397 lacs of the previous year due to negative impact of the Euro Zone crisis on the purchasing power of the Buyers in the western markets.

**B. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

<b>Highlights</b>		<b>(Rs. in Lacs)</b>		
<b>Particulars</b>	<b>2011 - 2012</b>	<b>2010 - 2011</b>	<b>% Change</b>	
1 Sales Turnover (Net)	<b>8649</b>	8252	5	
2 Operating profit (PBDIT)	<b>1933</b>	2158	(10)	
3 Depreciation	<b>850</b>	748	14	
4 Interest	<b>355</b>	314	13	
5 Profit before Tax	<b>728</b>	1096	(34)	
6 Tax	<b>227</b>	318	(29)	
7 Net Profit	<b>501</b>	778	(36)	

**C. OVERALL OUTLOOK**

Due to adverse impact of the Euro Zone crisis on the developed and developing countries, the slow down has also hit the global economy and our economy as well which is evident from the nine years low GDP growth under 7% during the year under review which could further slow down to under 6% during the year 2012 - 2013 and our Company may be able to maintain the sale turnover but the profit margin would remain under severe pressure during the current year 2012-2013.

The Company assumes no responsibility in respect of forward looking statements made herein above which may substantially change based on subsequent developments, events, change in the Government policies, exchange rate etc. over the globe.

**D. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Internal Audit department conducts audit of all departments of the Company and places audit reports/plans before the Audit Committee which reviews adequacy of internal audit functions, audit procedures and its coverage periodically. The minutes of the Audit Committee meetings are placed at the meetings of the Board of Directors from time to time.

**E. INDUSTRIAL RELATIONS**

The industrial relations both at Baroda and Ankleshwar unit have remained cordial. As on 31st March, 2012, there were 1082 employees in the Company.

**FIXED DEPOSITS**

As on 31st March, 2012, there were 40 Depositors, whose deposits were not claimed after the date on which the deposits were due for payment or renewal.

The amount due to such depositors was Rs. 10,41,000/- which remained unclaimed. Subsequently, 3 Depositors have renewed and/or claimed such deposits amounting to Rs.1,20,000/-.

**INSURANCE**

All the properties of the Company including buildings, plant & machinery and stocks have been insured.

**DIRECTORS**

Shri Upendrabhai M. Patel and Shri Tanujbhai M. Patel, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment.

The Board also records with deep regret for the sad demise of Shri Ranjitsinh P. Gaekwad, ex-Director of our Company.

**SUBSIDIARY COMPANY**

As required by Accounting Standard 21 relating to Consolidation of Accounts, we have consolidated Accounts of our Subsidiary Company viz. Dinesh Remedies Ltd. (DRL). The Board of Directors of our Company has passed the resolution at their meeting held on 12th May, 2012 as per the General Exemption given by the Ministry of Corporate Affairs, Govt. of India vide its Circular No. 2/2011 dated 8th February, 2011 and accordingly, the Audited Financial Statements and Reports of the Board of Directors and Auditors of our subsidiary company viz. DRL are not attached to this Report pursuant to Section 212 of the Companies Act, 1956. However, these documents



## **SHRI DINESH MILLS LTD.**

---

of DRL shall be made available to the members of the Company on demand and the same are also available for inspection by the members at the Registered Office of the Company and DRL.

### **AUDITORS**

The tenure of the existing Statutory Auditors, M/s. Dhirubhai Shah & Co., Chartered Accountants would expire on the conclusion of the ensuing 77th Annual General Meeting of the Company. The Company has received a certificate from M/s. Dhirubhai Shah & Co., Chartered Accountants to the effect that, their appointment, if made, would be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956.

The Auditors' Report on the Accounts issued by M/s. Dhirubhai Shah & Co. is self-explanatory and therefore, does not call for any explanation.

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

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 is given in the Annexure - A to this Report.

### **EMPLOYEES**

The details of remuneration paid to employees as required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended from time to time are given in the Annexure - B which forms part of this Report.

### **DIRECTORS RESPONSIBILITIES STATEMENT**

Your Directors confirm that:

- I. In preparation of Accounts for the period ended 31st March, 2012, the applicable Accounting standards have been followed alongwith proper explanation relating material departures.
- II. The Directors have selected such accounting policies and applied them consistently and made judgements 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 the profit of the Company for that period.
- III. The Directors have taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. The Directors have prepared the Annual Accounts for the period ended 31st March, 2012 on a going concern basis.

### **CORPORATE GOVERNANCE**

The Report on Corporate Governance pursuant to Clause 49 of the Listing Agreement with Bombay Stock Exchange Ltd. alongwith the certificate of M/s. Dhirubhai Shah & Co., Chartered Accountants, Auditors of the Company are attached herewith as Annexure No. 'C' and 'D' respectively.

### **ACKNOWLEDGEMENTS:**

Your Board of Directors thanks all the stakeholders viz. shareholders, customers, suppliers, bankers, employees for their continues support during the period under review.

Place : Vadodara  
Date : 12th June, 2012

For and on behalf of the Board of Directors  
**BHARAT U. PATEL**  
CHAIRMAN

**ANNEXURE : A****A. CONSERVATION OF ENERGY**

(a) Details of energy conservation measures taken:

1. Motors operating under 50% load are converted into STAR connection.
2. Replacement of old technological cooling tower with energy efficient one.
3. Installation of variable Speed Drives on vacuum pumps of Felt department.

(b) Energy conservation measures under consideration.

1. Installation of 350 KVA dry type transformer to reduce the voltage of the lighting system to save the power.
2. Installation of VFD in raw water supply pump for soft water generation at constant outlet pressure by controlling pump RPM through VFD.
3. Installation of VFD in Isotex Boiler main pump to save power by controlling RPM of motors

**B. TECHNOLOGY ABSORPTION:**

Efforts made in Technology absorption as per Form - B of the Annexure.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:** (Rs. in Lacs)

<b>Year</b>	<b>Earnings</b>	<b>Outgo</b>
2011 - 2012	312.37	3227.46





**SHRI DINESH MILLS LTD.**

**FORM 'A'**

**(A) POWER & FUEL CONSUMPTION**

<b>SR. NO.</b>	<b>PARTICULARS</b>	<b>CURRENT YEAR (2011-2012)</b>	<b>PREVIOUS YEAR (2010-2011)</b>
1.	Electricity		
	• Purchased Units	<b>27,47,253</b>	29,97,543
	Total Amount	<b>2,22,35,698</b>	1,96,75,387
	Rate per unit	<b>8.09</b>	6.56
	• Own Generation		
	I. Through Diesel Generator (KWH)	<b>1,16,125</b>	1,08,598
	Units/Litre of Diesel Oil	<b>3.23</b>	3.26
	Cost perLitre	<b>14.16</b>	10.42
	II. Through Steam Turbine Generator	<b>Nil</b>	Nil
	III. Through Wind Mill	<b>61,37,863*</b>	57,11,781
	Total Amount	<b>2,06,74,288</b>	1,91,57,755
	Rate per Unit	<b>3.37</b>	3.35

\* includes Electric Units generated at New Wind Mills (1.6 MW) at Village Babarzar, Taluka Lalpur, District Jamnagar w.e.f. 29th February, 2012.

2.	Coal (Steam coal)	we do not use coal	
	Lignite		
	Qty. (Tonnes)	<b>2,129</b>	1674
	Total cost	<b>69,17,618</b>	42,12,300
	Avg. Rate per Tonne	<b>3,249.23</b>	2516.31
3.	Furnace Oil		
	Qty. (Ltrs.)	<b>1,26,750</b>	2,30,855
	Total amount	<b>54,07,166</b>	73,31,182
	Avg. Rate per Ltr.	<b>42.66</b>	31.76
4.	Others (Natural Gas)		
	Qty. (Nm3)	<b>9,78,604</b>	9,83,659
	Total cost	<b>86,39,038</b>	78,97,503
	Avg. Rate	<b>8.83</b>	8.03

**(B) CONSUMPTION PER UNIT OF PRODUCTION**

<b>Per Unit Productwise</b>	<b>Rs.</b>	<b>Rs.</b>
• Woollen Fabrics (Mtrs.)		
Electricity	<b>41.90</b>	50.00
Furnace Oil	-	-
Coal	-	-
Lignite	-	-
Gas	<b>14.73</b>	17.27
• Worsted Fabrics (Mtrs.)		
Electricity	<b>15.85</b>	15.43
Furnace Oil	<b>3.51</b>	5.00
Coal	-	-
Lignite	<b>4.49</b>	2.87
Gas	<b>3.02</b>	2.91
• Felt (Clothing) (Kgs.)		
Electricity	<b>19.28</b>	17.53
Furnace Oil	<b>0.67</b>	0.88
Coal	-	-
Lignite	<b>0.86</b>	0.51
Gas	<b>15.06</b>	13.36

**FORM "B"****RESEARCH & DEVELOPMENT**

R & D has continued its efforts to assist concerned department of the Company in relation to product developments and in implementation of new products or technologies in bulk production. This is in addition to its efforts towards various manufacturing related Trouble Shooting Jobs and Standardization of incoming materials like Dyes, Chemicals, Auxiliaries etc. as well as raw materials. The efforts of R & D in Pollution Control and clean production techniques have helped the Company to adhere to continuously challenging Norms set by Pollution Control Authorities.

R&D effort towards statistical data analysis of routine test data has remain an input for quality and process development work.

Due to above efforts of R&D, the Company has benefited through rationalization of incoming materials, rationalization of required process and monitoring the pollution control parameters.

**EXPENDITURE ON R & D: Rs. 25/- Lacs.**

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

During the year, the Company has not executed any Foreign Technology Agreement for paper makers felt (clothing). However, the Company has absorbed/adapted the technology received as per earlier Foreign Technology Agreements.

The Company could continue its commitments towards continuous product & process development in the field of paper makers felt and industrial fabrics due to absorption and adaptation of the foreign technology.

**ANNEXURE : B****STATEMENT UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AS AMENDED AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012.**

Sr. No.	Name	Age (In Years)	Designation	Remuneration (Rs.)	Qualifications & experience	Date of Commencement of employment	Last employment before joining the Company with designation
1	Shri Bharatbhai U. Patel	58	Chairman & Managing Director	97,50,286/-	B.Text, M.B.A (USA) (39)	12-5-1973	First Employment
2	Shri Nimishbhai U. Patel	46	Managing Director	98,06,914/-	B.B.A., M.B.A (Finance) (U.S.A) (21)	1-12-1990	- Do -

**Notes:**

1. Remuneration as shown in the statement includes salary, allowances, perquisites, employer's contribution to provident fund, superannuation fund etc. are as per the Central Government approval read with Schedule XIII to the Companies Act, 1956.
2. Managing Directors at Sr. No.1 & 2 above are related to each other.
3. Nature of employment - Appointments of Managing Directors are contractual in nature. Other terms and conditions as per the Company's rules.
4. No employee of the Company was in receipt of remuneration during the financial year at a rate which in the aggregate is in excess of that drawn by the Managing Directors of the Company and no employee except Managing Directors holds Equity Shares by himself or alongwith his spouse and dependent children in excess of 2% of equity shares of the Company.



## SHRI DINESH MILLS LTD.

### ANNEXURE : C CORPORATE GOVERNANCE

#### A. COMPANY'S PHILOSOPHY

The code on Corporate Governance introduced by the Securities and Exchange Board of India (SEBI) has been implemented in terms of the Listing Agreement with the Bombay Stock Exchange Ltd. from the year 2001-2002.

Corporate Governance refers to a combination of voluntary practices adopted by a Company inter woven with laws, regulations, procedure and disclosures. It is aimed in the long run to maximize employees and shareholders value and fosters long-term partnership between the investors, employees and other stakeholders with the Company.

The Company firmly believes in good Corporate Governance. Given below is the report of Board of Directors of the Company on the Corporate Governance practices being followed by the Company.

#### B. BOARD OF DIRECTORS

The Board of Directors presently comprises two Managing Directors and nine Non-Executive Directors. During the year, six Board Meetings were held on 07/05/2011, 17/06/2011, 10/08/2011, 15/09/2011, 14/11/2011 and 13/02/2012.

The composition of the Board of Directors, their attendance at the Board Meetings during the year & at the last Annual General Meeting and also the number of other directorship/membership of Committees of Directors are as follows :

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM	No. of other Directorship	No. of Other Membership in Committees of Directors
Shri B. U. Patel	CMD	6	YES	2	1#
Shri N. U. Patel	MD	6	YES	3	1
Shri U. M. Patel	NED	6	YES	1	NIL
Shri R.P. Gaekwad *	NED	1	NO	NIL	NIL
Shri A.G. Shroff	NED	5	YES	5	2#
Shri H. N. Elavia	NED	6	YES	1	1
Shri Jal Patel	NED	6	YES	5	6##
Shri A. T. Patel	NED	6	YES	NIL	NIL
Shri T. M. Patel	NED	4	NO	2	1
Shri Sudhir Mankad	NED	6	YES	8	2
Shri Rakesh Agrawal	NED	6	YES	3	2
Shri J. B. Sojitra	NED	6	YES	NIL	NIL

CMD - Chairman & Managing Director

NED - Non-Executive Director

MD - Managing Director

# Chairman in one Committee

## Chairman in four Committees

\* Resigned w.e.f. 10th April, 2012.

#### C. AUDIT COMMITTEE

The Audit Committee constituted by the Board pursuant to Section 292-A of the Companies Act, 1956 read with Clause - 49 of the Listing Agreement with the Bombay Stock Exchange Ltd., with the required terms of reference as per the above referred statutory requirements, comprises 3 non-promoter, independent, non-executive Directors. The Committee met on 07/05/2011, 17/06/2011, 10/08/2011, 14/11/2011 and 13/02/2012 during the year and the attendance of the members at the meetings was as follows:

Name of Members	Status	No. of Meetings attended
Shri H. N. Elavia	Chairman	5
Shri A. T. Patel	Member	5
Shri T. M. Patel	Member	4

#### D. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Committee constituted by the Board comprises 4 non-promoters, independent, non-executive Directors.

