

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	
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 78th 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 Saturday, 31st August, 2013 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, 2013 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 2012-2013.
3. To appoint a Director in place of Shri Atulbhai G. Shroff, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri J. B. Sojitra, 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.

SPECIAL BUSINESS:

6. **TO CONSIDER & APPROVE RE-APPOINTMENT OF SHRI BHARATBHAI U. PATEL AS CHAIRMAN & MANAGING DIRECTOR OF THE COMPANY.**

To consider and if thought fit to pass with or without modification(s), the following Resolution as "SPECIAL RESOLUTION"

"RESOLVED THAT pursuant to provision of Section 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 (including its re-enactment / annulment / amendments / statutory modifications thereof) and subject to the approval of the Central Government, Shri Bharatbhai U. Patel be and is hereby re-appointed as Chairman & Managing Director of the Company for five years from 1st April, 2013 to 31st March, 2018 upon the following existing terms as to remuneration for the period of three years i.e. from 1st April, 2013 to 31st March, 2016 as set out hereafter in accordance with Part II of Schedule XIII to The Companies Act, 1956 or any amendment thereto subject to the re-consideration of the remuneration by the Remuneration Committee, the Board of Directors and Shareholders of the Company.

Remuneration Period: 1st April, 2013 to 31st March, 2016

1. Basic Salary: Rs.3,50,000/- per month.
2. Allowances & Perquisites:
 - i) The Chairman & Managing Director shall also be entitled to allowances & perquisites viz. House Rent Allowance @ 60% of the Salary, Furnishing Allowance @ 20% of the salary, Education Allowance @ 10% of the salary, reimbursement of Medical-cum-Leave travel expenses, club fees, insurance premium, electricity bills, gas bills etc. subject to the overall ceiling of his Annual salary.
 - ii) Use of Company's Car(s) with driver(s) and telephone at his residence shall not be included in the computation of the above ceiling of allowances & perquisites, use of car for private purpose and personal long distance calls on telephone shall be billed by the Company to the Chairman & Managing Director.
 - iii) Company's contribution to provident fund and superannuation fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of tenure of the Chairman & Managing Director shall not be included in the computation of the aforesaid limits of the remuneration.

RESOLVED FURTHER THAT the draft Agreement to be entered into with Shri Bharatbhai U. Patel, containing various terms & conditions of his re-appointment and remuneration as placed before the meeting duly initiated



SHRI DINESH MILLS LTD.

by the Chairman for the purpose of identification be and is hereby approved subject to the approval of the Central Government and the same be executed under the Common Seal of the Company pursuant to the provisions of Articles of Association of the Company."

Regd. Office :
P.O. Box No. 2501,
Padra Road,
Vadodara - 390 020
Dated : 31st May, 2013

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, 4 and 6. (Annexure : A)
3. The Explanatory statement as required under section 173(2) of the Companies Act, 1956 is annexed hereto in respect of item No.6.(Annexure: B)
4. The Register of Members and Share Transfer Books will remain closed from Saturday, 13th July, 2013 to Friday, 19th July, 2013. (Both days inclusive)
5. The Company has already transferred unclaimed dividend to the Investor Education & Protection Fund for the Financial Year ended 31st March, 2005 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
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	04-9-2010	2009-2010	10-10-2017
76	15-9-2011	2010-2011	21-10-2018
77	11-9-2012	2011-2012	17-10-2019

6. The Company will have to transfer dividend No.71 for the Financial Year 2005-2006 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.
7. Dividend as recommended by the Board, if sanctioned by the Members will be paid by 29th September, 2013 to those shareholders whose names appear on the Register of Members of the Company on 12th July, 2013 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).
8. Green Initiative: The members are requested to intimate their Email address to the Company to enable the Company to send the Annual Report in electronic form to save the papers, trees & environment.
9. 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 & 6)**

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 Atulbhai G. Shroff, Shri J. B. Sojitra and Shri Bharatbhai U. Patel are as under:-

- (1) **Name** : **Shri Atulbhai G. Shroff**
 Age : 65 years
 Qualifications : Matriculate
 Expertise : Vast industrial experience in overall Management.
 Tenure : Director of the Company since 24-04-1984.
 Shareholding in the Company : 1140 Equity shares of Rs.10/- each.
 Other Directorships :
- | <u>Name of the Company</u> | <u>Position Held</u> | <u>Member/Chairman of Committee</u> |
|------------------------------------|-----------------------|---|
| 1. Transpek Agrichem Ltd. | - Chairman | None |
| 2. Transpek Industry (Europe) Ltd. | - Chairman & Director | None |
| 3. Transpek Industry Ltd. | - Managing Director | Chairman-Finance Committee
Member - Share Transfer Committee |
| 4. Banco Products (I) Ltd. | - Director | Member - Audit Committee
Chairman - Shareholders'
Grievance Committee |
| 5. Excel Industries Ltd. | - Director | None |
| 6. Madison Investments Pvt. Ltd. | - Director | None |
- Inter Relationship : He is not related to any Directors of the Company.
- (2) **Name** : **Shri J. B. Sojitra**
 Age : 52 years
 Qualifications : B.Com., LL.B., D.L.P., A.C.S.
 Expertise : Adequate knowledge of Corporate Laws.
 Tenure : Director of the Company since 28-11-1996.
 Shareholding in the Company : NIL
 Other Directorships :
- | <u>Name of the Company</u> | <u>Position Held</u> | <u>Member/Chairman of Committee</u> |
|----------------------------|----------------------|-------------------------------------|
| None | N.A. | N.A. |
- Inter Relationship : He is not related to any Directors of the Company.
- (3) **Name** : **Shri Bharatbhai U. Patel**
 Age : 59 years
 Qualifications : B.Text., M.B.A. (USA)
 Expertise : Wide expertise in the overall management of Textile Company.
 Tenure : Director of the Company since 12-05-1973.
 Shareholding in the Company : 491710 Equity shares of Rs.10/- each.
 Other Directorships :
- | <u>Name of the Company</u> | <u>Position Held</u> | <u>Member/Chairman of Committee</u> |
|---|----------------------|-------------------------------------|
| 1. Dinesh Remedies Ltd. | - Director | NIL |
| 2. Gujarat Sheep & Wool
Development Corp. Ltd. | - Director | NIL |
- Inter Relationship : He is related to Shri Upendrabhai Patel & Shri Nimishbhai Patel.



ANNEXURE: B
EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE
COMPANIES ACT, 1956 (ITEM No. 6)

ITEM NO.6 RE-APPOINTMENT OF SHRI BHARATBHAI U. PATEL AS CHAIRMAN & MANAGING DIRECTOR OF THE COMPANY.

Shri Bharatbhai U. Patel is rendering services to the Company since 1973 after completing his B. Text., M.B.A. (USA). Due to his vision & untiring efforts, the Company not only survived during this tough period but also achieved reasonable growth in the turnover and profitability despite the facts that many textile sector companies had to close down their operations during this period.

In consideration of the above, the members of the Remuneration Committee and Board of Directors at their respective meetings held on 12th February, 2013 decided to re-appoint Shri Bharatbhai U. Patel for a further period of five years from 1st April, 2013 to 31st March, 2018 with the existing remuneration for a further period of three years from 1st April, 2013 to 31st March, 2016 which will be paid as minimum remuneration in case of losses/inadequacy of the profits. The proposed remuneration is quite justified looking to his contribution, long term association and experience.