The Committee met on 17/06/2011, 10/08/2011, 14/11/2011 and 13/02/2012 during the year and the attendance of the members at the meetings was as follows:

Name of Members	Status	No. of Meetings attended
Shri A. G. Shroff	Chairman	3
Shri Jal R. Patel	Member	4
Shri A. T. Patel	Member	4
Shri T. M. Patel	Member	3

During the year, 5 complaints were received and the same have been redressed and there were no Investor complaint remaining un-attended/pending as at 31st March, 2012.

#### E. DIRECTORS REMUNERATION COMMITTEE

The Committee constituted by the Board comprises 3 non-promoter, Independent, Non-executive Directors viz. Shri A. G. Shroff, Shri A. T. Patel and Shri T. M. Patel, pursuant to Clause - 49 of the Listing Agreement read with Schedule XIII to the Companies Act, 1956 to review, assess and recommend the remuneration including appointment of Chairman & Managing Director(s) and Executive Director(s) from time to time. There was no need to convene the Directors Remuneration Committee Meeting during the year 2011 - 2012.

Ministry of Corporate Affairs vide its letters both dated 14/05/2012 has given the approval for revised managerial remuneration payable to Shri B. U. Patel and Shri N. U. Patel w.e.f. 1st April, 2011. Accordingly, the remuneration paid / provided for the year 2011-2012 is as under:

##### (a) Chairman & Managing Director and Managing Director.

Name & Designation	Rs.
Shri B. U. Patel - CMD	97,50,286/-
Shri N. U. Patel - MD	98,06,914/-

##### (b) Non-executive Directors:

Remuneration by way of sitting fees has been paid to the following non-executive Directors for attending the meetings of the Board and Committee thereof during the year 2011-2012.

Name of the Directors	Rs.
Shri R. P. Gaekwad	6000
Shri A. G. Shroff	45000
Shri H. N. Elavia	61000
Shri Jal Patel	56000
Shri A. T. Patel	81000
Shri T. M. Patel	59000
Shri Sudhir Mankad	36000
Shri Rakesh Agrawal	36000
Shri J. B. Sojitra	36000

#### F. GENERAL BODY MEETINGS :

The details of Annual General Meetings (AGM) held in last 3 years are as under.

Annual General Meetings	Day, Date, & Time	Venue	No. of Special Resolution passed
74th AGM	Friday, 04/9/2009 At 11.00 A.M.	Registered Office	3
75th AGM	Saturday, 04/9/2010 At 11.00 A.M.	Registered Office	2
76th AGM	Thursday, 15/9/2011 At 11.00 A.M.	Registered Office	3

During the year 2011-2012, there was no need to hold an Extra-Ordinary General Meeting of shareholders of the Company.

#### G. DISCLOSURES

- There are no materially significant transactions with the related parties viz, Promoters, Directors and their relatives, Subsidiary Company conflicting with Company's interest. The transactions with related parties are disclosed in Note No. 29 to the Accounts in the Annual Report.
- No penalties or strictures has been imposed on the Company by Bombay Stock Exchange Ltd. or SEBI or any Statutory Authority on any matter related to capital markets.



## SHRI DINESH MILLS LTD.

- c) The declaration by CEO for compliance of Code of Conduct by all Board members and Senior Management personnel of the Company is as under:

"I, Bharat Patel, Chairman & Managing Director - CEO of the Company hereby declare that all Board Members and Senior Management personnel of the Company have affirmed the compliance of the Code of Conduct during the financial year ended 31st March, 2012."

This declaration is given pursuant to Clause 49(I)(D) of the Listing Agreement with Bombay Stock Exchange Limited.

- d) The non-mandatory requirements given in Annexure - I D of the Clause 49 of the Listing Agreement have not been adopted by the Company, except the requirements relating to the Remuneration Committee.

### H. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results of the Company are sent to the Bombay Stock Exchange Ltd. immediately after the same are approved by the Board and the said results are published in financial and non-financial newspapers and the same are also placed on the web site of the Company.

### I. GENERAL SHAREHOLDERS INFORMATION

- a) Registered Office : Padra Road, Vadodara - 390 020, Gujarat
- b) Plant Locations : 1. Padra Road, Vadodara -390 020, Gujarat  
2. Village : Bhadkodra, Ankleshwar, District Bharuch, Gujarat
- c) R & T Agent : M/s. MCS Ltd., Neelam Apartment, 88, Sampatrao Colony, Alkapuri, Vadodara - 390 007.
- d) 77th Annual General Meeting : Date: 11th September, 2012, Time: 11.00 A.M  
Venue: Registered Office: Padra Road, Vadodara - 390 020, Gujarat.
- e) Book Closure : Monday, 23/07/2012 to Friday 27/07/2012.
- f) Dividend payment Date : After 30th September, 2012.
- g) Listing of Equity Shares : Name of Stock Exchange : Bombay Stock Exchange Ltd.  
Stock Code : 503804  
ISIN: INE204C01024  
CIN: L17110GJ1935PLC000494
- h) Listing Fees : The Company has paid listing fees for the financial year 2012-2013 to the Bombay Stock Exchange Ltd.
- i) Month wise Stock-market price and BSE Sensex data for the year 2011-2012.

#### Share price on the Bombay Stock Exchange Ltd, Traded Quantity and BSE Sensex

Month & Year	Price (Rs.)		Traded Quantity	Sensex	
	High	Low		High	Low
April, 2011	112.00	93.65	56718	19811.14	18976.19
May, 2011	101.00	85.25	31508	19253.87	17786.13
June, 2011	99.45	86.55	33191	18873.39	17314.38
July, 2011	95.05	88.45	30431	19131.70	18131.86
August, 2011	90.10	77.10	27371	18440.07	15765.53
September, 2011	91.00	77.00	27576	17211.80	15801.01
October, 2011	89.35	80.00	14991	17908.13	15745.43
November, 2011	86.50	75.20	14002	17702.26	15478.69
December, 2011	82.85	72.30	13825	17003.71	15135.86
January, 2012	95.70	75.00	54164	17258.97	15358.02
February, 2012	94.90	80.20	56653	18523.78	17061.55
March, 2012	88.90	77.50	31636	18040.69	16920.61

**J. Distribution of shareholding as at 31st March, 2012**

Sr. No.	Nominal value of equity shares (Rs.)	No. of Shareholders	% of Total	Nominal value of shares (Rs.)	% of Total
1.	Upto 5000	12241	94.24	10342360	19.60
2.	5001 - 10,000	374	2.88	2943650	5.58
3.	10,001 - 20,000	197	1.52	2849430	5.40
4.	20,001 - 30,000	58	0.45	1403020	2.66
5.	30,001 - 40,000	36	0.28	1281440	2.43
6.	40,001 - 50,000	15	0.12	684580	1.30
7.	50,001 - 1,00,000	29	0.22	2110570	4.00
8.	1,00,001 & Above	39	0.29	31159950	59.03
	<b>Total</b>	<b>12989</b>	<b>100</b>	<b>52775000</b>	<b>100</b>

**K. Shareholding pattern as at 31st March, 2012**

Category	No. of Equity Shares As on 31/03/2012	%
Directors & Relatives (Promoters Group)	2288372	43.36
Mutual Funds (UTI)	10	0.00
Banks	3760	0.07
Financial Institutions	NIL	NIL
Foreign Institutional Investors	NIL	NIL
Non-resident Indians	27163	0.52
Others (Public)	2958195	56.05
<b>Total</b>	<b>5277500</b>	<b>100.00</b>

**L. Dematerialization of Equity Shares as at 31st March, 2012**

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	%	No. of Shares	%
No. of Demat Shares				
- NSDL	2654960	50.31	2061241	39.06
- CDSL	2191370	41.52	484129	9.17
No. of Physical Shares	431170	8.17	2732130	51.77
<b>Total</b>	<b>5277500</b>	<b>100</b>	<b>5277500</b>	<b>100</b>

**M.** As the Company has not issued GDRS/ADRS/Warrants or any convertible instruments, the details relating to outstanding position etc. are not applicable to the Company.

**N. Share Transfer System :**

Shares lodged for transfer upto 31st March, 2012 in physical form are processed and duly transferred share certificates are sent within 30 days of receipt of the valid documents. The shares are normally transferred at an interval of 15 days by M/s. MCS Ltd.

**O. Financial Calendar for the year 2012-2013**

First quarterly results	: By 14th August, 2012
Half Yearly results	: By 14th November, 2012
Dividend payment, if any	: By 30th September, 2012
Third quarterly results	: By 14th February, 2013
Fourth quarterly results alongwith Audited	
Annual Results for the year 2012-2013	: By 31st May, 2013
Annual General Meeting for the year 2012-13	: By 30th September, 2013



## SHRI DINESH MILLS LTD.

---

### P. Address for Correspondence

Shareholders correspondence should be addressed to the R & T Agent at the following address:-  
MCS Ltd.

Unit : Shri Dinesh Mills Ltd.

Neelam Apartment, 88, Sampatrao Colony, Alkapuri, Vadodara - 390 007, Gujarat.

Phone Nos. (0265) 2339397, Fax No. (0265) 2341693, E-mail mcsLtdbaroda@yahoo.com

Shareholders holding shares in electronic mode should address their correspondence to their Depository Participants (DP).

### Q. COST AUDITOR

Name : Shri H. R. Kapadia, M.Com., D.T.P., A.C.A., A.I.C.W.A.

Membership No. : M - 8675

Address : 49 - 50, Matri Mandir Society, Opp. Iskon Temple,  
Gotri Water Tank Road, Vadodara - 390 007

Phone No. : (0265) 2361240

Email : hrkapadia@hotmail.com

Due Date of Filing

of Cost Audit Report : 27th September, 2012

Actual Date of Filing

of Cost Audit Report : The Report will be filed on or before due date.

### R. COMPLIANCE OFFICER

Name : Shri J.B. Sojitra

Designation : Asst. Vice President & Company Secretary

Address : Shri Dinesh Mills Limited

Post Box No. 2501, Padra Road, Vadodara - 390 020

Phone No.s (0265) 2330060/61/62/63/64/65

Fax No. (0265) 2336195

Email : sojitra@dineshmills.com

Website : www.dineshmills.com

**ANNEXURE: D  
AUDITORS' CERTIFICATE**

To,  
**Shri Dinesh Mills Limited,**  
**Padra Road,**  
**Vadodara - 390020.**

We have examined the compliance of corporate governance for the year ended on 31.03.2012 as stipulated in clause 49 of the listing agreement of the said company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in clause 49 of the listing agreement), issued by the Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

On the basis of our verification and as certified by Compliance Officer (Company Secretary), we have to state that no investor grievances were remaining unattended/pending for more than thirty days.

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

For and on behalf of  
**Dhirubhai Shah & Co.**  
Chartered Accountants

**Kaushik D. Shah**  
Partner  
Membership No.016502

Place : Vadodara  
Date : 12.06.2012





## SHRI DINESH MILLS LTD.

### REPORT OF THE AUDITOR TO THE MEMBERS

1. We have audited the attached Balance Sheet of Shri Dinesh Mills Limited as at 31st March, 2012 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
  - (e) On the basis of written representations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2012;
    - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of  
**Dhirubhai Shah & Co.**  
Chartered Accountants

**Kaushik D. Shah**  
Partner  
Membership No.016502

Vadodara  
June 12, 2012

## Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Shri Dinesh Mills Limited on the financial statements for the year ended 31st March, 2012.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.  
(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.  
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.  
(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.  
(b) The Company has taken unsecured loans, from nine parties covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was Rs. 593.24 Lacs and the year-end balance of such loans aggregates to Rs. 424.60 Lacs. The Company has not taken any loan, secured or unsecured, from the companies and firms covered in the register maintained under Section 301 of the Companies Act, 1956.  
(c) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.  
(d) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts as stipulated and is also regular in payment of interest.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
- vi. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules prescribed by the Central Government under Section 209(1)(d) of the Act for maintenance of cost records, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.  
(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of excise duty and income tax as at 31st March, 2012 which have not been



## SHRI DINESH MILLS LTD.

deposited on account of a dispute are as follows:

Name of the Statute	Nature of Dues	Amount * (Rs. in Lacs)	Period	Forum where dispute is pending
Income Tax Act, 1961	Disallowances Under Business Income	1.60	A.Y.2007-08	Income Tax Appellate Tribunal , Ahmedabad.
	Disallowances Under Business Income	127.38	A.Y.2009-10	Commissioner of Income Tax (Appeals)
The Central Excise Act, 1944	Disallowed Modvat credit taken on capital goods	4.94	1998-99	Joint-Commissioner of Central Excise, Surat-II
	Excise duty on blended yarn	2.73	1998-99	Dy. Commissioner of Central Excise and Custom, Ankleshwar
	Excise duty on Polyester Tops	150.50	2004-08	Commissioner of Central Excise, Surat
	Excise duty on Polyester Tops	2.47	2008-09	Dy. Commissioner of Central Excise and Custom, Ankleshwar
	Excise duty on Polyester Tops	3.30	2009-10	Dy. Commissioner of Central Excise and Custom, Ankleshwar
	Disallowance of Cenvat Credit	0.50	2005-2011	Asst. Commissioner of Central Excise & Custom, Baroda

\* Net of amount deposited

There were no disputed amounts due towards sales tax, wealth tax, service tax, custom duty & cess.

- x. The Company has no accumulated losses as at 31st March, 2012 and it has not incurred any cash losses in the current and immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.
- xiv. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- xv. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- xvi. In our opinion and according to the information and explanations given to us by the management, term loans are applied for the purpose for which the loans were obtained.
- xvii. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xix. The Company has not issued any debenture during the year.
- xx. The Company has not raised any money by public issues during the year.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
- xxii. The other clauses, (iii)(b), (iii)(c), (iii)(d), (v)(b) of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable in the case of the Company for the year, since in our opinion there is no matter which arises to be reported in the aforesaid Order.