Presently, Shri Bharatbhai U. Patel is rendering his services as the Chairman & Managing Director of the Company and the Company is paying the remuneration to Shri Bharatbhai U. Patel as per the approval of the Central Government u/s. 309 / 310 of the Companies Act, 1956 vide its letter dated 14th May, 2012. As such our Company is a unique Composite Textile sector Company, manufacturing suiting and Machine Clothing and therefore, the existing remuneration proposed is justifiable and the same be paid even as minimum remuneration in case the Company has no profits or has inadequate profits as per the relevant provisions of the Companies Act, 1956 subject to the approval of the Central Government.

The details pursuant to Section: II (1) (C) (iv) of the Schedule XIII of the Companies Act, 1956 are as under:

General Information:

- (1) Name of industry : Textile
- (2) Date of commencement of commercial production : 17-02-1936
- (3) Financial performance:

(Rs. in Lacs)

Sr. No	Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
1	Sales Turnover	8633	8649	8233	7994	7890
2	Operating Profit (PBDIT)	1756	1933	2158	2000	2080
3	Interest	371	355	314	293	219
4	Net Profit	309	501	778	734	861
5	Dividend (%)	18*	20	20	30	20
6	Net Worth	9802	9603	9225	8567	8016
7	Book Value per Share of Rs.10/- each	188	182	175	162	152
8	E.P.S. (Rs.)	5.86	9.49	14.79	13.94	16.58

* proposed

- (4) Export performance and net foreign exchange collaborations: FOB Value of export is Rs. 466/- lacs during the year 2012-2013 and there is no foreign exchange collaborations.
- (5) Foreign investments or collaborators, if any : None

II. Information about the appointee:

- (1) Background details: As given hereinabove.

- (2) Past remuneration: Rs.3,50,000/- basic salary p.m. plus Perquisites & Allowances subject to ceiling of his Annual Basic Salary as per the approval of the Central Government.
- (3) Recognition or awards: As given hereinabove.
- (4) Job profile and his suitability: General administration and management of the overall business and affairs of the Company subject to the direction, supervision and control of the Board of Directors of the Company. The justification for his suitability is given hereinabove.
- (5) Remuneration proposed: As per the details given in the Resolution.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: Members are aware that our Company is a unique Composite Textile sector Company manufacturing suiting and Machine Clothing, managerial remuneration being paid by other Companies are not comparable and therefore, the remuneration proposed hereinabove is justifiable and the same be paid even as minimum remuneration in case the Company has no profits or has inadequate profits as per the relevant provisions of the Companies Act, 1956.
- (7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any: He is related to Shri Nimishbhai Patel, Managing Director of the Company.

III. Other Information:

- (1) Reason of loss or inadequate profits: The Company is Textile Sector Company and 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. The Textile Industry is labour & capital intensive and the industry has to face various internal & external challenges and our Company is not an exception to these challenges. Despite the global slow down, our Company could maintain the sales turnover but the net profit has been adversely affected mainly due to increase in the raw material price, depreciation, personnel expenses and sluggish consumer demand.
- (2) Steps taken or proposed to be taken for improvement: Due to adverse impact of the Euro Zone crisis on the developed and developing countries, the consumer demand has slow down which is also evident from the decade lowest GDP of our Country during the year 2012-13. However, the management would strive to mitigate various risks viz. interest rate, commodity price, foreign exchange, business operations and Regulatory etc. through regular monitoring and taking corrective actions as and when required from time to time.
- (3) Expected increase in productivity and profits in measurable terms: Due to the reasons mentioned in Para III (1) and (2) hereinabove, the management would strive to increase the sales turnover but the profitability would remain under pressure.

The draft Agreement for re-appointment to be executed between the Company and Shri Bharatbhai U. Patel is available for inspection by members of the Company at the Registered Office between 11.00 a.m. to 1.00 p.m. on any working day before the date of the ensuing 78th Annual General Meeting.

The above statement may be treated as an abstract of the terms of contract with the Managing Director and the Memorandum of Interest as required u/s. 302 of the Companies Act, 1956.

The Board recommends to pass the Special Resolution as set out in Item No.6 of the Notice. Except Shri Upendrabhai M. Patel, Shri Bharatbhai U. Patel and Shri Nimishbhai U. Patel, no other Directors of the Company is in any way concerned or interested in this resolution.

Regd. Office :
P.O. Box No. 2501,
Padra Road,
Vadodara - 390 020
Dated : 31st May, 2013

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, 2013.

FINANCIAL RESULTS :

(Rs.in Lacs)

PARTICULARS	2012 - 13	2011 - 12
SALES TURNOVER (NET)	8633.21	8648.87
GROSS PROFIT	1384.65	1577.34
Less: (A) Depreciation	974.79	849.84
(B) Provision for Taxation		
(i) Current Tax	94.10	106.05
(ii) Deferred Tax	6.71	120.70
NET PROFIT	309.05	500.75
Add: (A) Previous Year's Surplus	239.92	261.84
(B) Adjustments relating to earlier years	NIL	NIL
(C) Excess Depreciation written back	NIL	NIL
Profits available for Appropriation	548.97	762.59
Appropriating therefrom:		
(A) Proposed Dividend	94.99	105.55
(B) Dividend Tax on above	15.42	17.12
(C) General Reserve	250.00	400.00
(D) Surplus carried to B/S.	188.56	239.92

DIVIDEND

Your Directors have recommended for your consideration Dividend of Rs.1.80 per Equity share (Previous year Rs.2/- per Equity share) on 52,77,500 equity shares of Rs.10/- each amounting to Rs. 94,99,500/- for the financial year ended 31st March, 2013.

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. The Textile Industry is labour & capital intensive and one of the largest employers in India which contributes 4% to the GDP and the industry has to face various internal & external challenges and our Company is not an exception to these challenges. Despite the global slow down, our Company could achieve sales turnover of Rs.8633/- lacs and the net profit of Rs.309/- lacs during the year under review as compared to Rs.8649/- lacs and Rs.501/- lacs respectively of the previous year. The profitability has been affected mainly due to increase in the raw material price, depreciation, personnel expenses and sluggish consumer demand.

During the year under review, we could achieve higher export turnover of suiting amounting to Rs.466/- Lacs as compared to Rs. 310/- lacs of the previous year in spite of sluggish demand in the overseas market.

B. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Highlights		(Rs. in Lacs)		
Particulars	2012 - 13	2011 - 12	% Change	
1 Sales Turnover (Net)	8633	8649	- 0.18 %	
2 Operating profit (PBDIT)	1756	1946	- 9.76 %	
3 Depreciation	975	850	14.71%	
4 Interest	371	368	0.81%	
5 Profit before Tax	410	728	- 43.68 %	
6 Tax	101	227	- 55.51 %	
7 Net Profit	309	501	- 38.32 %	

C. OVERALL OUTLOOK

Due to adverse impact of the Euro Zone crisis on the developed and developing countries, our GDP could grow merely 5 % during the year 2012 - 2013 which is lowest in the decade which is expected to increase to 6 % during the year 2013 - 2014 and our Company would strive to increase the sales turnover but the profitability could be adversely affected. The Management would strive to mitigate various risks viz. interest rate, commodity price, foreign exchange, business operations and Regulatory etc. through regular monitoring and taking corrective actions as and when required from time to time.

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, 2013, there were 1069 employees in the Company.

FIXED DEPOSITS

As on 31st March, 2013, there were 27 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. 2,31,000/- which remained unclaimed. Subsequently, 2 Depositors have renewed and/or claimed such deposits amounting to Rs. 70,000/-.

INSURANCE

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

DIRECTORS

Shri Atulbhai G. Shroff and Shri J. B. Sojitra, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment.

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 also passed the resolution 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, the statement pursuant to Section 212 of the Companies Act, 1956 and key financial information of DRL are given in the Annual Report. The above referred documents



SHRI DINESH MILLS LTD.

of DRL shall 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 78th 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, 2013, 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, 2013 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 continuous support during the period under review.

Place : Vadodara
Date : 31st May, 2013

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. Installation of Variable Frequency Drive (VFD) in raw water supply pump for soft water generation at constant outlet pressure by controlling pump RPM through VFD.
2. Installation of VFD in Isotex Boiler main pump to save power by controlling RPM of motors

(b) Energy conservation measures under consideration.

1. Replacement of 36W Double fixture tube light by 18W LED tube light in Felt weaving and Worsted Spinning Departments.
2. Installation of transparent FRP sheets in roof to use sun light and thereby to save the electricity.
3. Installation of 350 KVA dry type transformers to reduce the voltage of the lighting system to save the power.
4. Modification of cooling line and thereby removal of the cooling pump of 1HP by using direct pressure of over head main line.

B. TECHNOLOGY ABSORPTION:

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Rs. in Lacs)

Year	Earnings	Outgo
2012 - 13	466	1719



SHRI DINESH MILLS LTD.

FORM 'A'

(A) POWER & FUEL CONSUMPTION

SR. NO.	PARTICULARS	CURRENT YEAR (2012-13)	PREVIOUS YEAR (2011-12)
1.	Electricity		
	• Purchased Units	4,80,130	27,47,253
	Total Amount	68,23,321	2,22,35,698
	Rate per unit	14.21	8.09
	• Own Generation		
	I. Through Diesel Generator (KWH)	87,950	1,16,125
	Units/Litre of Diesel Oil	3.23	3.23
	Cost perLitre	15.59	14.16
	II. Through Steam Turbine Generator	Nil	Nil
	III. Through Wind Mill	93,48,355	61,37,863
	Total Amount	2,84,48,716	2,06,74,288
	Rate per Unit	3.04	3.37
2.	Coal (Steam coal)	we do not use coal	
	Lignite		
	Qty. (Tonnes)	1766	2129
	Total cost	59,83,176	69,17,618
	Avg. Rate per Tonne	3387.98	3249.23
3.	Furnace Oil		
	Qty. (Ltrs.)	71,250	1,26,750
	Total amount	34,40,082	54,07,166
	Avg. Rate per Ltr.	48.28	42.66
4.	Others (Natural Gas)		
	Qty. (Nm3)	9,30,633	9,78,604
	Total cost	92,93,578	86,39,038
	Avg. Rate	9.99	8.83

(B) CONSUMPTION PER UNIT OF PRODUCTION

Per Unit Productwise	Rs.	Rs.
• Woollen Fabrics (Mtrs.)		
Electricity	15.82	41.90
Furnace Oil	-	-
Coal	-	-
Lignite	-	-
Gas	8.41	14.73
• Worsted Fabrics (Mtrs.)		
Electricity	15.51	15.85
Furnace Oil	2.51	3.51
Coal	-	-
Lignite	4.37	4.49
Gas	3.66	3.02
• Felt (Clothing) (Kgs.)		
Electricity	12.82	19.28
Furnace Oil	0.40	0.67
Coal	-	-
Lignite	0.69	0.86
Gas	15.15	15.06

FORM "B"**RESEARCH & DEVELOPMENT**

R & D has continued its efforts to assist concerned department of the Company in relation to product developments. 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 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 remained 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 papers 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, 2013.**

Sr. No.	Name	Age (InYears)	Designation	Remuneration (Rs.)	Qualifications & experience	Date of Commencement of employment	Last employment before joining the Company with designation
1	Shri Bharatbhai U. Patel	59	Chairman & Managing Director	100,12,879/-	B.Text, M.B.A (USA) (40)	12-5-1973	First Employment
2	Shri Nimishbhai U. Patel	47	Managing Director	100,69,197/-	B.B.A., M.B.A (Finance) (U.S.A) (22)	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 hold 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, seven Board Meetings were held on 12/05/2012, 12/06/2012, 14/08/2012, 11/09/2012, 09/11/2012, 12/02/2013 and 09/03/2013.

The composition of the Board of Directors and their attendance at the Board Meetings during the year and 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 Memberships in Committees of Directors
Shri B. U. Patel	CMD	7	YES	2	Nil
Shri N. U. Patel	MD	7	YES	3	1
Shri U. M. Patel	NED	7	YES	1	NIL
Shri A.G. Shroff	NED	4	NO	5	2#
Shri H. N. Elavia	NED	7	YES	1	1
Shri Jal Patel	NED	6	YES	5	6##
Shri A. T. Patel	NED	7	YES	NIL	NIL
Shri T. M. Patel	NED	5	NO	2	1
Shri Sudhir Mankad	NED	6	YES	10	8
Shri Rakesh Agrawal	NED	4	NO	2	1
Shri J. B. Sojitra	NED	7	YES	NIL	NIL

CMD - Chairman & Managing Director
NED - Non-Executive Director

MD - Managing Director
Chairman in one Committee
Chairman in three Committees

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 12/05/2012, 12/06/2012, 14/08/2012, 09/11/2012 and 12/02/2013 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 12/05/2012, 14/08/2012, 09/11/2012 and 12/02/2013 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	2
Shri Jal R. Patel	Member	3
Shri A. T. Patel	Member	4
Shri T. M. Patel	Member	3

During the year, 7 complaints were received and the same have been redressed satisfactorily and there were no Investor complaint remaining un-attended/pending as at 31st March, 2013.

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.

The Committee met on 12/02/2013 and considered the reappointment of Shri Bharatbhai U. Patel as Chairman & Managing Director for a further period of five years w.e.f. 1st April, 2013 to 31st March, 2018 with existing terms & conditions which has also been approved by the Board of Directors at their meeting held on 12/02/2013 subject to approval of the shareholders and the Central Government on the existing remuneration for a period not exceeding three years i.e. from 1st April, 2013 to 31st March, 2016.

(a) Managerial Remuneration of Chairman & Managing Director and Managing Director:

The break up of the managerial remuneration paid / provided by the Company during the year 2012-2013 to Shri Bharatbhai U. Patel, Chairman & Managing Director (CMD) and Shri Nimishbhai U. Patel, Managing Director (MD) of the Company are as under:

Sr.	Particulars	Shri B. U. Patel	Shri N. U. Patel
1	Basic Salary	42,00,000/-	42,00,000/-
2	Allowances, Perquisites & Retiral benefits	58,12,879/-	58,69,197/-
	Total	100,12,879/-	100,69,197/-

(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 2012-2013.

Name of the Directors	Rs.
Shri A. G. Shroff	34000/-
Shri H. N. Elavia	67000/-
Shri Jal Patel	51000/-
Shri A. T. Patel	92000/-
Shri T. M. Patel	70000/-
Shri Sudhir Mankad	36000/-
Shri Rakesh Agrawal	24000/-
Shri J. B. Sojitra	42000/-

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
75th AGM	Saturday, 04/9/2010 At 11.00 A.M.	Registered Office	02
76th AGM	Thursday, 15/9/2011 At 11.00 A.M.	Registered Office	03
77th AGM	Thursday, 11/9/2012 At 11.00 A.M.	Registered Office	NIL

During the year 2012-2013, there was no need to hold an Extra-Ordinary General Meeting of shareholders of the Company.