For and on behalf of  
**Dhirubhai Shah & Co.**  
Chartered Accountants

**Kaushik D. Shah**  
Partner  
Membership No.016502

Vadodara  
June 12, 2012

**BALANCE SHEET AS AT 31ST MARCH, 2012**

Particulars	Note No.	(Rs. In lacs)	
		As at 31st March, 2012	As at 31st March, 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
Share Capital	1	<b>527.75</b>	527.75
Reserves and Surplus	2	<b>9,075.64</b>	8,697.55
<b>2 Non-Current Liabilities</b>			
Long- term borrowings	3	<b>2,802.85</b>	2,649.57
Deferred tax Liabilities (Net)	4	<b>783.10</b>	662.40
Other Long Term Liabilities	5	<b>517.45</b>	489.64
Long Term Provisions	6	<b>353.50</b>	330.02
<b>3 Current Liabilities</b>			
Short term borrowings	7	<b>394.98</b>	463.14
Trade Payables	8	<b>249.60</b>	257.30
Other Current Liabilities	9	<b>1,285.54</b>	1,252.29
Short Term Provisions	10	<b>214.43</b>	147.98
<b>TOTAL</b>		<b>16,204.84</b>	15,477.64
<b>II. ASSETS</b>			
<b>1 Non-Current Assets</b>			
Fixed assets	11		
(i) Tangible assets		<b>7,010.60</b>	5,610.43
(ii) Capital work-in-progress		<b>48.62</b>	4.87
Non-current investments	12	<b>2,159.53</b>	3,599.88
Long term loans and advances	13	<b>127.21</b>	120.87
<b>2 Current assets</b>			
Inventories	14	<b>3,981.50</b>	3,129.41
Trade Receivables	15	<b>1,154.93</b>	974.95
Cash and Bank balances	16	<b>1,379.15</b>	1,770.73
Short Term Loans and Advances	17	<b>238.47</b>	138.43
Other Current Assets	18	<b>104.83</b>	128.07
<b>TOTAL</b>		<b>16,204.84</b>	15,477.64

The Notes form an integral part  
of these financial statements

1 to 32

As per our Report of even date  
For **Dhirubhai Shah & Co.,**  
Chartered Accountants

For and on behalf of the Board of Directors  
**N. U. Patel**  
Managing Director

**B. U. Patel**  
Chairman & Managing Director

**Kaushik D. Shah**  
Partner  
Membership No. : 016502  
Vadodara, June 12, 2012

**J. B. Sojitra**  
Company Secretary & Director  
Vadodara, June 12, 2012

**B. B. Patel**  
Vice President (Finance)



## SHRI DINESH MILLS LTD.

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No.	(Rs. In lacs)	
		Year ended 31st March, 2012	Year ended 31st March, 2011
I. Revenue from Operations	19	8,648.87	8,252.28
II. Other Income	20	368.63	266.08
III. Total Revenue (I + II)		<u>9,017.50</u>	<u>8,518.36</u>
IV. Expenses:			
Cost of Materials Consumed	21	2,939.42	2,286.47
Purchases of Stock-in-Trade	21	3.10	0.70
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	22	(619.19)	63.11
Employee Benefits Expense	23	2,261.39	1,998.40
Finance Costs	24	355.49	313.56
Depreciation and Amortization Expense	11	849.85	747.69
Other Expenses	25	2,499.95	2,041.99
<b>Total Expenses</b>		<u>8,290.01</u>	<u>7,451.92</u>
V. Profit before exceptional items and tax (III-IV)		727.49	1,066.44
VI. Exceptional items		-	31.81
VII. Profit before tax (V- VI)		727.49	1,098.25
VIII. Tax expense:			
(1) Current tax		106.05	411.70
(2) Deferred tax		120.70	(94.01)
IX. Profit for the year (VII-VIII)		<u>500.74</u>	<u>780.56</u>
X. Earnings per equity share of Rs. 10 each	27		
(1) Basic		9.49	14.79
(2) Diluted		9.49	14.79

The notes form an integral part of these financial statements

1 to 32

As per our Report of even date  
For **Dhirubhai Shah & Co.,**  
Chartered Accountants

For and on behalf of the Board of Directors  
**N. U. Patel**  
Managing Director

**B. U. Patel**  
Chairman & Managing Director

**Kaushik D. Shah**  
Partner  
Membership No. : 016502  
Vadodara, June 12, 2012

**J. B. Sojitra**  
Company Secretary & Director  
Vadodara, June 12, 2012

**B. B. Patel**  
Vice President (Finance)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

Particulars	(Rs. In lacs)	
	2011-12	2010-11
<b>A. Cash flow from operating Activity</b>		
Net Profit Before Tax	<b>727.50</b>	1096.35
Adjustments For:		
Depreciation	<b>849.84</b>	747.69
Interest paid	<b>355.49</b>	313.56
Provision for Doubtful Debts	-	2.96
Loss on sales of assets	<b>0.09</b>	(0.26)
Dividend Income	<b>(86.38)</b>	(102.33)
Interest received on deposits	<b>(102.83)</b>	(80.46)
LTCG on redemption of FMP	<b>(123.40)</b>	(35.96)
	<b>892.81</b>	845.20
Operation profit before working capital changes	<b>1,620.31</b>	1,941.55
Adjustment For:		
Inventories	<b>(852.10)</b>	(412.16)
Trade Receivable & Other Receivables	<b>(180.48)</b>	(12.83)
Trade Payables & Other liabilities	<b>133.56</b>	181.70
	<b>(899.02)</b>	(243.29)
Taxes Paid	<b>(211.64)</b>	(445.89)
	<b>(1110.66)</b>	(689.18)
Cash Generated from Operations	<b>509.65</b>	1,252.37
<b>B. Cash Flow from Investment Activities</b>		
Purchase of Fixed Assets	<b>(2293.80)</b>	(234.29)
Subsidy Received	-	110.95
(Purchase)/ Redemption of Investment	<b>1598.40</b>	150.10
Investment in Subsidiary	<b>(34.65)</b>	(173.34)
Dividend Income	<b>86.38</b>	102.33
Interest received	<b>125.77</b>	61.75
Net Cash Flow from Investment Activity	<b>(517.90)</b>	17.50
	<b>(8.25)</b>	1269.87
<b>C. Cash Flow from Financial Activities:</b>		
Proceeds from Borrowings	<b>85.09</b>	(743.38)
Dividend paid	<b>(104.62)</b>	(155.56)
Corporate Tax Paid	<b>(17.12)</b>	(26.30)
Interest Paid	<b>(346.67)</b>	(315.37)
<b>Net Cash Flow from Financial Activities</b>	<b>(383.32)</b>	(1,240.61)
<b>Total of Cash Flow</b>	<b>(391.57)</b>	29.26
<b>Opening Cash &amp; Cash equivalent</b>	<b>1,770.74</b>	1741.48
<b>Closing Cash &amp; Cash equivalent</b>	<b>1,379.17</b>	1770.74

**Note:**

- The cashflow statement has been prepared in accordance with the requirement of AS -3 " Cash flow statement" issued by the Institute of Chartered Accountants of India
- Previous year's figures have been regrouped wherever necessary to confirm this year's classification.

As per our Report of even date  
For **Dhirubhai Shah & Co.,**  
Chartered Accountants

For and on behalf of the Board of Directors  
**N. U. Patel**  
Managing Director

**B. U. Patel**  
Chairman & Managing Director

**Kaushik D. Shah**  
Partner  
Membership No. : 016502  
Vadodara, June 12, 2012

**J. B. Sojitra**  
Company Secretary & Director  
Vadodara, June 12, 2012

**B. B. Patel**  
Vice President (Finance)



## SHRI DINESH MILLS LTD.

### NOTES TO THE FINANCIAL STATEMENTS

Particulars	(Rs. In lacs)	
	As at 31st March 2012	As at 31st March 2011
<b>NOTE:1 SHARE CAPITAL</b>		
<b>Authorised</b>		
9,500,000 Equity Shares of Rs 10/- each	950.00	950.00
50000 unclassified Shares of Rs. 100/-	50.00	50.00
	<b>1,000.00</b>	<b>1,000.00</b>
<b>Issued, Subscribed &amp; Paid up</b>		
5,277,500 Equity Shares of Rs 10/- each fully paid	527.75	527.75
<b>Total</b>	<b>527.75</b>	<b>527.75</b>

- 1.1 The reconciliation of the number of shares outstanding:  
The Company has not issued or bought back any equity or preference shares during the year.
- 1.2 The details of Shareholders holding more than 5% shares:

Name of the Shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shri U.M.Patel	531,655	10.07	531,655	10.07
Shri B.U.Patel	491,710	9.32	491,710	9.32
Shri N.U.Patel	643,998	12.20	643,998	12.20

- 1.3 30,780 Equity shares allotted to Shareholders of Platewel Processes and Chemicals Limited as fully paid without payment being received in cash in terms of amalgamation scheme sanctioned by Gujarat High Court, as per order Dated 20th March, 1981.
- 1.4 4,775,420 Equity shares issued as Bonus Shares by way of capitalisation of Reserve and Share Premium Account.
- 1.5 The Company has only one class of equity shares having a par value of Rs.10 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, 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 amounts, in proportion of their shareholding.

Particulars	(Rs. In lacs)	
	As at 31st March 2012	As at 31st March 2011
<b>NOTE: 2 RESERVES &amp; SURPLUS</b>		
<b>a. General Reserve</b>		
Opening Balance	8,435.73	7,835.73
(+) Current Year Transfer	400.00	600.00
Closing Balance	<b>8,835.73</b>	<b>8,435.73</b>
<b>b. Surplus</b>		
Opening balance	261.83	203.94
(+) Net Profit For the current year	500.75	780.55
(-) Proposed Dividends	122.67	122.67
(-) Transfer to Reserves	400.00	600.00
Closing Balance	239.91	261.83
<b>Total</b>	<b>9,075.64</b>	<b>8,697.55</b>

**NOTES TO THE FINANCIAL STATEMENTS**

Particulars	(Rs. In lacs)	
	As at 31st March 2012	As at 31st March 2011
<b>NOTE: 3 LONG TERM BORROWINGS</b>		
Term loans	<b>2,679.02</b>	2,315.04
Term loan under Technology Upgradation Fund Scheme is secured by way of hypothecation of machineries purchased therefrom.		
Cash Credit	<b>(167.21)</b>	(73.75)
Cash credits from Banks, against hypothecation of Raw materials, Stores, Spare parts, Finished goods and Work-in-progress		
Deposits :		
From Directors & Shareholders	<b>226.69</b>	291.00
From Public	<b>64.35</b>	117.28
<b>Total</b>	<b>2,802.85</b>	2,649.57

**3.1 TERMS OF REPAYMENT OF TERM LOANS**

Name of Institutions	Instruments	Repayment schedule			
		Frequency	Number of Installments	Rate of Interest	First installment due
<b>Shri Dinesh Mills Limited</b>					
Indian Overseas Bank - I	Term Loan	Quarterly	24	12.75%	Oct-07
Indian Overseas Bank - II	Term Loan	Quarterly	24	12.75%	Jul-09
Indian Overseas Bank - III	Term Loan	Quarterly	24	12.75%	Aug-10
South Indian Bank - II	Term Loan	Quarterly	24	12.00%	Jan-13
South Indian Bank - III	Term Loan	Quarterly	24	12.00%	Feb-13

**NOTE: 4 DEFERRED TAX LIABILITY**

	As on 31.03.2011	Charge / (Credit) during the year	As on 31.03.2012
Deferred Tax Liability on account of :			
(I) Depreciation	736.32	122.15	<b>858.47</b>
Deferred Tax Assets on account of :			
(I) Expenses allowable for tax purpose when paid (Octroi)	15.31	-	<b>15.31</b>
(II) Unencashed leave (Leave + Director Leave)	52.81	0.31	<b>53.12</b>
(III) Gratuity	5.80	1.14	<b>6.94</b>
	73.92	1.45	<b>75.37</b>
<b>Net Deferred tax Liabilities / Assets</b>	<b>662.40</b>	<b>120.70</b>	<b>783.10</b>





## SHRI DINESH MILLS LTD.

### NOTES TO THE FINANCIAL STATEMENTS

Particulars	(Rs. In lacs)	
	As at 31st March 2012	As at 31st March 2011
<b>NOTE: 5 OTHER LONG TERM LIABILITIES</b>		
Security Deposits	238.78	238.58
Octroi Liability	63.49	63.49
Outstanding expenses	215.18	187.57
<b>Total</b>	<b>517.45</b>	<b>489.64</b>
<b>NOTE: 6 LONG TERM PROVISIONS</b>		
<b>Provision for employee benefits:</b>		
Gratuity	110.30	99.53
Leave Encashment	175.59	163.84
Provisions for Medical/LTA/allowances, etc.	67.61	66.65
<b>Total</b>	<b>353.50</b>	<b>330.02</b>
<b>NOTE: 7 SHORT TERM BORROWINGS</b>		
<u>Secured</u>		
(a) Term Loans	3.84	7.67
Loan from Bank of Baroda		
<u>Unsecured</u>		
Deposits :		
From Directors & Shareholders	301.16	390.00
From Public	89.98	65.47
<b>Total</b>	<b>394.98</b>	<b>463.14</b>
7.1	Repayable in 24 quarterly installments, commencing from April 2007, Last installment due in March 2013 rate of Interest 15.75%.	
7.2	The above term loan is secured by way of hypothecation of machineries purchased therefrom.	
<b>NOTE: 8 TRADE PAYABLES</b>		
Micro, Small and Medium Entreprises	-	-
Others	249.60	257.30
<b>Total</b>	<b>249.60</b>	<b>257.30</b>
8.1	The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information is as under	
<b>Particulars</b>	<b>As at 31st March, 2012</b>	<b>As at 31st March, 2011</b>
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

**NOTES TO THE FINANCIAL STATEMENTS**

Particulars	(Rs. In lacs)	
	As at 31st March 2012	As at 31st March 2011

**NOTE: 9 OTHER CURRENT LIABILITIES**

Interest accrued but not due	77.94	72.37
Unclaimed dividends	21.08	20.15
Unpaid matured deposits and interest accrued thereon	13.66	4.84

**Other Payables :**

Advance from Customers	587.96	673.22
Statutory dues	203.04	157.50
Other provision for expenses	381.86	324.21
<b>Total</b>	<b>1,285.54</b>	<b>1,252.29</b>

9.1 There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31st March, 2012.

**NOTE: 10 SHORT TERM PROVISIONS**

Dues to Directors	91.76	25.31
Provisions for Dividend and Dividend Tax	122.67	122.67
<b>Total</b>	<b>214.43</b>	<b>147.98</b>

## NOTES TO THE FINANCIAL STATEMENTS

(Rs. In lacs)

### NOTE: 11 FIXED ASSETS

Fixed Asset	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK		
	Balance as at 1st April 2011	Additions/ (Disposals)	Balance as at 31st March 2012	Balance as at 1st April 2011	Depreciation Charge for the year	Adjustment/ Deduction	Balance as at 31st March 2012	As at 31st March 2012	As at 31st March 2011
(A) Tangible Assets									
Land	321.25	-	321.25	-	-	-	-	321.25	321.25
Assets under lease	6.18	-0.09	6.09	-	-	-	-	6.09	6.18
Buildings	484.14	41.64	525.78	327.65	12.09	-	339.74	186.04	156.48
Plant and Equipment	14,499.55	2,184.63	16,684.18	9,646.48	775.19	0.11	10421.56	6,262.62	4,853.12
Furniture and Dead stock	257.31	18.73	276.04	194.95	10.97	0.11	205.81	70.23	62.36
Vehicles	347.74	-14.95	332.79	157.48	48.74	15.53	190.69	142.10	190.26
Electrical Installations	94.99	3.02	98.01	79.76	0.78	-	80.54	17.47	15.23
Tubewell and waterworks	8.83	1.25	10.08	5.50	0.19	-	5.69	4.39	3.32
Drainage installation	0.14	-	0.14	0.12	-	-	0.12	0.02	0.01
<b>Total</b>	<b>16,020.13</b>	<b>2,234.23</b>	<b>18,254.36</b>	<b>10,411.94</b>	<b>847.96</b>	<b>15.75</b>	<b>11,244.15</b>	<b>7,010.21</b>	<b>5,608.21</b>
(B) Intangible Assets									
Computer Software	9.78	-	9.78	7.50	1.89	-	9.39	0.39	2.22
<b>Total</b>	<b>16,029.91</b>	<b>2,234.23</b>	<b>18,264.14</b>	<b>10,419.44</b>	<b>849.85</b>	<b>15.75</b>	<b>11,253.54</b>	<b>7,010.60</b>	<b>5,610.43</b>
Previous Year's Total Rs.	15,897.64	132.26	16,029.91	9,696.86	747.69	25.00	10,419.46	5,610.43	
11.1	Gross Block is carried at cost except Leashold Land which is at cost less amounts written off.								
11.2	Buildings includes Rs. 750/- being the cost of shares in Co-operative Society (Previous year Rs. 750/-)								
11.3	No Capital Subsidy is received during the year (Previous year Rs. 11,095,425/-)								
11.4	There is no excess depreciation written back during the year (Previous year Rs. 1,553,503)								



**NOTES TO THE FINANCIAL STATEMENTS**

Particulars	(Rs. In lacs)	
	As at 31st March 2012	As at 31st March 2011
<b>NOTE: 12 NON CURRENT INVESTMENTS</b>		
<b>Investment in Equity instruments:</b>		
In fully paid shares		
<b>Quoted:</b>		
120,020	Equity shares of Rs. 10/- each in Kamron Laboratories Limited. Less Provision for Diminution in value. (Investments of Re. 1/- appearing in the books)	-                      -
<b>Unquoted:</b>		
50	Equity Shares of Rs. 100/- each in Gujarat Sheep & Wool Development Corporation Limited	<b>0.05</b> 0.05
144,946	Equity Shares of Rs. 10/- each in Narmada Clean Tech Limited	<b>14.49</b> 14.49
<b>Others:</b>		
400	Equity Shares of Rs. 25/- each in Co-operative Bank of Baroda Limited	<b>0.10</b> 0.10
13,098,095	(12,751,595) Equity shares of Rs 10/- each in Dinesh Remedies Limited - Subsidiary	<b>1,309.81</b> 1,275.16
<b>Investments in Government or Trust securities:</b>		
50,000	11.50% GOI Securities - 2015	<b>55.90</b> 55.90
20,000	6.90% GOI Securities - 2019	<b>18.76</b> 18.76
<b>Investments in Mutual Funds:</b>		
Nil	for current year (10,750,000) units of HDFC Fixed Maturity Plan	-                      1,075.00
121,400.476	(121,400.476) HDFC MF MIP Long Term Growth	<b>25.00</b> 25.00
Nil	(2,000,000) Units of ICICI FMP	-                      200.00
Nil	(2,000,000) Units of Reliance Fixed Horizon Fund	-                      200.00
775,325.887	(775,325.887) Units of HDFC Prudence	<b>252.01</b> 252.01
800,645.406	(800,645.406) Units of SBI balance Fund	<b>233.41</b> 233.41
436,220.847	(436,220.847) Units of FT India Balance Fund	<b>125.00</b> 125.00
232,001.127	(232,001.127) Units of TATA Balance Fund	<b>125.00</b> 125.00
<b>Total</b>		<b>2,159.53</b> <b>3,599.88</b>
<b>NOTE: 13 LONG TERM LOANS &amp; ADVANCES</b>		
(Unsecured, considered good)		
	Security Deposits	<b>77.07</b> <b>70.73</b>
	Balance with Statutory authorities	<b>50.14</b> <b>50.14</b>
<b>Total</b>		<b>127.21</b> <b>120.87</b>



## SHRI DINESH MILLS LTD.

### NOTES TO THE FINANCIAL STATEMENTS

Particulars	(Rs. In lacs)	
	As at 31st March 2012	As at 31st March 2011
<b>NOTE: 14 INVENTORIES</b>		
a. Raw Materials	<b>1098.38</b>	743.94
Goods-in transit	<b>40.13</b>	187.68
	<b>1,138.51</b>	931.62
b. Work-in-progress	<b>1305.64</b>	922.00
c. Finished goods	<b>1069.96</b>	810.38
e. Stores and spares	<b>467.39</b>	465.41
<b>Total</b>	<b>3,981.50</b>	3,129.41
<b>14.1 DETAILS OF RAW MATERIALS</b>		
<b>Imported:</b>		
Wool	<b>532.33</b>	146.59
Yarn	<b>231.55</b>	172.07
Fibre	<b>58.61</b>	65.46
Miscellaneous	<b>3.71</b>	0.13
<b>Indigeneous:</b>		
Wool	<b>6.53</b>	0.09
Yarn	<b>156.91</b>	177.13
Fibre	<b>108.56</b>	182.16
Miscellaneous	<b>0.18</b>	0.31
<b>Total</b>	<b>1,098.38</b>	743.94
<b>14.2 DETAILS OF WORK-IN-PROGRESS</b>		
Woolen worsted	<b>1,032.52</b>	670.93
Felt	<b>273.12</b>	251.07
<b>Total</b>	<b>1,305.64</b>	922.00
<b>14.3 DETAILS OF FINISHED GOODS</b>		
Woolen Fabrics	<b>1.23</b>	1.08
Worsted Fabrics	<b>563.03</b>	431.34
Felt	<b>503.19</b>	376.51
Readymade Garments	<b>2.51</b>	1.45
<b>Total</b>	<b>1,069.96</b>	810.38

**NOTES TO THE FINANCIAL STATEMENTS**

Particulars	As at 31st March 2012	(Rs. In lacs) As at 31st March 2011
<b>NOTE: 15 TRADE RECEIVABLES</b>		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	154.10	36.93
Unsecured, considered doubtful	2.96	2.96
Less: Provision for doubtful debts	(2.96)	(2.96)
<b>Sub total</b>	<b>154.10</b>	<b>36.93</b>
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	1,000.83	938.02
<b>Total</b>	<b>1,154.93</b>	<b>974.95</b>
<b>NOTE: 16 CASH AND BANK BALANCES</b>		
<b>Bank Balances:</b>		
In Current Account	209.55	206.96
In Fixed Deposit Account	1,167.73	1,560.94
	<b>1,377.28</b>	<b>1,767.90</b>
Cash on hand	1.87	2.83
<b>Total</b>	<b>1,379.15</b>	<b>1,770.73</b>
16.1 Fixed deposits with Bank includes deposits of Rs. 1103.54 lacs (Previous year's Rs. 1504.90 lacs)		
<b>NOTE: 17 SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Loans and advances to related parties	0.01	0.11
Statutory dues (net of tax provisions)	194.27	88.69
Advance to Suppliers	44.19	49.63
<b>Total</b>	<b>238.47</b>	<b>138.43</b>
<b>NOTE: 18 OTHER CURRENT ASSETS</b>		
Interest and Dividend Receivables on investments	2.32	10.80
Interest Subsidy receivables	94.11	108.58
Prepaid Expenses	8.40	8.69
<b>Total</b>	<b>104.83</b>	<b>128.07</b>



## SHRI DINESH MILLS LTD.

### NOTES TO THE FINANCIAL STATEMENTS

(Rs. In lacs)

Particulars	2011-12	2010-11
<b>NOTE: 19 REVENUE FROM OPERATIONS</b>		
Sale of products	9,109.84	8,708.74
Less:		
Excise duty	460.97	456.46
<b>Total</b>	<b>8,648.87</b>	<b>8,252.28</b>
<b>NOTE: 20 OTHER INCOME</b>		
Interest Income	102.83	109.47
Dividend Income	86.38	102.33
LTCG on redemption of FMP	123.40	-
Miscellaneous Income	56.02	54.28
<b>Total</b>	<b>368.63</b>	<b>266.08</b>
<b>NOTE: 21 COST OF MATERIALS CONSUMED</b>		
Wool	1,086.23	579.13
Synthetic Fibre	937.41	837.96
Yarn	892.89	849.52
Others	22.89	19.86
<b>Total</b>	<b>2,939.42</b>	<b>2,286.47</b>
<b>GOODS - TRADED - IN :</b>		
Ready Made Garments	3.10	0.70
<b>NOTE: 22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Inventories (at close):</b>		
Work -in- Process	1305.64	922.00
Finished Goods	1069.96	810.38
	<b>2375.60</b>	<b>1732.38</b>
<b>Inventories (at commencement):</b>		
Work -in- Process	922.00	840.05
Finished Goods	810.38	934.90
	<b>1732.38</b>	<b>1774.95</b>
	<b>(643.22)</b>	<b>42.57</b>
Excise duty variations on opening/closing stocks	24.03	20.54
<b>Total</b>	<b>(619.19)</b>	<b>63.11</b>

**NOTES TO THE FINANCIAL STATEMENTS**

(Rs. In lacs)

Particulars	2011-12	2010-11
<b>NOTE: 23 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and Wages	1,796.03	1,569.23
Contributions to -		
"(i) Provident fund"(ii) Superannuation scheme & Other funds"	288.54	263.35
Employees' State Insurance Scheme	38.24	35.59
Staff welfare expenses	138.58	130.23
<b>Total</b>	<b>2,261.39</b>	<b>1,998.40</b>

**23.1 As per Accounting Standard 15 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below:**

**Defined Benefit Gratuity Plan:**

<b>(I) Changes in present value of obligations</b>			
Present value of Obligations as at the beginning of the year	723.47	675.97	
Current Service Cost	33.65	32.30	
Interest Cost	59.69	55.77	
Benefit Paid	-78.70	-67.39	
Actuarial Losses / (Gains) on obligations	40.00	26.82	
Present value of Obligations as at the end of the year	778.11	723.47	
<b>(II) Changes in Fair Value of plan assets</b>			
Fair value of plan assets as at the beginning of the year	644.54	559.75	
Expected return on Plan Assets	51.56	44.78	
Contributions	82.26	118.93	
Benefits Paid	-78.70	-67.39	
Actuarial Losses / (Gains) on Plan Assets	-7.72	-11.54	
Fair value of plan assets as at the end of the year	691.94	644.53	
<b>(III) Amounts to be recognised in the Balance Sheet and Profit and Loss Account</b>			
Present value of obligation as at end of the year	778.11	723.47	
Fair Value of Plan assets as at the end of the year	691.93	644.54	
Funded Status	-86.18	-78.94	
Net Asset / (Liability) recognised in the Balance Sheet	-86.18	-78.94	
<b>(IV) Expenses recognized in the Profit and Loss Account</b>			
Service Cost	33.65	32.30	
Interest Cost	59.69	55.77	
Expected return on Plan Assets	51.56	44.78	
Net Actuarial Losses / (Gains) on Plan Assets for the period	47.73	38.37	
Expenses recognised in Profit and Loss account	89.50	81.65	
<b>(V) Percentage of major category of plan assets to total plan assets as at the end of the year</b>			
Government of India Securities	17.73%	20.35%	
Fixed Deposit with Scheduled Bank	26.74%	16.29%	
<b>(VI) Assumptions:</b>			
Mortality	2011-12	2010-11	2009-10
	<b>LIC (1994-96) Ult</b>	<b>LIC (1994-96) Ult</b>	<b>LIC (1994-96) Ult</b>
Discount rate (per annum)	8.50%	8.25%	7.75%
Rate of increase in compensation	5%	5%	5%
Rate of return (expected) on plan assets	8.00%	8.00%	8.00%
Present value of obligation	778.12	723.47	675.97
Fair value of plan assets	691.93	644.54	559.75
Surplus or (Deficit) in the plan	-86.18	-78.94	29.30098





## SHRI DINESH MILLS LTD.

### NOTES TO THE FINANCIAL STATEMENTS

(Rs. In lacs)

Particulars	2011-12	2010-11
<b>NOTE: 24 FINANCE COST</b>		
Interest expenses	355.49	313.56
<b>Total</b>	<b>355.49</b>	<b>313.56</b>

### **NOTE: 25 OTHER EXPENSES**

Stores Consumed	366.10	291.21
Electricity, Power and Fuel	454.00	406.39
Rent	1.27	2.09
Commission	153.30	146.22
Discount	201.87	189.94
Repairs to Building	25.75	30.60
Repairs to Machinery	343.96	273.76
Repairs to Others	16.93	8.22
Insurance	13.78	13.82
Rates and Taxes	28.43	22.99
Payment to Auditors	5.71	6.54
Advertisement and Publicity	334.00	70.66
Legal & professional fees	138.25	142.32
Freight and Cartage	7.02	11.64
Travelling and Conveyance	162.49	160.45
Miscellaneous expense	247.09	265.14
<b>Total</b>	<b>2,499.95</b>	<b>2,041.99</b>