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G. DISCLOSURES

- a) 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. 31 to the Accounts in the Annual Report.
- b) No penalties or strictures have been imposed on the Company by Bombay Stock Exchange Ltd. or SEBI or any Statutory Authority on any matter related to capital markets.
- 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, 2013."
 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, Gujarat.
- d) 78th Annual General Meeting : Date: 31st August, 2013, Time: 11.00 A.M
 Venue: Registered Office: Padra Road, Vadodara-390 020, Gujarat.
- e) Book Closure : Saturday, 13/07/2013 to Friday, 19/07/2013.
- f) Dividend payment Date : By 29th September, 2013.
- 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 2013 - 2014 to the Bombay Stock Exchange Ltd.
- i) Month wise Stock-market price and BSE Sensex data for the year 2012-2013.

Share price on the Bombay Stock Exchange Ltd., Traded quantity and BSE Sensex

Month	Price (Rs.)		Traded Quantity	Sensex	
	High	Low		High	Low
April, 2012	92.00	77.00	17008	17664.10	17010.16
May, 2012	92.00	71.60	15146	17432.33	15809.71
June, 2012	88.00	64.70	27807	17448.48	15748.98
July, 2012	86.00	68.00	27260	17631.19	16598.48
August, 2012	72.50	60.25	16729	17972.54	17026.97
September, 2012	72.15	64.00	56367	18869.94	17250.80
October, 2012	71.00	65.00	23655	18784.64	19137.29
November, 2012	71.70	66.70	25266	19372.70	18255.69
December, 2012	73.55	66.25	12609	19612.18	19149.03
January, 2013	76.00	63.45	35653	20203.66	19508.93
February, 2013	64.90	50.60	68593	19960.69	18793.97
March, 2013	75.94	53.75	137081	19754.66	18568.43

J. Distribution of shareholding as at 31st March, 2013

Sr. No.	Nominal value of equity shares (Rs.)	No. of Shareholders	% of Total	Nominal value of shares (Rs.)	% of Total
1.	Upto 5000	11909	94.15	10034200	19.01
2.	5001 - 10,000	357	2.82	2790200	5.29
3.	10,001 - 20,000	201	1.59	2897230	5.49
4.	20,001 - 30,000	58	0.46	1438730	2.73
5.	30,001 - 40,000	36	0.28	1276360	2.42
6.	40,001 - 50,000	15	0.12	685930	1.30
7.	50,001 - 1,00,000	35	0.28	2526420	4.79
8.	1,00,001 & Above	38	0.30	31125930	58.97
	Total	12649	100	52775000	100

K. Shareholding pattern as at 31st March, 2013

Category	No. of Equity Shares As on 31/03/2013	%
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	16857	0.32
Others (Public)	2968501	56.25
Total	5277500	100.00

L. Dematerialization of Equity Shares as at 31st March, 2013

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	%	No. of Shares	%
No. of Demat Shares				
- NSDL	2194448	41.58	2654960	50.31
- CDSL	2677782	50.74	2191370	41.52
No. of Physical Shares	405270	7.68	431170	8.17
Total	5277500	100	5277500	100

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, 2013 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 2013-2014

First quarterly results	By 14th August, 2013
Half Yearly results	By 14th November, 2013
Dividend payment, if any	By 29th September, 2013
Third quarterly results	By 14th February, 2014
Fourth quarterly results alongwith Audited	
Annual Results for the year 2013-2014	By 31st May, 2014
Annual General Meeting for the year 2013-14	By 30th September, 2014



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 : Mrs. Zankhana Patel, M.Com., AICWA.

Membership No. : 29352

Address : B/17, Panghat Park Society, B/H. Vrundavan Bus Stand,
Waghodia Road, Vadodara - 390 019

Phone No. : 9723642678

Email : zankhi84@yahoo.in

Due Date of Filing
of Cost Audit Report : 27th September, 2013

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 Nos. (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 - 390 020

We have examined the compliance of corporate governance for the year ended on 31.03.2013 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 Institute of 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

Yash K. Shah
Partner
Membership No.124427

Place : Vadodara
Date : 31.05.2013

Auditors' Report to the Members of Shri Dinesh Mills Limited
Report on the Financial Statements

We have audited the attached Balance Sheet of Shri Dinesh Mills Limited as at 31st March, 2013 and the related Profit and Loss Account and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical require-



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ments and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31st March 2013;
- (ii) in the case of the statement of profit and loss, 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
 - e. On the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.

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

Yash K. Shah
Partner
Membership No. 124427

Place : Vadodara
Date: May 31st, 2013

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, 2013

- 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. 379.10 Lacs and the year-end balance of such loans aggregates to Rs. 256.10 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, 2013 which have not been



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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	8.92	A.Y. 2002-03	High Court, Gujarat
	Disallowances Under Business Income	42.95	A.Y. 2007-08	Income Tax Appellate Tribunal, Ahmedabad
	Disallowances Under Business Income	148.35	A.Y. 2008-09	Income Tax Appellate Tribunal, Ahmedabad
	Disallowances Under Business Income	141.03	A.Y. 2009-10	Income Tax Appellate Tribunal, Ahmedabad
	Disallowances Under Business Income	192.18	A.Y. 2010-11	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
	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, 2013 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

Yash K. Shah
Partner
Membership No.124427

Place : Vadodara
Date : 31st May, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	(Rs. In lacs)	
		As at 31st March, 2013	As at 31st March, 2012
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
Share Capital	1	527.75	527.75
Reserves and Surplus	2	9,274.28	9,075.64
2 Non-Current Liabilities			
Long- term borrowings	3	2,367.11	2,743.15
Deferred tax Liabilities (Net)	4	789.81	783.10
Other Long Term Liabilities	5	551.42	517.45
Long Term Provisions	6	335.27	353.50
3 Current Liabilities			
Short term borrowings	7	180.20	454.68
Trade Payables	8	155.50	249.60
Other Current Liabilities	9	1,295.89	1,285.54
Short Term Provisions	10	145.56	214.43
TOTAL		15,622.79	16,204.84
II. ASSETS			
1 Non-Current Assets			
Fixed assets	11		
(i) Tangible assets		6,270.10	7,010.60
(ii) Capital work-in-progress		205.84	48.62
Non-current investments	12	2,144.07	2,159.53
Long term loans and advances	13	157.53	76.38
2 Current assets			
Inventories	14	4,035.49	3,981.50
Trade Receivables	15	1,122.68	1,154.93
Cash and Bank balances	16	1,446.45	1,379.15
Short Term Loans and Advances	17	176.83	289.30
Other Current Assets	18	63.80	104.83
TOTAL		15,622.79	16,204.84

The Notes form an integral part
of these financial statements

1 to 34

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

Yash K. Shah
Partner
Membership No. : 124427
Vadodara, May 31st, 2013

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

J. B. Sojitra
Company Secretary & Director
Vadodara, May 31st, 2013

B. U. Patel
Chairman & Managing Director

B. B. Patel
Vice President (Finance)



SHRI DINESH MILLS LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Rs. In lacs)