### **25.1 DETAILS OF STORES CONSUMED**

Imported	35.43	34.98
Indigenous	330.67	256.23
<b>Total</b>	<b>366.10</b>	<b>291.21</b>

### **25.2 PAYMENT TO AUDITORS AS:**

i) Statutory Audit Fees	3.76	4.20
ii) In other capacity - certificates	1.19	1.91
iii) For expenses	0.44	0.13
	<b>5.39</b>	<b>6.24</b>

### Cost Auditors :

i) As auditors	0.31	0.30
	<b>5.70</b>	<b>6.54</b>

**NOTES TO THE FINANCIAL STATEMENTS**

(Rs. In lacs)

Particulars	2011-12	2010-11
<b>26 C.I.F. VALUE OF IMPORTS, EXPENDITURE AND EARNINGS IN FOREIGN CURRENCY</b>		
<b>(A) C.I.F. Value of imports :</b>		
Raw Materials	<b>2009.99</b>	1287.65
Capital Goods	<b>1110.41</b>	59.46
<b>(B) Expenditure in Foreign currencies:</b>		
Commission	<b>14.16</b>	17.04
Travelling expenses	<b>58.20</b>	62.72
Other matters	<b>34.70</b>	20.63
<b>(C) Earnings in Foreign currencies:</b>		
F.O.B. value of Exports	<b>309.94</b>	397.39
Others	<b>2.43</b>	4.61

**NOTE: 27 EARNINGS PER SHARE (EPS)**

Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. In Lacs)	<b>500.75</b>	780.56
Weighted Average number of equity shares used as denominator for calculating EPS	<b>5,277,500</b>	5,277,500
Basic and Diluted Earnings per share (Rs.)	<b>9.49</b>	14.79
Face Value per equity share (Rs.)	<b>10.00</b>	10.00

**NOTE: 28 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF**

Workers' demand - matter under appeal	<b>77.74</b>	34.70
Claims against the company not acknowledged as debts	<b>3.02</b>	3.02
Income tax Demands (including interest) - matter under appeal	<b>187.30</b>	219.25
Excise matter under appeal	<b>214.58</b>	214.08



## SHRI DINESH MILLS LTD.

### NOTES TO THE FINANCIAL STATEMENTS

#### NOTE: 29 RELATED PARTY INFORMATION

##### (A) Name of related party and nature of relationship

Name of related party	Description of relationship
1. <u>Where significant influence exists:</u>	
Dinesh Remedies Limited	Subsidiary
Shri Dinesh Foundation	Key Management Personnel are Trustee
Shri Maganbhai B. Patel's Charity Trust	Key Management Personnel are Trustee
2. <u>Key Management Personnel :</u>	
Mr. U.M.Patel	Chairman Emeritus
Mr. B.U.Patel	Chairman & Managing Director
Mr. N.U.Patel	Managing Director
3. <u>Relatives of Key Management Personnel</u>	
Mrs. R.B.Patel	Wife of Mr. B.U.Patel
Mrs. A.N.Patel	Wife of Mr. N.U.Patel
Ms J.B.Patel	Daughter of Mr. B.U.Patel
Mr. A.B.Patel	Son of Mr. B.U.Patel
Mstr. N.N.Patel	Son of Mr. N.U.Patel
Mrs. M.U.Patel	Wife of Mr. U.M.Patel

##### (B) Transactions with related party

Name of Related Party	Relationship	Nature of Transaction	Amount		Outstanding Balance	
			2011-12 (Rs. in Lacs)	2010-11 (Rs. in Lacs)	2011-12 (Rs. in Lacs)	2010-11 (Rs. in Lacs)
1. Dinesh Remedies Limited	Subsidiary	Equity Contribution	34.65	173.34	-	-
		Advance given during the year	0.15	0.30	0.01	0.11
2. Chairman Emeritus Personnel: Shri U.M.Patel	Key Management	Fixed Deposits received	15.00	76.00	85.00	115.00
		Interest Paid	9.73	10.70	-	-
3. Chairman and Managing Director Shri B.U.Patel		Remueration	97.50	58.59	45.86	12.81
		Fixed Deposits received	85.50	124.00	205.50	324.25
		Interest Paid	27.71	33.15	-	-
4. Managing Director Shri N.U.Patel		Remueration	98.07	59.16	45.90	12.50
		Fixed Deposits received	2.00	-	2.00	2.00
		Interest Paid	0.19	0.20	-	-
5. Relatives of Key Management Personnel		Fixed Deposits received	63.85	67.25	132.10	148.55
		Interest Paid	12.65	14.17	-	-
		Salary	7.55	5.63	-	-
6. Shri Dinesh Foundation	Key Management Personnel are Trustee	Donation	5.00	12.00	-	-
7. Shri Maganbhai B. Patel's Charity Trust	Key Management Personnel are Trustee	Donation	5.00	12.00	-	-

(C) There are no provisions for doubtful debts or amounts written off or written back in respect of debts due to or due from related parties.

(D) Related party relationship is as identified by the Company on the basis of information available with them and relied upon by the Auditors.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 30 Segment Information :

**(a) Primary segment : Business segment**

The Company has only one business segment Viz : "Textile".

**(b) Secondary segment – Geographical segment :**

Information of graphical segment:				Rs. in Lacs
Particulars	Year	In India	Outside India	Total
Segment Revenue	<b>2011-12</b>	<b>8,247.83</b>	<b>401.04</b>	<b>8,648.87</b>
	2010-11	7,774.95	458.03	8,232.98
Carrying cost of Assets by location of Assets	<b>2011-12</b>	<b>16,205.89</b>	-	<b>16,205.89</b>
	2010-11	15,551.19	-	15,551.19
Additions to Assets and Intangible	<b>2011-12</b>	<b>2,277.08</b>	-	<b>2,277.08</b>
	2010-11	2,582.95	-	2,582.95

Note: 31 Significant Accounting Policies followed by the Company are as stated in the statement annexed to this schedule as Annexure I.

Note: 32 Previous year's figures have been regrouped wherever necessary.

As per our Report of even date	For and on behalf of the Board of Directors	
For <b>Dhirubhai Shah &amp; Co.,</b> Chartered Accountants	<b>N. U. Patel</b> Managing Director	<b>B. U. Patel</b> Chairman & Managing Director
<b>Kaushik D. Shah</b> Partner Membership No. : 016502 Vadodara, June 12, 2012	<b>J. B. Sojitra</b> Company Secretary & Director Vadodara, June 12, 2012	<b>B. B. Patel</b> Vice President (Finance)



## SHRI DINESH MILLS LTD.

---

### Annexure I referred to in note 31 to the Account for the year ended 31st March, 2012, Statement on significant Accounting Policies

#### 1. System of Accounting :

These financial statements have been prepared on an accrual basis and under historical cost convention and in compliance, in all material aspects, with the applicable accounting principles in India, the applicable accounting standards notified under Section 211 (3C) and the relevant provisions of the Companies Act, 1956. The significant accounting policies adopted by the Company are detailed below:

#### 2. Fixed Assets and Depreciation :

##### A. Fixed Assets

- I. Fixed Assets are carried at cost of acquisition including incidental cost relating to acquisition / installation. Fixed Assets are shown net of accumulated depreciation and amortised amount (except on free- hold land).
- II. Capital Work-in-progress is stated at amount expended upto the date of Balance Sheet.

##### B Depreciation and Amortisation

- a) Leasehold land  
Premium on leasehold land is being amortised over the period of lease.
- b) Other Fixed Assets
  - I. Depreciation on all the assets except Plant and Machinery acquired /installed upto 31st March, 1990 is being provided on "Written Down Value" in accordance with the provisions of section 205(2)(a) of the Companies Act, 1956 at the rates specified in schedule XIV to the said Act.
  - II. Depreciation on Plant and Machinery acquired/installed on or after 1st April 1990 is being provided on `Straight Line method' in accordance with the Provisions of Section 205(2)(b) of the Companies Act, 1956 at the rates specified in schedule XIV to the said Act.
  - III. Depreciation on additions to the assets during the year is being provided on pro-rata basis with reference to the month of acquisition /installation.
  - IV. Depreciation on assets sold, discarded, demolished or scrapped during the year is being provided upto the month in which such assets are sold, discarded, demolished or scrapped.
  - V. Computer software is being amortised over a period of three years.

#### 3. Investments :

Investments are classified into Current and Long-term Investments. Current Investments are stated at lower of cost and fair value. Long-term Investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of Long-term Investments.

#### 4. Inventories :

- I. Stores, Machinery Spares, Coal, etc. are valued at cost or net realisable value whichever is lower. Cost is arrived at on 'Moving Weighted Average Cost basis'.
- II. Raw Materials are valued at cost or net realisable value whichever is lower. Cost is arrived at on 'Specific Identification cost basis'.
- III. Materials in Process and Finished Goods are valued at cost or net realisable value, whichever is lower. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

The excise duty in respect of closing inventory of finished goods is included as part of finished goods.

- IV. Materials in Customs Bonded Warehouse and in transit are stated at cost, upto the date of Balance Sheet.
- V. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

## 5. Foreign Currency Transactions :

- i) Initial Recognition:

Transactions denominated in foreign currencies are recorded at the rate prevailing on the date of the transaction.

- ii) Conversion:

At the year-end, monetary items denominated in foreign currencies remaining unsettled are converted into rupee equivalents at the year-end exchange rates. Non monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

- iii) Exchange Differences:

All exchange differences arising on settlement and conversion of foreign currency transactions are included in the profit and loss account, except in cases where they relate to the acquisition of fixed assets, acquired out of India in which case they are adjusted in the cost of the corresponding asset.

## 6. Revenue Recognition :

- i) Domestic Sales are recognized as revenue on transfer of significant risk and rewards of ownership which is generally on dispatch of products to the customers.
- ii) Export Sales are recognized as revenue on transfer of significant risk and rewards of ownership which is generally on the basis of the dates of Bill of Lading and / or Air Way Bill.
- iii) Export incentives benefits under "Duty Entitlement Pass Book under the Duty Exemption Scheme" and "Duty Draw back scheme" are accounted in the year of exports.
- iv) Dividend income is accounted for in the year in which the right to receive the same is established.
- v) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

## 7. Employee Benefits :

- i) Defined Contribution Plan

Company's contribution paid/payable during the period to Provident Fund, Employee Deposit Linked Insurance Plan, Super Annuation Fund, Employee State Insurance Plan and Labour Welfare Fund are recognised as an expense in the Profit and Loss Account.

- ii) Defined Benefit Plan

Provision for payments to the Employees Gratuity Fund after taking into account the funds available with the Trustees of the Gratuity Fund is based on actuarial valuation done at the close of each financial year.

At the reporting date Company's liabilities towards gratuity is determined by independent actuarial valuation using the projected unit credit method. Actuarial gain and losses are recognised immediately in the statement of Profit and Loss account as income or expenses.



## SHRI DINESH MILLS LTD.

---

iii) Other defined benefits

Provision for other defined benefits for long term leave encashment is made based on an independent actuarial valuation on projected unit credit method at the end of each financial year. Actuarial gain and losses are recognized immediately in the statement of Profit and Loss Account as income or expenses.

iv) Company recognizes the undiscounted amount of short term employee benefits during the accounting period based on service rendered by employees.

### 8. Taxation :

Income tax expense comprises of Current tax and Deferred tax charge or credit.

Provision for current tax is made on assessable income at the tax rate applicable to the relevant assessment year.

The Deferred tax Asset and Deferred tax liability are calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax Assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is virtual certainty of its realisation, supported by convincing evidence.

Deferred Tax Assets on account of other timing difference are recognized only to the extent there is a reasonable certainty of its realisation.

The carrying amount of Deferred tax assets are reviewed to reassure realization at each Balance Sheet date.

### 9. Government Subsidy :

i. Government subsidy are recognized when there is reasonable assurance that the same will be received.

ii. Revenue subsidy for expenses incurred are reduced from the respective expenses.

iii. Capital subsidy relating to specific fixed assets are reduced from the gross value of the respective fixed assets.

### 10. Borrowing Costs :

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

### 11. Provisions :

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date and adjusted to reflect the current management estimates.

### 12. Impairment of Assets :

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital.

## Auditor's Report on the Consolidated Financial Statements of Shri Dinesh Mills Limited

The Board of Directors of Shri Dinesh Mills Limited

1. We have audited the attached consolidated Balance Sheet of Shri Dinesh Mills limited (the "Company") and its subsidiary; hereinafter referred to as the "Group" as on 31st March, 2012, the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report.

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21- Consolidated financial statements, notified under Section 211(3C) of the Companies Act, 1956.
4. In our opinion and to the best of our information and according to explanation given to us, the attached consolidated financial statements give true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) In case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2012;
  - (b) In case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
  - (c) In case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For and on behalf of  
**Dhirubhai Shah & Co.**  
Chartered Accountants

**Kaushik D. Shah**  
Partner  
Membership No.016502

Vadodara  
June 12, 2012





**SHRI DINESH MILLS LTD.**

**CONSOLIDATED BALANCE SHEET OF SHRI DINESH MILLS LIMITED AND ITS SUBSIDIARY AS AT 31ST MARCH, 2012**

Particulars	Note No.	(Rs. In lacs)	
		As at 31st March, 2012	As at 31st March, 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
Share Capital	1	527.75	527.75
Reserves and Surplus	2	9,524.87	8,978.87
<b>2 Non-Current Liabilities</b>			
Long- term borrowings	3	3,628.42	3,401.40
Deferred tax Liabilities (Net)	4	783.10	662.40
Other Long Term Liabilities	5	517.45	489.64
Long Term Provisions	6	362.75	337.22
<b>3 Current Liabilities</b>			
Short term borrowings	7	394.98	463.14
Trade Payables	8	462.73	403.46
Other Current Liabilities	9	1,337.90	1,313.62
Short Term Provisions	10	214.43	147.98
<b>TOTAL</b>		<b>17,754.38</b>	<b>16,725.48</b>
<b>II. ASSETS</b>			
<b>1 Non-Current Assets</b>			
Fixed assets	11		
(i) Tangible assets		9,313.02	7,424.06
(ii) Capital work-in-progress		48.62	4.87
Non-current investments	12	849.72	2,324.72
Long term loans and advances	13	154.89	145.53
<b>2 Current assets</b>			
Inventories	14	4,090.12	3,239.71
Trade Receivables	15	1,453.72	1,414.05
Cash and Bank balances	16	1,390.41	1,785.99
Short Term Loans and Advances	17	347.26	256.93
Other Current Assets	18	106.62	129.62
<b>TOTAL</b>		<b>17,754.38</b>	<b>16,725.48</b>

The Notes form an integral part of these financial statements

1 to 32

As per our Report of even date  
For **Dhirubhai Shah & Co.,**  
Chartered Accountants

For and on behalf of the Board of Directors  
**N. U. Patel**  
Managing Director

**B. U. Patel**  
Chairman & Managing Director

**Kaushik D. Shah**  
Partner  
Membership No. : 016502  
Vadodara, June 12, 2012

**J. B. Sojitra**  
Company Secretary & Director  
Vadodara, June 12, 2012

**B. B. Patel**  
Vice President (Finance)

**CONSOLIDATED PROFIT & LOSS ACCOUNT OF SHRI DINESH MILLS LIMITED AND ITS  
SUBSIDIARY FOR THE YEAR ENDED 31ST MARCH, 2012**

Particulars	Note No.	(Rs. In lacs)	
		Year ended 31st March, 2012	Year ended 31st March, 2011
I. Revenue from Operations	19	<b>10,025.33</b>	9,545.10
II. Other Income	20	<b>377.49</b>	272.16
III. Total Revenue (I + II)		<b>10,402.82</b>	9,817.26
IV. Expenses:			
Cost of Materials Consumed	21	<b>3,418.49</b>	2,785.81
Purchases of Stock-in-Trade	21	<b>3.10</b>	0.70
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	22	<b>(623.34)</b>	78.64
Employee Benefits Expense	23	<b>2,450.25</b>	2,175.47
Finance Costs	24	<b>413.41</b>	395.14
Depreciation and Amortization Expense	11	<b>961.47</b>	855.40
Other Expenses	25	<b>2,909.74</b>	2,416.74
Total Expenses		<b>9,533.12</b>	8,707.90
V. Profit before exceptional items and tax (III-IV)		<b>869.70</b>	1,109.36
VI. Exceptional items		<b>(0.62)</b>	31.81
VII. Profit before tax (V- VI)		<b>869.08</b>	1,141.17
VIII. Tax expense:			
(1) Current tax		<b>106.05</b>	411.70
(2) Deferred tax		<b>120.70</b>	(94.01)
IX. Profit for the year (VII-VIII)		<b>642.33</b>	823.48
Concern Share		<b>627.37</b>	804.27
Minority		<b>14.96</b>	19.21
		<b>627.37</b>	804.27
X. Earnings per equity share of Rs. 10 each	27		
(1) Basic		<b>11.89</b>	15.24
(2) Diluted		<b>11.89</b>	15.24

The notes form an integral part of  
these financial statements

1 to 32

As per our Report of even date  
For **Dhirubhai Shah & Co.,**  
Chartered Accountants

For and on behalf of the Board of Directors  
**N. U. Patel**  
Managing Director

**B. U. Patel**  
Chairman & Managing Director

**Kaushik D. Shah**  
Partner  
Membership No. : 016502  
Vadodara, June 12, 2012

**J. B. Sojitra**  
Company Secretary & Director  
Vadodara, June 12, 2012

**B. B. Patel**  
Vice President (Finance)



**SHRI DINESH MILLS LTD.**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

Particulars	(Rs. In lacs)	
	2011-12	2010-11
<b>A. Cash flow from operating Activity</b>		
Net Profit Before Tax and Extra Ordinary Items	<u>869.07</u>	1139.46
Adjustments For:		
Depreciation	961.48	855.40
Interest paid	(413.41)	392.92
Provision for Doubtful Debts	-	4.39
Loss on sales of assets	0.70	(0.26)
Dividend Income	(86.89)	(104.30)
Interest received on deposits	(103.69)	(81.37)
Bad Debt written off	-	2.91
LTCG on redemption of FMP	(123.40)	(35.96)
	<u>234.79</u>	1,033.73
Operation profit before working capital changes	<u>1,103.86</u>	2,173.19
Adjustment For:		
Inventories	(850.41)	(422.38)
Trade & Other Receivables	(44.87)	(159.17)
Trade & Other liabilities	214.38	177.54
	<u>(680.90)</u>	(404.01)
Taxes Paid	<u>(200.48)</u>	(446.05)
	<u>(881.38)</u>	(850.06)
<b>Cash Generated from Operations</b>	<u>(222.48)</u>	1323.13
<b>B Cash Flow from Investment Activities</b>		
Purchase of Fixed Assets	(2894.89)	(300.57)
Subsidy Received	-	110.95
(Purchase)/ Redemption of Investment	1598.40	150.10
Dividend Income	86.89	104.30
Interest received	126.63	62.66
<b>Net Cash Flow from Investment Activity</b>	<u>(1082.97)</u>	127.44
	<u>(860.49)</u>	1450.57
<b>C Cash Flow from Financial Activities:</b>		
Proceeds from Borrowings	158.86	(780.05)
Dividend paid	(104.62)	(155.56)
Corporate Tax Paid	(17.12)	(26.30)
Interest Paid	427.79	(394.74)
<b>Net Cash Flow from Financial Activities</b>	<u>464.91</u>	(1,356.65)
<b>Total of Cash Flow</b>	<u>(395.58)</u>	93.92
Opening Cash & Cash equivalent	1,785.99	1692.05
Closing Cash & Cash equivalent	<u>1,390.41</u>	1785.99

Note:

- The cashflow statement has been prepared in accordance with the requirement of AS -3 " Cash flow statement" issued by the Institute of Chartered Accountants of India
- Previous year's figures have been regrouped wherever necessary to confirm this year's classification.

As per our Report of even date	For and on behalf of the Board of Directors	
For <b>Dhirubhai Shah &amp; Co.,</b> Chartered Accountants	<b>N. U. Patel</b> Managing Director	<b>B. U. Patel</b> Chairman & Managing Director
<b>Kaushik D. Shah</b> Partner Membership No. : 016502 Vadodara, June 12, 2012	<b>J. B. Sojitra</b> Company Secretary & Director Vadodara, June 12, 2012	<b>B. B. Patel</b> Vice President (Finance)

**NOTES FORMING PART TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012**

Particulars	(Rs. In lacs)	
	As at 31st March 2012	As at 31st March 2011
<b>NOTE:1 SHARE CAPITAL</b>		
<b>Authorised</b>		
9,500,000 Equity Shares of Rs 10/- each	<b>950.00</b>	950.00
50,000 unclassified Shares of Rs. 100/-	<b>50.00</b>	50.00
	<b>1,000.00</b>	1,000.00
<b>Issued, Subscribed &amp; Paid up</b>		
5,277,500 Equity Shares of Rs 10/- each fully paid	<b>527.75</b>	527.75
<b>Total</b>	<b>527.75</b>	527.75

1.1 The reconciliation of the number of shares outstanding:  
The Company has not issued or bought back any equity or preference shares during the year.

1.2 The details of Shareholders holding more than 5% shares:

Name of the Shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shri U.M.Patel	<b>531,655</b>	<b>10.07</b>	531,655	10.07
Shri B.U.Patel	<b>491,710</b>	<b>9.32</b>	491,710	9.32
Shri N.U.Patel	<b>643,998</b>	<b>12.20</b>	643,998	12.20

1.3 30,780 Equity shares allotted to Shareholders of Platewel Processes and Chemicals Limited as fully paid without payment being received in cash in terms of amalgamation scheme sanctioned by Gujarat High Court, as per order Dated 20th March, 1981.

1.4 4,775,420 Equity shares issued as Bonus Shares by way of capitalisation of Reserve and Share Premium Account.

1.5 The Company has only one class of equity shares having a par value of Rs.10 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, 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 amounts, in proportion of their shareholding.

Particulars	(Rs. In lacs)	
	As at 31st March 2012	As at 31st March 2011

**NOTE: 2 RESERVES & SURPLUS**

<b>a. General Reserve</b>		
Opening Balance	<b>8,435.73</b>	7,835.73
(+) Current Year Transfer	<b>400.00</b>	600.00
Closing Balance	<b>8,835.73</b>	8,435.73
<b>b. Surplus</b>		
Opening balance	<b>(126.99)</b>	(208.59)
(+) Net Profit For the current year	<b>627.37</b>	804.27
(-) Proposed Dividends	<b>122.67</b>	122.67
(-) Transfer to Reserves	<b>400.00</b>	600.00
Surplus as per annexed accounts	<b>(22.30)</b>	(126.99)
Minority Interest	<b>711.44</b>	670.13
<b>Total</b>	<b>9,524.87</b>	8,978.87



**SHRI DINESH MILLS LTD.**

**NOTES FORMING PART TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012**

Particulars	(Rs. In lacs)	
	As at 31st March 2012	As at 31st March 2011
<b>NOTE: 3 LONG TERM BORROWINGS</b>		
Term loans	<b>3,508.26</b>	2,896.09
Term loan under Technology Upgradation Fund Scheme is secured by way of hypothecation of machineries purchased therefrom.		
Cash Credit	<b>(170.84)</b>	97.04
Cash credits from Banks, against hypothecation of Raw materials, Stores, Spare parts, Finished goods and Work-in-progress		
Unsecured:		
Deposits :		
From Directors & Shareholders	<b>226.69</b>	291.00
From Public	<b>64.31</b>	117.27
<b>Total</b>	<b>3,628.42</b>	<b>3,401.40</b>

**3.1 TERMS OF REPAYMENT OF TERM LOANS**

Name of Institutions	Instruments	Repayment schedule			
		Frequency	Number of Installments	Rate of Interest	First installment due
<b>Shri Dinesh Mills Limited</b>					
Indian Overseas Bank - I	Term Loan	Quarterly	24	12.75%	Oct-07
Indian Overseas Bank - II	Term Loan	Quarterly	24	12.75%	Jul-09
Indian Overseas Bank - III	Term Loan	Quarterly	24	12.75%	Aug-10
South Indian Bank - II	Term Loan	Quarterly	24	12.00%	Jan-13
South Indian Bank - III	Term Loan	Quarterly	24	12.00%	Feb-13
<b>Dinesh Remedies Limited</b>					
South Indian Bank - I	Term Loan	Quarterly	24	8.50%	Aug-08
South Indian Bank - II	Term Loan	Quarterly	24	12.40%	Dec-13

**NOTE: 4 DEFERRED TAX LIABILITY**

	As on 31.03.2011	Charge / (Credit) during the year	As on 31.03.2012
Deferred Tax Liability on account of :			
(I) Depreciation	<u>736.32</u>	<u>122.15</u>	<u>858.47</u>
Deferred Tax Assets on account of :			
(I) Expenses allowable for tax purpose when paid (Octroi)	15.31	-	<b>15.31</b>
(II) Unencashed leave (Leave + Director Leave)	52.81	0.31	<b>53.12</b>
(III) Gratuity	<u>5.80</u>	<u>1.14</u>	<b>6.94</b>
	<u>73.92</u>	<u>1.45</u>	<b>75.37</b>
<b>Net Deferred tax Liabilities / Assets</b>	<u>662.40</u>	<u>120.70</u>	<b>783.10</b>

**NOTES FORMING PART TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012**

Particulars	(Rs. In lacs)	
	As at 31st March 2012	As at 31st March 2011

**NOTE: 5 OTHER LONG TERM LIABILITIES**

Security Deposits	238.78	238.58
Octroi Liability	63.49	63.49
Outstanding expenses	215.18	187.57
<b>Total</b>	<b>517.45</b>	<b>489.64</b>

**NOTE: 6 LONG TERM PROVISIONS**

<b>Provision for employee benefits:</b>		
Gratuity	115.03	103.23
Leave Encashment	180.11	167.34
Provisions for Medical/LTA/allowances, etc.	67.61	66.65
<b>Total</b>	<b>362.75</b>	<b>337.22</b>

**NOTE: 7 SHORT TERM BORROWINGS**

<b>Secured</b>		
(a) Term Loans	3.84	7.67
Loan from Bank of Baroda		
<b>Unsecured</b>		
Deposits :		
From Directors & Shareholders	301.16	390.00
From Public	89.98	65.47
<b>Total</b>	<b>394.98</b>	<b>463.14</b>

7.1 Repayable in 24 quarterly installments, commencing from April 2007, Last installment due in March 2013 rate of Interest 15.75%.