Particulars	Note No.	Year ended 31st March, 2013	Year ended 31st March, 2012
I. Revenue from Operations	19	8,633.21	8,648.87
II. Other Income	20	253.28	361.30
III. Total Revenue (I + II)		8,886.49	9,010.17
IV. Expenses:			
Cost of Materials Consumed	21	2,839.72	2,939.42
Purchases of Stock-in-Trade	21	1.80	3.10
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	22	(190.44)	(619.19)
Employee Benefits Expense	23	2,436.71	2,261.39
Finance Costs	24	370.64	368.02
Depreciation and Amortization Expense	11	974.79	849.85
Other Expenses	25	2,061.07	2,487.32
Total Expenses		8,494.29	8,289.91
V. Profit before exceptional items and tax (III-IV)		392.20	720.26
VI. Exceptional items	26	17.66	7.24
VII. Profit before tax (V + VI)		409.86	727.50
VIII. Tax expense:			
(1) Current tax		94.10	106.05
(2) Deferred tax		6.71	120.70
IX. Profit for the year (VII-VIII)		309.05	500.75
X. Earnings per equity share of Rs. 10 each	28		
(1) Basic		5.86	9.49
(2) Diluted		5.86	9.49
The notes form an integral part of these financial statements	1 to 34		

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

Yash K. Shah
Partner
Membership No. : 124427
Vadodara, May 31st, 2013

J. B. Sojitra
Company Secretary & Director
Vadodara, May 31st, 2013

B. B. Patel
Vice President (Finance)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	(Rs. In lacs)	
	2012-13	2011-12
A. Cash flow from operating Activity		
Net Profit Before Tax	<u>409.86</u>	<u>727.50</u>
Adjustments For:		
Depreciation	974.79	849.85
Interest & Financial Expenses	370.64	368.02
Loss on sales of assets	0.28	0.09
Dividend Income	(124.91)	(86.38)
Interest received on deposits	(38.15)	(102.83)
LTCG on redemption of FMP	(7.02)	(123.40)
	<u>1,175.63</u>	<u>905.35</u>
Operation profit before working capital changes	<u>1,585.49</u>	<u>1,632.85</u>
Adjustment For:		
Inventories	(53.99)	(852.09)
Trade Receivables	32.25	(179.98)
Loans & Advances and Other Assets	72.35	(83.74)
Trade Payables & Other liabilities and Provisions	(136.88)	143.29
	<u>(86.27)</u>	<u>(972.52)</u>
Taxes Paid	<u>(94.10)</u>	<u>(106.05)</u>
	<u>(180.37)</u>	<u>(1078.57)</u>
Cash Generated from Operations	<u>1,405.12</u>	<u>554.28</u>
B. Cash Flow from Investment Activities		
Purchase of Fixed Assets (Net of sales)	(391.79)	(2293.86)
(Purchase)/ Redemption of Investment	22.48	1,563.75
Dividend Income	124.91	86.38
Interest received	38.15	102.83
	<u>(206.25)</u>	<u>(540.90)</u>
Net Cash Flow from Investment Activity	<u>1,198.87</u>	<u>13.38</u>
C. Cash Flow from Financial Activities:		
Proceeds/(Repayment) from Borrowings	(650.52)	85.73
Dividend (incl. Corporate Tax) Paid	-	(122.67)
Interest & Financial Expenses	(370.64)	(368.02)
Net Cash Flow from Financial Activities	<u>(1021.16)</u>	<u>(404.96)</u>
Total of Cash Flow	<u>177.71</u>	<u>(391.58)</u>
Opening Cash & Cash equivalent	<u>1,379.15</u>	<u>1,770.73</u>
Closing Cash & Cash equivalent	<u>1,446.45</u>	<u>1,379.15</u>

Note:

- 1 The cash flow statement has been prepared in accordance with the requirement of AS -3 " Cash flow statement" issued by the Institute of Chartered Accountants of India
- 2 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

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Yash K. Shah
Partner
Membership No. : 124427
Vadodara, May 31st, 2013

J. B. Sojitra
Company Secretary & Director
Vadodara, May 31st, 2013

B. B. Patel
Vice President (Finance)



SHRI DINESH MILLS LTD.

NOTES TO THE FINANCIAL STATEMENTS

Particulars	(Rs. In lacs)	
	As at 31st March 2013	As at 31st March 2012
NOTE:1 SHARE CAPITAL		
Authorised		
9,500,000 Equity Shares of Rs 10/- each	950.00	950.00
50,000 unclassified Shares of Rs. 100/-	50.00	50.00
	1,000.00	1,000.00
Issued, Subscribed & Paid up		
5,277,500 Equity Shares of Rs 10/- each fully paid	527.75	527.75
Total	527.75	527.75

1.1 Board approves Buy-Back of Equity Shares

The company has informed SEBI (BSE) that the Board of Directors of the Company at its meeting held on March 9, 2013, have accorded to buy back from shareholders of the company of its own fully paid equity shares of Rs. 10/- each not exceeding 13,00,000 equity shares, being 24.63% of the total existing paid-up equity share capital at a price not exceeding Rs. 91/- per equity share to be financed out of the Free Reserves such that the aggregate consideration for the shares to be bought-back does not exceed Rs. 950 Lacs being an amount not exceeding 10% of the paid-up equity share capital and Free Reserves of the Company ('buy-back'). The buy-back period shall close at the end of 12 months from the date of the resolution, i.e., March 9, 2013 approving buy-back.

1.2 The reconciliation of the number of shares outstanding:

The Company has not issued or bought back any equity or preference shares during the year.

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

Name of the Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	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

1.4 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.

1.5 4,775,420 Equity shares issued as Bonus Shares by way of capitalisation of Reserve and Share Premium Account.

1.6 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.

NOTES TO THE FINANCIAL STATEMENTS

Particulars	(Rs. In lacs)	
	As at 31st March 2013	As at 31st March 2012
NOTE: 2 RESERVES & SURPLUS		
a. General Reserve		
Opening Balance	8,835.73	8,435.73
(+) Current Year Transfer	250.00	400.00
Closing Balance	<u>9,085.73</u>	<u>8,835.73</u>
b. Surplus		
Opening balance	239.91	261.83
(+) Net Profit For the current year	309.05	500.75
(-) Proposed Dividends	110.41	122.67
(-) Transfer to Reserves	250.00	400.00
Closing Balance	<u>188.55</u>	<u>239.91</u>
Total	<u>9,274.28</u>	<u>9,075.64</u>

NOTE: 3 LONG TERM BORROWINGS

Term loans	2,171.24	2,452.11
Term loan under Technology Upgradation Fund Scheme is secured by way of hypothecation of machineries purchased therefrom.		
Deposits :		
From Directors & Shareholders	129.65	226.69
From Public	66.22	64.35
Total	<u>2,367.11</u>	<u>2,743.15</u>

3.1 TERMS OF REPAYMENT OF TERM LOANS

Name of Institutions	Instruments	Repayment schedule			
		Frequency	Number of Installments	Rate of Interest	First installment due
Indian Overseas Bank - II	Term Loan	Quarterly	24	12.25%	Jul-09
Indian Overseas Bank - III	Term Loan	Quarterly	24	12.25%	Aug-10
South Indian Bank - II	Term Loan	Quarterly	24	12.00%	Apr-13
South Indian Bank - III	Term Loan	Quarterly	24	12.00%	May-14

NOTE: 4 DEFERRED TAX LIABILITY

	As on 31.03.2012	Charge / (Credit) during the year	As on 31.03.2013
Deferred Tax Liability on account of :			
(I) Depreciation	858.47	0.18	<u>858.65</u>
Deferred Tax Assets on account of :			
(I) Expenses allowable for tax purpose when paid (Octroi)	15.31	-	15.31
(II) Unencashed leave (Leave + Director Leave)	53.12	(7.66)	45.46
(III) Gratuity	6.94	1.13	8.07
	<u>75.37</u>	<u>(6.53)</u>	<u>68.84</u>
Net Deferred tax Liabilities / Assets	<u>783.10</u>	<u>6.71</u>	<u>789.81</u>



SHRI DINESH MILLS LTD.