7.2 The above term loan is secured by way of hypothecation of machineries purchased therefrom.

**NOTE: 8 TRADE PAYABLES**

Micro, Small and Medium Enterprises	-	-
Others	462.73	403.46
<b>Total</b>	<b>462.73</b>	<b>403.46</b>

8.1 The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information

Particulars	As at 31st March, 2012	As at 31st March, 2011
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-



## SHRI DINESH MILLS LTD.

### NOTES FORMING PART TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012

Particulars	(Rs. In lacs)	
	As at 31st March 2012	As at 31st March 2011
<b>NOTE: 9 OTHER CURRENT LIABILITIES</b>		
Interest accrued but not due	77.94	72.37
Unclaimed dividends	21.08	20.15
Unpaid matured deposits and interest accrued thereon	13.66	4.84
Application money received and due for refund	6.28	5.83
<b>Other Payables :</b>		
Advance from Customers	612.45	694.23
Statutory dues	210.29	164.42
Other provision for expenses	396.20	351.78
<b>Total</b>	<b>1,337.90</b>	<b>1,313.62</b>

9.1 There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31st March, 2012.

### **NOTE: 10 SHORT TERM PROVISIONS**

Dues to Directors	91.76	25.31
Provisions for Dividend and Dividend Tax	122.67	122.67
<b>Total</b>	<b>214.43</b>	<b>147.98</b>

**NOTES FORMING PART TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012**

**NOTE: 11 FIXED ASSETS**

(Rs. In lacs)

Fixed Asset	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK		
	Balance as at 1st April 2011	Additions/ (Disposals)	Balance as at 31st March 2012	Balance as at 1st April 2011	Depreciation Charge for the year	Adjustment/ Deduction	Balance as at 31st March 2012	As at 31st March 2012	As at 31st March 2011
(A) Tangible Assets									
Land	381.15	-	381.15	-	-	-	-	381.15	381.15
Assets under lease	6.18	-0.09	6.09	-	-	-	-	6.09	6.18
Buildings	822.38	164.96	987.34	374.09	22.89	-	396.99	590.36	448.29
Plant and Equipment	16,221.61	2,648.36	18,869.97	10,002.78	869.52	0.11	10872.19	7,997.78	6,218.48
Furniture and Dead stock	299.34	20.82	320.16	205.64	13.47	0.11	219.00	101.16	93.94
Vehicles	358.88	-13.06	345.82	160.71	49.66	17.12	193.25	152.57	198.07
Electrical Installations	164.63	10.61	175.25	94.17	4.01	-	98.18	77.07	70.46
Tubewell and waterworks	10.91	1.26	12.17	5.70	0.03	-	5.73	6.44	5.21
Drainage installation	0.14	-	0.14	0.13	-	-	0.13	0.01	0.01
<b>Total</b>	<b>18,265.22</b>	<b>2,832.86</b>	<b>21,098.09</b>	<b>10,843.22</b>	<b>959.58</b>	<b>17.34</b>	<b>10,785.46</b>	<b>9,312.63</b>	<b>7,421.79</b>
(B) Intangible Assets									
Computer Software	9.78	-	9.78	7.50	1.89	-	9.39	0.39	2.27
<b>Total</b>	<b>18,275.00</b>	<b>2,832.86</b>	<b>21,107.87</b>	<b>10,850.72</b>	<b>961.47</b>	<b>17.34</b>	<b>11,794.85</b>	<b>9,313.02</b>	<b>7,424.06</b>
Previous Year's Total Rs.	18,074.91	200.11	18,275.02	10,020.53	855.40	25.00	10,900.93	7,424.06	
11.1 Gross Block is carried at cost except Leashold Land which is at cost less amounts written off. 11.2 Buildings includes Rs. 750/- being the cost of shares in Co-operative Society (Previous year Rs. 750/-) 11.3 No Capital Subsidy is received during the year (Previous year Rs. 11,095,425/-) 11.4 There is no excess depreciation written back during the year (Previous year Rs. 1,553,503)									





## SHRI DINESH MILLS LTD.

### NOTES FORMING PART TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012

Particulars	(Rs. In lacs)		
	As at 31st March 2012	As at 31st March 2011	
<b>NOTE: 12 NON CURRENT INVESTMENTS</b>			
Investment in Equity instruments:			
In fully paid shares			
<b>Quoted:</b>			
120,020	Equity shares of Rs. 10/- each in Kamron Laboratories Limited. Less Provision for Diminution in value. (Investments of Re. 1/- appearing in the books)	-	-
<b>Unquoted:</b>			
50	Equity Shares of Rs. 100/- each in Gujarat Sheep & Wool Development Corporation Limited	0.05	0.05
144,946	Equity Shares of Rs. 10/- each in Narmada Clean Tech Limited	14.49	14.49
<b>Others:</b>			
400	Equity Shares of Rs. 25/- each in Co-operative Bank of Baroda Limited	0.10	0.10
<b>Investments in Government or Trust securities:</b>			
50,000	11.50% GOI Securities - 2015	55.90	55.90
20,000	6.90% GOI Securities - 2019	18.76	18.76
<b>Investments in Mutual Funds:</b>			
Nil	for current year (10,750,000) units of HDFC Fixed Maturity Plan	-	1,075.00
121,400.476	(121,400.476) HDFC MF MIP Long Term Growth	25.00	25.00
Nil	(2,000,000) Units of ICICI FMP	-	200.00
Nil	(2,000,000) Units of Reliance Fixed Horizon Fund	-	200.00
775,325.887	(775,325.887) Units of HDFC Prudence	252.01	252.01
800,645.406	(800,645.406) Units of SBI balance Fund	233.41	233.41
436,220.847	(436,220.847) Units of FT India Balance Fund	125.00	125.00
232,001.127	(232,001.127) Units of TATA Balance Fund	125.00	125.00
	<b>Total</b>	<b>849.72</b>	<b>2,324.72</b>
<b>NOTE: 13 LONG TERM LOANS &amp; ADVANCES</b>			
(Unsecured, considered good)			
	Security Deposits	93.11	87.02
	Balance with Statutory authorities	61.78	58.51
	<b>Total</b>	<b>154.89</b>	<b>145.53</b>

NOTES FORMING PART TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012

Particulars	(Rs. In lacs)	
	As at 31st March 2012	As at 31st March 2011
<b>NOTE: 14 INVENTORIES</b>		
a. Raw Materials	1133.54	791.36
Goods-in transit	40.13	187.68
	<u>1,173.67</u>	<u>979.04</u>
b. Work-in-progress	1321.95	935.07
c. Finished goods	1088.19	824.44
e. Stores and spares	506.31	501.16
<b>Total</b>	<u>4,090.12</u>	<u>3,239.71</u>

**NOTE: 15 TRADE RECEIVABLES**

Trade receivables outstanding for a period exceeding six months from the date they are due for payment

Unsecured, considered good	154.10	47.03
Unsecured, considered doubtful	2.96	2.96
Less: Provision for doubtful debts	(2.96)	(2.96)
<b>Sub total</b>	<u>154.10</u>	<u>47.03</u>

Trade receivables outstanding for a period less than six months from the date they are due for payment

Unsecured, considered good	1,299.62	1,367.02
<b>Total</b>	<u>1,453.72</u>	<u>1,414.05</u>

**NOTE: 16 CASH AND BANK BALANCES**

**Bank Balances:**

In Current Account	220.59	222.21
In Fixed Deposit Account	1,167.73	1,560.74
	<u>1,388.32</u>	<u>1,782.95</u>
Cash on hand	2.09	3.04
<b>Total</b>	<u>1,390.41</u>	<u>1,785.99</u>

16.1 Fixed deposits with Bank includes deposits of Rs. 1103.54 lacs (Previous year's Rs. 1504.90 lacs)

**NOTE: 17 SHORT-TERM LOANS AND ADVANCES**

(Unsecured, considered good)

Loans and advances to related parties	0.01	0.11
Statutory dues (net of tax provisions)	299.39	204.97
Advance to Suppliers	47.47	51.73
Others	0.39	0.12
<b>Total</b>	<u>347.26</u>	<u>256.93</u>



## SHRI DINESH MILLS LTD.

### NOTES FORMING PART TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012

Particulars	(Rs. In lacs)			
	As at 31st March 2012	As at 31st March 2011		
<b>NOTE: 18 OTHER CURRENT ASSETS</b>				
Interest and Dividend Receivables on investments	2.33	10.80		
Interest Subsidy receivables	94.11	108.58		
Prepaid Expenses	10.18	10.24		
<b>Total</b>	<b>106.62</b>	<b>129.62</b>		
<b>NOTE: 19 REVENUE FROM OPERATIONS</b>				
	<b>2011-12</b>	<b>2010-11</b>		
Sale of products	10,573.32	10,095.23		
Less:				
Excise duty	547.99	550.13		
<b>Total</b>	<b>10,025.33</b>	<b>9,545.10</b>		
<b>NOTE: 20 OTHER INCOME</b>				
Interest Income	103.69	110.39		
Dividend Income	86.89	104.30		
LTCG on redemption of FMP	123.40	-		
Miscellaneous Income	63.51	57.47		
<b>Total</b>	<b>377.49</b>	<b>272.16</b>		
<b>NOTE: 21 COST OF MATERIALS CONSUMED</b>				
<b>Shri Dinesh Mills Limited</b>				
Wool	1,086.23	579.13		
Synthetic Fibre	937.41	837.96		
Yarn	892.89	849.52		
Others	22.89	19.86		
<b>Dinesh Remedies Limited</b>				
Gelatin	453.90	478.29		
Others	25.17	21.05		
<b>Total</b>	<b>3,418.49</b>	<b>2,785.81</b>		
<b>Goods - Traded - In :</b>				
Ready Made Garments	3.10	0.70		
<b>Shri Dinesh Mills Limited</b>				
Imported & Indigenous Raw material consumed	2011-12		2010-11	
	VALUE (Rs. In lacs)	%	VALUE (Rs. In lacs)	%
Imported	1897.44	55.50	1313.78	47.16
Indigenous	1041.98	30.48	972.69	34.92
<b>Dinesh Remedies Limited</b>				
Gelatin	453.90	13.28	478.29	17.17
Others	25.17	0.74	21.05	0.75
<b>Total</b>	<b>3418.49</b>	<b>100.00</b>	<b>2785.81</b>	<b>100.00</b>

NOTES FORMING PART TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012

Particulars	2011-12	(Rs. In lacs) 2010-11
<b>NOTE: 22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Inventories (at close):</b>		
Work -in- Process	1320.43	936.80
Finished Goods	1088.18	824.44
	<u>2408.61</u>	<u>1761.24</u>
<b>Inventories (at commencement):</b>		
Work -in- Process	936.80	850.42
Finished Goods	824.44	968.92
	<u>1761.24</u>	<u>1819.34</u>
	<u>(647.37)</u>	<u>58.10</u>
Excise duty variations on opening/closing stocks	24.03	20.54
<b>Total</b>	<u>(623.34)</u>	<u>78.64</u>
<b>NOTE: 23 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and Wages	1,976.51	1,739.37
Contributions to -		
Provident fund, Superannuation scheme & Other funds	296.49	270.28
Employees' State Insurance Scheme	38.24	35.59
Staff welfare expenses	139.01	130.23
<b>Total</b>	<u>2,450.25</u>	<u>2,175.47</u>
<b>NOTE: 24 FINANCE COST</b>		
Interest expenses	409.76	390.59
Other borrowing costs	6.34	4.55
Applicable gain on foreign currency transactions and translations	(2.69)	-
<b>Total</b>	<u>413.41</u>	<u>395.14</u>
<b>NOTE: 25 OTHER EXPENSES</b>		
Stores Consumed	410.78	339.19
Electricity, Power and Fuels	672.28	590.69
Rent	4.61	5.27
Commission	153.30	146.22
Discount	201.87	189.94
Repairs to Building	29.65	32.06
Repairs to Machinery	361.91	297.04
Repairs to Others	16.93	8.22
Insurance	18.03	17.80
Rates and Taxes	29.37	23.09
Payment to Auditors	6.21	7.04
Advertisement and Publicity	334.00	70.66
Legal & professional fees	153.22	153.47
Freight and Cartage	41.04	49.90
Travelling and Conveyance	162.49	160.45
Miscellaneous expense	314.05	325.70
<b>Total</b>	<u>2,909.74</u>	<u>2,416.74</u>



**SHRI DINESH MILLS LTD.**

**NOTES FORMING PART TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012**

<u>Particulars</u>	<u>2011-12</u>	(Rs. In lacs) <u>2010-11</u>
<b><u>25.1 PAYMENT TO AUDITORS AS:</u></b>		
i) Statutory Audit Fees	4.26	4.70
ii) In other capacity - certificates	1.20	1.91
iii) For expenses	0.44	0.13
	<u>5.90</u>	<u>6.74</u>
Cost Auditors :		
i) As auditors	0.31	0.30
	<u>6.21</u>	<u>7.04</u>
<b><u>26 C.I.F. VALUE OF IMPORTS, EXPENDITURE AND EARNINGS IN FOREIGN CURRENCY</u></b>		
<b>(A) C.I.F. Value of imports :</b>		
Raw Materials	2009.99	1287.65
Capital Goods	1413.98	72.90
<b>(B) Expenditure in Foreign currencies:</b>		
Commission	17.82	17.04
Travelling expenses	66.63	66.59
Other matters	50.64	31.78
<b>(C) Earnings in Foreign currencies:</b>		
F.O.B. value of Exports	440.10	424.49
Others	2.43	4.61
<b><u>NOTE: 27 EARNINGS PER SHARE (EPS)</u></b>		
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. In Lacs)	627.36	804.27
Weighted Average number of equity shares used as denominator for calculating EPS	5,277,500	5,277,500
Basic and Diluted Earnings per share (Rs.)	11.89	15.24
Face Value per equity share (Rs.)	10.00	10.00
<b><u>NOTE: 28 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF</u></b>		
Workers' demand - matter under appeal	77.74	34.70
Claims against the company not acknowledged as debts	3.02	3.02
Income tax Demands (including interest) - matter under appeal	187.30	219.25
Excise matter under appeal	214.58	214.08

**NOTES FORMING PART TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012**

**NOTE: 29 RELATED PARTY INFORMATION**

**(A) Name of related party and nature of relationship**

Name of related party	Description of relationship
<u>1. Where significant influence exists:</u>	
Shri Dinesh Foundation	Key Management Personnel are Trustee
Shri Maganbhai B. Patel's Charity Trust	Key Management Personnel are Trustee
<u>2. Key Management Personnel :</u>	
Mr. U.M.Patel	Chairman Emeritus
Mr. B.U.Patel	Chairman & Managing Director
Mr. N.U.Patel	Managing Director
<u>3. Relatives of Key Management Personnel</u>	
Mrs. R.B.Patel	Wife of Mr. B.U.Patel
Mrs. A.N.Patel	Wife of Mr. N.U.Patel
Ms J.B.Patel	Daughter of Mr. B.U.Patel
Mr. A.B.Patel	Son of Mr. B.U.Patel
Mstr. N.N.Patel	Son of Mr. N.U.Patel
Mrs. M.U.Patel	Wife of Mr. U.M.Patel

**(B) Transactions with related party**

Name of Related Party	Relationship	Nature of Transaction	Amount		Outstanding Balance	
			2011-12 (Rs. in Lacs)	2010-11 (Rs. in Lacs)	2011-12 (Rs. in Lacs)	2010-11 (Rs. in Lacs)
1. Chairman Emeritus Shri U.M.Patel	Key Management Personnel:	Fixed Deposits received	15.00	76.00	85.00	115.00
		Interest Paid	9.73	10.70	-	-
2. Chairman and Managing Director Shri B.U.Patel		Remueration	97.50	58.59	45.86	12.81
		Fixed Deposits received	85.50	124.00	205.50	324.25
		Interest Paid	27.71	33.15		
3. Managing Director Shri N.U.Patel		Remueration	98.07	59.16	45.90	12.50
		Fixed Deposits received	2.00	-	2.00	2.00
		Interest Paid	0.19	0.20		
4. Relatives of Key Management Personnel		Fixed Deposits received	63.85	67.25	132.10	148.55
		Interest Paid	12.65	14.17	-	-
		Salary	7.55	5.63	-	-
5. Shri Dinesh Foundation	Key Management Personnel are Trustee	Donation	5.00	12.00	-	-
6. Shri Maganbhai B. Patel's Charity Trust	Key Management Personnel are Trustee	Donation	5.00	12.00	-	-

(C) There are no provisions for doubtful debts or amounts written off or written back in respect of debts due to or due from related parties.