NOTES TO THE FINANCIAL STATEMENTS

Particulars	(Rs. In lacs)	
	As at 31st March 2013	As at 31st March 2012
NOTE: 5 OTHER LONG TERM LIABILITIES		
Trade Deposits	246.72	238.78
Octroi Liability	63.49	63.49
Outstanding expenses	241.21	215.18
Total	551.42	517.45
NOTE: 6 LONG TERM PROVISIONS		
Provision for employee benefits:		
Gratuity	149.16	110.30
Leave Encashment	127.36	175.59
Provisions for Medical/LTA/allowances, etc.	58.75	67.61
Total	335.27	353.50
NOTE: 7 SHORT TERM BORROWINGS		
<u>Secured</u>		
(a) Term Loans :		
Loan from Indian Overseas Bank - I	38.83	226.91
Loan from Bank of Baroda	-	3.84
(b) Cash credit	(163.57)	(167.21)
Cash credits from Banks, against hypothecation of Raw materials, Stores, Spare parts, Finished goods and Work-in-progress		
<u>Unsecured</u>		
Deposits :		
From Directors & Shareholders	242.55	301.16
From Public	62.39	89.98
Total	180.20	454.68

7.1 The above term loan from IOB is repayable in 24 quarterly installments, commencing from October 2007, Last installment due in July 2013 rate of interest is 12.25%

7.2 The above term loan from BOB is repayable in 24 quarterly installments, commencing from April 2007, Last installment due in March 2013 rate of interest is 15.75%

7.3 The above term loans are secured by way of hypothecation of machineries purchased therefrom.

NOTES TO THE FINANCIAL STATEMENTS

Particulars	(Rs. In lacs)	
	As at 31st March 2013	As at 31st March 2012
NOTE: 8 TRADE PAYABLES		
Micro, Small and Medium Entreprises	-	-
Others	155.50	249.60
Total	155.50	249.60

8.1 The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the co. is as under:

Particulars	As at 31st March 2013	As at 31st March 2012
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	-	-

NOTE: 9 OTHER CURRENT LIABILITIES

Interest accrued but not due	83.21	77.94
Unclaimed dividends	21.38	21.08
Unpaid matured deposits and interest accrued thereon	6.29	13.66

Other Payables :

Advance from Customers	602.45	587.96
Statutory dues	149.44	203.04
Other provision for expenses	433.12	381.86
Total	1,295.89	1,285.54

9.1 There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31st March, 2013

NOTE: 10 SHORT TERM PROVISIONS

Dues to Directors	15.72	91.76
Provision for employee benefits:		
Leave Encashment	19.43	-
Provisions for Dividend and Dividend Tax	110.41	122.67
Total	145.56	214.43

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 2012	Additions/ (Disposals)	Balance as at 31st March 2013	Balance as at 1st April 2012	Depreciation Charge for the year	Adjustment/ Deduction	Balance as at 31st March 2013	As at 31st March 2013	As at 31st March 2012
(A) Tangible Assets									
Land	321.25	-	321.25	-	-	-	-	321.25	321.25
Assets under lease	6.09	(0.09)	6.00	-	-	-	-	6.00	6.09
Buildings	525.78	47.35	573.13	339.74	15.14	-	354.88	218.25	186.04
Plant and Equipment	16,684.18	158.48	16,842.66	10,421.56	906.52	1.48	11,326.60	5,516.06	6,262.62
Furniture and Dead stock	276.04	10.63	286.67	205.81	14.51	0.34	219.98	66.69	70.23
Vehicles	332.79	0.28	333.07	190.69	37.22	15.82	212.09	120.98	142.10
Electrical Installations	98.01	-	98.01	80.54	0.79	-	81.33	16.68	17.47
Tubewell and waterworks	10.08	-	10.08	5.69	0.22	-	5.91	4.17	4.39
Drainage installation	0.14	-	0.14	0.12	-	-	0.12	0.02	0.02
Total	18,254.36	216.65	18,471.01	11,244.15	974.40	17.64	12,200.91	6,270.10	7,010.21
(B) Intangible Assets									
Computer Software	9.78	-	9.78	9.39	0.39	-	9.78	-	0.39
Total	18,264.14	216.65	18,480.79	11,253.54	974.79	17.64	12,210.69	6,270.10	7,010.60
Previous Year's Total Rs.	16,029.91	2,234.23	18,264.14	10,419.44	849.85	15.75	11,253.54	7,010.60	
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/-)									



NOTES TO THE FINANCIAL STATEMENTS

Particulars	(Rs. In lacs)		
	As at 31st March 2013	As at 31st March 2012	
NOTE: 12 NON CURRENT INVESTMENTS			
Investment in Equity instruments:			
In fully paid shares			
Quoted:			
1,20,020	Equity shares of Rs. 10/- each in Kamron Laboratories Limited. Less Provision for Diminution in value. (Investments of Re. 1/- appearing in the books)	-	-
Unquoted:			
50	Equity Shares of Rs. 100/- each in Gujarat Sheep & Wool Development Corporation Limited	0.05	0.05
1,44,946	Equity Shares of Rs. 10/- each in Narmada Cleantech Limited	14.49	14.49
Others:			
400	Equity Shares of Rs. 25/- each in Co-operative Bank of Baroda Limited	0.10	0.10
1,30,98,095	(12,751,595) Equity shares of Rs 10/- each in Dinesh Remedies Limited - Subsidiary	1,309.81	1,309.81
Investments in Government or Trust securities:			
50,000	11.50% GOI Securities - 2015	55.90	55.90
20,000	6.90% GOI Securities - 2019	18.76	18.76
Investments in Mutual Funds:			
1,21,400.476	(1,21,400.476) HDFC MF MIP Long Term Growth	-	25.00
7,75,325.887	(7,75,325.887) Units of HDFC Prudence	252.01	252.01
8,00,645.406	(8,00,645.406) Units of SBI balance Fund	242.58	233.41
4,36,220.847	(4,36,220.847) Units of FT India Balance Fund	125.00	125.00
2,32,001.127	(2,32,001.127) Units of TATA Balance Fund	125.00	125.00
36,728	(0) Units of Reliance Mutual Fund	0.37	-
Total		2,144.07	2,159.53
NOTE: 13 LONG TERM LOANS & ADVANCES			
(Unsecured, considered good)			
	Security Deposits	77.11	77.07
	Balance with Statutory authorities	80.42	(0.69)
Total		157.53	76.38



SHRI DINESH MILLS LTD.

NOTES TO THE FINANCIAL STATEMENTS

Particulars	(Rs. In lacs)	
	As at 31st March 2013	As at 31st March 2012
NOTE: 14 INVENTORIES		
a. Raw Materials	974.86	1,098.38
Goods-in transit	-	40.13
	974.86	1,138.51
b. Work-in-progress	1,301.78	1,305.64
c. Finished goods	1,278.47	1,069.96
d. Stores and spares	480.38	467.39
Total	4,035.49	3,981.50
14.1 DETAILS OF RAW MATERIALS		
Imported:		
Wool	513.45	532.33
Yarn	171.06	231.55
Fibre	43.02	58.61
Miscellaneous	1.91	3.71
Indigeneous:		
Wool	-	6.53
Yarn	153.35	156.91
Fibre	91.80	108.56
Miscellaneous	0.27	0.18
Total	974.86	1,098.38
14.2 DETAILS OF WORK-IN-PROGRESS		
Woolen worsted	975.28	1,032.52
Felt	326.50	273.12
Total	1,301.78	1,305.64
14.3 DETAILS OF FINISHED GOODS		
Woolen Fabrics	4.87	1.23
Worsted Fabrics	760.44	563.03
Felt	511.25	503.19
Readymade Garments	1.91	2.51
Total	1,278.47	1,069.96

NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at 31st March 2013	(Rs. In lacs) As at 31st March 2012
NOTE: 15 TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	112.06	154.10
Unsecured, considered doubtful	-	2.96
Less: Provision for doubtful debts	-	(2.96)
Sub total	112.06	154.10
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	1,010.62	1,000.83
Total	1,122.68	1,154.93
NOTE: 16 CASH AND BANK BALANCES		
Bank Balances:		
In Current Account	279.94	209.55
In Fixed Deposit Account (having maturity period less than 3 months)	1,164.12	1,167.73
	1,444.06	1,377.28
Cash on hand	2.39	1.87
Total	1,446.45	1,379.15
NOTE: 17 SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Loans and advances to related parties	0.41	0.01
Other loans and advances	0.28	0.22
Statutory dues (net of tax provisions)	82.95	244.88
Advance to Suppliers	93.19	44.19
Total	176.83	289.30
NOTE: 18 OTHER CURRENT ASSETS		
Interest and Dividend Receivables on investments	2.31	2.32
Interest Subsidy receivables	57.32	94.11
Prepaid Expenses	4.17	8.40
Total	63.80	104.83



SHRI DINESH MILLS LTD.

NOTES TO THE FINANCIAL STATEMENTS

(Rs. In lacs)

Particulars	2012-13	2011-12
NOTE: 19 REVENUE FROM OPERATIONS		
Sale of products	9,207.02	9,109.84
Less:		
Excise duty	573.81	460.97
Total	8,633.21	8,648.87
NOTE: 20 OTHER INCOME		
	2011-12	2010-11
Interest Income	38.15	102.83
Dividend Income	124.91	86.38
LTCG on redemption of FMP	7.02	123.40
Miscellaneous Income	83.20	48.69
Total	253.28	361.30
NOTE: 21 COST OF MATERIALS CONSUMED		
Wool	813.04	1,086.23
Synthetic Fibre	945.25	937.41
Yarn	1,059.01	892.89
Others	22.42	22.89
Total	2,839.72	2,939.42
GOODS - TRADED - IN :		
Ready Made Garments	1.80	3.10
	2012-13	2011-12
Imported & Indigenous	VALUE	VALUE
Raw material consumed	(Rs. In lacs)	(Rs. In lacs)
	%	%
Imported	1,893.72	1,897.44
Indigenous	946.00	1,041.98
Total	2,839.72	2,939.42
	100.00	100.00
NOTE: 22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories (at close):		
Work -in- Process	1,301.78	1,305.64
Finished Goods	1,278.47	1,069.96
	2,580.25	2,375.60
Inventories (at commencement):		
Work -in- Process	1,305.64	922.00
Finished Goods	1,069.96	810.38
	2,375.60	1,732.38
	(204.65)	(643.22)
Excise duty variations on opening/closing stocks	14.21	24.03
Total	(190.44)	(619.19)

NOTES TO THE FINANCIAL STATEMENTS

(Rs. In lacs)

Particulars	2012-13	2011-12
NOTE: 23 EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	2,027.74	1,925.12
Contributions to -		
"(i) Provident fund"(ii) Superannuation scheme & Other funds"	357.75	288.54
Employees' State Insurance Scheme	40.82	38.24
Staff welfare expenses	10.40	9.49
Total	2,436.71	2,261.39

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

Defined Benefit Gratuity Plan:
(I) Changes in present value of obligations

Present value of Obligations as at the beginning of the year	778.11	723.47
Current Service Cost	37.67	33.65
Interest Cost	66.14	59.69
Benefit Paid	(93.10)	(78.70)
Actuarial Losses / (Gains) on obligations	72.22	40.00
Present value of Obligations as at the end of the year	861.04	778.11

(II) Changes in Fair Value of plan assets

Fair value of plan assets as at the beginning of the year	691.94	644.54
Expected return on Plan Assets	55.35	51.56
Contributions	88.92	82.26
Benefits Paid	(93.10)	(78.70)
Actuarial Losses / (Gains) on Plan Assets	(6.34)	(7.72)
Fair value of plan assets as at the end of the year	736.77	691.94

(III) Amounts to be recognised in the Balance Sheet and Profit and Loss Account

Present value of obligation as at end of the year	861.04	778.11
Fair Value of Plan assets as at the end of the year	736.77	691.93
Funded Status	(124.27)	(86.18)
Net Asset / (Liability) recognised in the Balance Sheet	(124.27)	(86.18)

(IV) Expenses recognized in the Profit and Loss Account

Service Cost	37.67	33.65
Interest Cost	66.14	59.69
Expected return on Plan Assets	55.35	51.56
Net Actuarial Losses / (Gains) on Plan Assets for the period	78.56	47.73
Expenses recognised in Profit and Loss account	127.02	89.50

(V) Percentage of major category of plan assets to total plan assets as at the end of the year

Government of India Securities	15.07%	17.73%
BOB Special Deposit Scheme	17.94%	19.17%
Fixed Deposit with Scheduled Bank	31.64%	26.74%

(VI) Assumptions:

	2012-13	2011-12	2010-11
	LIC (1994-96) Ult	LIC (1994-96) Ult	LIC (1994-96) Ult
Mortality			
Discount rate (per annum)	8.00%	8.50%	8.25%
Rate of increase in compensation	5.00%	5.00%	5.00%
Rate of return (expected) on plan assets	8.70%	8.00%	8.00%
Present value of obligation	861.04	778.12	723.47
Fair value of plan assets	736.77	691.93	644.54
Surplus or (Deficit) in the plan	(124.27)	(86.18)	(78.94)



SHRI DINESH MILLS LTD.