(D) Related party relationship is as identified by the Company on the basis of information available with them and relied upon by the Auditors.



## SHRI DINESH MILLS LTD.

### NOTES FORMING PART TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012

#### Note 30 Segment wise Revenue and Capital employed for the year ended March 31st, 2012

##### (a) Primary segment : Business segment

##### (a) Primary segment : Business Segment

	Textile		Pharmaceuticals		Consolidated	
	2011-12 (Rs. in lacs)	2010-11 (Rs. in lacs)	2011-12 (Rs. in lacs)	2010-11 (Rs. in lacs)	2011-12 (Rs. in lacs)	2010-11 (Rs. in lacs)
<b>Revenue</b>						
External Sales	8,641.74	8,232.98	1,376.46	1,292.83	10,018.20	9,525.81
<b>Total Revenue</b>	<b>8,641.74</b>	<b>8,232.98</b>	<b>1,376.46</b>	<b>1,292.83</b>	<b>10,018.20</b>	<b>9,525.81</b>
<b>Segment Result</b>						
Profit before interest and Tax	1,082.99	1,380.00	197.98	120.15	1,280.97	1,500.15
Interest Expense (Net)					(294.15)	(271.21)
Other un-allocable income, net of Un-allocable Expenditure						
<b>Profit before tax</b>					<b>986.82</b>	<b>1,228.94</b>
Segment Assets	7010.56	5610.45	2,302.46	1,813.72	9,313.02	7,424.17
<b>Total Assets</b>					<b>9,313.02</b>	<b>7,424.17</b>
Segment Liabilities	6,601.41	6,252.33	1,100.35	966.54	7,701.76	7,218.87
<b>Total Liabilities</b>					<b>7,701.76</b>	<b>7,218.87</b>
Capital Expenditure	2,218.38	107.26	597.98	67.84	2,816.36	175.10
Depreciation & Amortization	849.75	747.60	111.63	107.72	961.38	855.32
Non Cash Expenses Other than Depeciation	-	-	-	-	-	-

##### (b) Secondary segment – Geographical Information of geographical segment :

Particulars	In India		Out side India		Total	
	2011-12 Rs.	2010-11 Rs.	2011-12 Rs.	2010-11 Rs.	2011-12 Rs.	2010-11 Rs.
Segment Revenue	9,633.14	9,073.85	401.04	458.03	10,034.18	9,531.88
Carrying Cost of Assets by location of Assets	9,313.02	7,424.17	-	-	9,313.02	7,424.17
Addition to Assets and Intangible	2,847.14	321.27	-	-	2,847.14	321.27

##### Other Disclosure :

1. Segment has been identified in line with the Accounting Standard - 17 "Segment Reporting" taking into account the organisation structure as well as the differing risks and returns.
2. Company has disclosed Business Segment as the Primary Segment.
3. Composition of Business Segment :

Name of Segment Comprises of :

- (a) Textiles Woollen Textiles
- (b) Pharmaceuticals Empty Hard Gelatin Capsules

Note: 31 Significant Accounting Policies followed by the Company are as stated in the statement annexed to this schedule as Annexure I.

Note: 32 Previous year's figures have been regrouped wherever necessary.

As per our Report of even date	For and on behalf of the Board of Directors	
For <b>Dhirubhai Shah &amp; Co.,</b> Chartered Accountants	<b>N. U. Patel</b> Managing Director	<b>B. U. Patel</b> Chairman & Managing Director
<b>Kaushik D. Shah</b> Partner Membership No. : 016502 Vadodara, June 12, 2012	<b>J. B. Sojitra</b> Company Secretary & Director Vadodara, June 12, 2012	<b>B. B. Patel</b> Vice President (Finance)

**Annexure I referred to in note 31 to the Account for the year ended 31st March, 2012, Statement on significant Accounting Policies**

**1. System of Accounting :**

These financial statements have been prepared on an accrual basis and under historical cost convention and in compliance, in all material aspects, with the applicable accounting principles in India, the applicable accounting standards notified under Section 211 (3C) and the relevant provisions of the Companies Act, 1956. The significant accounting policies adopted by the Company are detailed below:

**2. Fixed Assets and Depreciation :**

**A. Fixed Assets**

- I. Fixed Assets are carried at cost of acquisition including incidental cost relating to acquisition / installation. Fixed Assets are shown net of accumulated depreciation and amortised amount (except on free- hold land).
- II. Capital Work-in-progress is stated at amount expended upto the date of Balance Sheet.

**B. Depreciation and Amortisation**

a) Leasehold land

Premium on leasehold land is being amortised over the period of lease.

b) Other Fixed Assets

- I. Depreciation on all the assets except Plant and Machinery acquired /installed upto 31st March, 1990 is being provided on "Written Down Value" in accordance with the provisions of section 205(2)(a) of the Companies Act, 1956 at the rates specified in schedule XIV to the said Act.
- II. Depreciation on Plant and Machinery acquired/installed on or after 1st April 1990 is being provided on `Straight Line method' in accordance with the Provisions of Section 205(2)(b) of the Companies Act, 1956 at the rates specified in schedule XIV to the said Act.
- III. Depreciation on additions to the assets during the year is being provided on pro-rata basis with reference to the month of acquisition /installation.
- IV. Depreciation on assets sold, discarded, demolished or scrapped during the year is being provided upto the month in which such assets are sold, discarded, demolished or scrapped.
- V. Computer software is being amortised over a period of three years.

**3. Investments :**

Investments are classified into Current and Long-term Investments. Current Investments are stated at lower of cost and fair value. Long-term Investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of Long-term Investments.

**4. Inventories :**

- I. Stores, Machinery Spares, Coal, etc. are valued at cost or net realisable value whichever is lower. Cost is arrived at on 'Moving Weighted Average Cost basis'.
- II. Raw Materials are valued at cost or net realisable value whichever is lower. Cost is arrived at on 'Specific Identification cost basis'.
- III. Materials in Process and Finished Goods are valued at cost or net realisable value, whichever is lower. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.





## SHRI DINESH MILLS LTD.

---

The excise duty in respect of closing inventory of finished goods is included as part of finished goods.

- IV. Materials in Customs Bonded Warehouse and in transit are stated at cost, upto the date of Balance Sheet.
- V. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

### 5. Foreign Currency Transactions :

- i) Initial Recognition:

Transactions denominated in foreign currencies are recorded at the rate prevailing on the date of the transaction.

- ii) Conversion:

At the year-end, monetary items denominated in foreign currencies remaining unsettled are converted into rupee equivalents at the year-end exchange rates. Non monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

- iii) Exchange Differences:

All exchange differences arising on settlement and conversion of foreign currency transactions are included in the profit and loss account, except in cases where they relate to the acquisition of fixed assets, acquired out of India in which case they are adjusted in the cost of the corresponding asset.

### 6. Revenue Recognition :

- i) Domestic Sales are recognized as revenue on transfer of significant risk and rewards of ownership which is generally on dispatch of products to the customers.
- ii) Export Sales are recognized as revenue on transfer of significant risk and rewards of ownership which is generally on the basis of the dates of Bill of Lading and / or Air Way Bill.
- iii) Export incentives benefits under "Duty Entitlement Pass Book under the Duty Exemption Scheme" and "Duty Draw back scheme" are accounted in the year of exports.
- iv) Dividend income is accounted for in the year in which the right to receive the same is established.
- v) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

### 7. Employee Benefits :

- i) Defined Contribution Plan

Company's contribution paid/payable during the period to Provident Fund, Employee Deposit Linked Insurance Plan, Super Annuation Fund, Employee State Insurance Plan and Labour Welfare Fund are recognised as an expense in the Profit and Loss Account.

- ii) Defined Benefit Plan

Provision for payments to the Employees Gratuity Fund after taking into account the funds available with the Trustees of the Gratuity Fund is based on actuarial valuation done at the close of each financial year.

At the reporting date Company's liabilities towards gratuity is determined by independent actuarial valuation using the projected unit credit method. Actuarial gain and losses are recognised immediately in the statement of Profit and Loss account as income or expenses.

- iii) Other defined benefits

Provision for other defined benefits for long term leave encashment is made based on an

independent actuarial valuation on projected unit credit method at the end of each financial year. Actuarial gain and losses are recognized immediately in the statement of Profit and Loss Account as income or expenses.

- iv) Company recognizes the undiscounted amount of short term employee benefits during the accounting period based on service rendered by employees.

## **8. Taxation :**

Income tax expense comprises of Current tax and Deferred tax charge or credit.

Provision for current tax is made on assessable income at the tax rate applicable to the relevant assessment year.

The Deferred tax Asset and Deferred tax liability are calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax Assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is virtual certainty of its realisation, supported by convincing evidence.

Deferred Tax Assets on account of other timing difference are recognized only to the extent there is a reasonable certainty of its realisation.

The carrying amount of Deferred tax assets are reviewed to reassure realization at each Balance Sheet date.

## **9. Government Subsidy :**

- i. Government subsidy are recognized when there is reasonable assurance that the same will be received.
- ii. Revenue subsidy for expenses incurred are reduced from the respective expenses.
- iii. Capital subsidy relating to specific fixed assets are reduced from the gross value of the respective fixed assets.

## **10. Borrowing Costs :**

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

## **11. Provisions :**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date and adjusted to reflect the current management estimates.

## **12. Impairment of Assets :**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital.



## SHRI DINESH MILLS LTD.

### STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY VIZ. DINESH REMEDIES LTD. (DRL)

1. The Financial year of the Subsidiary Company ended on : 31st March, 2012.
2. Date on which it became Subsidiary : 09th February, 2005
3. (a) Number of shares held by Shri Dinesh Mills Ltd. In the Subsidiary at the end of the financial year of the Subsidiary Company. : 1,30,98,905 Equity Shares of Rs.10/- each.
- (b) Extent of interest of Holding Company at the end of the financial year of the Subsidiary Company. : 55.52%
4. Net Aggregate amount of the profit (losses) of the Subsidiary Company for financial year so far as it concerns members of Shri Dinesh Mills Ltd.
  - (a) Dealt with the Company's accounts
    - (i) For the financial year of the Subsidiary : Not Applicable
    - (ii) For the previous years of the Subsidiary Company : Not Applicable
  - (b) Not Dealt with the Company's accounts
    - (i) For the financial year of the Subsidiary : Rs.143 Lacs
    - (ii) For the previous years of the Subsidiary Company : (Rs.743 Lacs)

**B. U. Patel**  
Chairman & Managing Director

**N. U. Patel**  
Managing Director

**J. B. Sojitra**  
Company secretary & Director

**B. B. Patel**  
Vice President (Finance)

Vadodara, 12th June, 2012.

### FINANCIAL INFORMATION OF SUBSIDIARY COMPANY VIZ. DINESH REMEDIES LIMITED AS AT 31ST MARCH, 2012

Sr. No.	Particulars	Amount (Rs. In Lacs)
1	Share Capital	2359
2	Reserves	-600
3	Total Assets	2859
4	Total Liabilities	2859
5	Investments	NIL
6	Total Income	1385
7	Profit Before Tax	143
8	Provision for Taxation	NIL
9	Profit after Tax	143
10	Proposed Dividend	NIL

#### For and on behalf of the Board of Directors of Shri Dinesh Mills Limited,

**B. U. Patel**  
Chairman & Managing Director

**N. U. Patel**  
Managing Director

**J. B. Sojitra**  
Company secretary & Director

**B. B. Patel**  
Vice President (Finance)

Vadodara, 12th June, 2012.



**SHRI DINESH MILLS LIMITED**

Regd. Office, P.O. Box No. 2501, Padra Road, Vadodara - 390 020

**SEVENTY SEVENTH ANNUAL GENERAL MEETING**

**ATTENDANCE SLIP**

Folio No. : \_\_\_\_\_ / DP ID No. \_\_\_\_\_ / Client ID No. \_\_\_\_\_

No. of Shares : \_\_\_\_\_

I/We hereby record my/our presence at the 77th Annual General Meeting of the Company being held at Registered Office of the Company at Padra Road, Vadodara on Tuesday, the 11th September, 2012 at 11.00 A.M.

Member's Signature

Note :

1. A Member/Proxy attending the meeting must complete this Attendance Slip and hand it over at entrance of meeting hall.
2. Member intending to appoint a proxy, should complete the proxy form printed below and deposit it at the Company's Registered Office not later than 48 hours before the commencement of the meeting.



**SHRI DINESH MILLS LIMITED**

Regd. Office, P.O. Box No. 2501, Padra Road, Vadodara - 390 020

**PROXY FORM**

Folio No. : \_\_\_\_\_ / DP ID No. \_\_\_\_\_ / Client ID No. \_\_\_\_\_

No. of Shares : \_\_\_\_\_

I/We \_\_\_\_\_ being a Member/Members of Shri Dinesh Mills Limited hereby appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

or failing him/her \_\_\_\_\_ of \_\_\_\_\_

as my/our Proxy to vote for me/us on my/our behalf at the 77th Annual General Meeting of the Company to be held on Tuesday, the 11th September, 2012 at 11.00 A.M and at any adjournment thereof.

Signed this on \_\_\_\_\_ day of \_\_\_\_\_ 2012

Name : \_\_\_\_\_

Address : \_\_\_\_\_

: \_\_\_\_\_

: \_\_\_\_\_

Affix 1  
Rupee  
Revenue  
Stamp

Signature : \_\_\_\_\_



N.B :The Proxy should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.