NOTES TO THE FINANCIAL STATEMENTS

(Rs. In lacs)

Particulars	2012-13	2011-12
NOTE: 24 FINANCE COST		
Interest expenses	358.40	355.49
Other borrowing costs	12.24	12.53
Total	370.64	368.02
NOTE: 25 OTHER EXPENSES		
Stores Consumed	342.34	366.10
Electricity, Power and Fuels	291.02	454.00
Rent	1.49	1.27
Commission	150.12	153.30
Cash Discount	205.95	201.87
Repairs to Building	38.91	25.75
Repairs to Machinery	322.22	343.96
Repairs to Others	25.12	16.93
Insurance	17.44	13.78
Rates and Taxes	23.95	28.43
Payment to Auditors	9.11	5.71
Advertisement and Publicity	48.15	334.00
Legal & professional fees	138.98	138.25
Travelling and Conveyance	160.02	162.49
Miscellaneous expenses	286.25	241.48
Total	2,061.07	2,487.32
25.1 DETAILS OF STORES CONSUMED		
Imported	28.76	35.43
Indigenous	313.58	330.67
Total	342.34	366.10
25.2 PAYMENT TO AUDITORS AS:		
i) Statutory Audit Fees	3.76	3.76
ii) In other capacity - certificates	4.52	1.19
iii) For expenses	0.49	0.45
	8.77	5.40
Cost Auditors :		
i) As auditors	0.34	0.31
	9.11	5.71
NOTE 26 EXCEPTIONAL ITEMS		
Credit Balance written back	16.37	7.08
Profit on sale of assets (net)	1.29	0.16
Total	17.66	7.24

NOTES TO THE FINANCIAL STATEMENTS

(Rs. In lacs)

Particulars	2012-13	2011-12
NOTE: 27 C.I.F. VALUE OF IMPORTS, EXPENDITURE AND EARNINGS IN FOREIGN CURRENCY		
(A) C.I.F. Value of imports :		
Raw Materials	1,525.76	2,009.99
Capital Goods	87.92	1,110.41
(B) Expenditure in Foreign currencies:		
Commission	24.59	14.16
Travelling expenses	54.31	58.20
Other matters	25.97	34.70
(C) Earnings in Foreign currencies:		
F.O.B. value of Exports	465.58	309.94
Others	-	2.43

NOTE: 28 EARNINGS PER SHARE (EPS)

Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. In Lacs)	309.05	500.75
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.)	5.86	9.49
Face Value per equity share (Rs.)	10.00	10.00

NOTE: 29 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF

Workers' demand - matter under appeal	40.32	77.74
Claims against the company not acknowledged as debts	3.02	3.02
Income tax Demands (including interest) - matter under appeal	533.43	187.30
Excise matter under appeal	8.17	214.58

NOTE: 30

Estimated amount of contracts remaining to be executed on Capital Account (net of advance payment) Rs. 6,11,70,208/- (previous year Rs. 7,21,92,334/-)



SHRI DINESH MILLS LTD.

NOTES TO THE FINANCIAL STATEMENTS

NOTE:31 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	
			2012-13 (Rs. in Lacs)	2011-12 (Rs. in Lacs)	2012-13 (Rs. in Lacs)	2011-12 (Rs. in Lacs)
1. Dinesh Remedies Limited	Subsidiary	Equity Contribution Advance given during the year	0.95	34.65 0.15	0.41	0.01
2. Chairman Emeritus Shri U.M.Patel	Key Management Personnel:	Fixed Deposits received	35.00	15.00	40.00	85.00
		Interest Paid	4.06	9.73		
3. Chairman and Managing Director Shri B.U.Patel		Remueration	100.13	97.50	7.72	45.86
		Fixed Deposits received	2.00	85.50	87.50	205.50
4. Managing Director Shri N.U.Patel		Interest Paid	13.97	27.71		
		Remueration	100.69	98.07	8.00	45.90
		Fixed Deposits received		2.00	2.00	2.00
		Interest Paid	0.19	0.19		
5. Relatives of Key Management Personnel		Fixed Deposits received	65.15	63.85	126.60	132.10
		Interest Paid	12.18	12.65		
		Salary	10.57	7.55		
6. Shri Dinesh Foundation	Key Management Personnel are Trustee	Donation	5.00	5.00		
7. Shri Maganbhai B. Patel's Charity Trust	Key Management Personnel are Trustee	Donation	5.00	5.00		

(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 32 Segment Information :

(a) Primary segment : Business segment

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

(b) Secondary segment – Geographical segment :

Information of graphical segment:

Particulars	Year	In India	Outside India	Total
Segment Revenue	2012-13	8,165.66	467.55	8,633.21
	2011-12	8,247.83	401.04	8,648.87
Carrying cost of Assets by location of Assets	2012-13	15,622.79	-	15,622.79
	2011-12	16,204.84	-	16,204.84
Additions to Assets and Intangible	2012-13	422.49	-	422.49
	2011-12	2,277.08	-	2,277.08

Note: 33 Significant Accounting Policies followed by the Company are as stated in the statement annexed to this schedule as Annexure I.

Note: 34 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 Dhirubhai Shah & Co., Chartered Accountants	N. U. Patel Managing Director	B. U. Patel Chairman & Managing Director
Yash K. Shah Partner Membership No. : 124427 Vadodara, May 31st, 2013	J. B. Sojitra Company Secretary & Director Vadodara, May 31st, 2013	B. B. Patel Vice President (Finance)



SHRI DINESH MILLS LTD.

Annexure I referred to in note 33 to the Account for the year ended 31st March, 2013, 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 amortized amount (except on free- hold land).
- II. Capital Work-in-progress is stated at amount expended up to the date of Balance Sheet.

B Depreciation and Amortisation

- a) Leasehold land
Premium on leasehold land is being amortized over the period of lease.
- b) Other Fixed Assets
 - I. Depreciation on all the assets except Plant and Machinery acquired /installed up to 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 up to the month in which such assets are sold, discarded, demolished or scrapped.
 - V. Computer software is being amortized 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 realizable value whichever is lower. Cost is arrived at on 'Moving Weighted Average Cost basis'.
- ii) Raw Materials are valued at cost or net realizable 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 realizable 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, up to 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 recognized 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



SHRI DINESH MILLS LTD.

recognized 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 realization.

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

Report on the Consolidated Financial Statements

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

- (i) in the case of the consolidated balance sheet, of the state of affairs of the group as at 31st March 2013;
- (ii) in the case of the consolidated statement of profit and loss, of the profit of the Group for the year ended on that date; and
- (iii) in the case of the consolidated cash flow statement, of the cash flows of the Group for the year ended on that date.

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

Yash K. Shah
Partner
Membership No.124427

Place : Vadodara
Date : 31.05.2013



SHRI DINESH MILLS LTD.

CONSOLIDATED BALANCE SHEET OF SHRI DINESH MILLS LIMITED AND ITS SUBSIDIARY AS AT 31ST MARCH, 2013

Particulars	Note No.	(Rs. In lacs)	
		As at 31st March, 2013	As at 31st March, 2012
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
Share Capital	1	527.75	527.75
Reserves and Surplus	2	9,018.33	8,739.68
Minority Interest		849.17	785.19
2 Non-Current Liabilities			
Long- term borrowings	3	3,208.39	3,572.35
Deferred tax Liabilities (Net)	4	789.81	783.10
Other Long Term Liabilities	5	551.42	517.45
Long Term Provisions	6	344.12	362.75
3 Current Liabilities			
Short term borrowings	7	356.94	451.05
Trade Payables	8	345.63	462.73
Other Current Liabilities	9	1,348.01	1,337.90
Short Term Provisions	10	146.11	214.43
TOTAL		17,485.68	17,754.38
II. ASSETS			
1 Non-Current Assets			
Fixed assets	11		
(i) Tangible assets		8,591.92	9,313.02
(ii) Capital work-in-progress		205.84	48.62
Non-current investments	12	834.26	849.72
Long term loans and advances	13	199.73	106.49
2 Current assets			
Inventories	14	4,143.51	4,090.12
Trade Receivables	15	1,713.22	1,453.72
Cash and Bank balances	16	1,453.99	1,390.41
Short Term Loans and Advances	17	276.46	395.66
Other Current Assets	18	66.75	106.62
TOTAL		17,485.68	17,754.38

The Notes form an integral part of these financial statements

1 to 34

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

Yash K. Shah
Partner
Membership No. : 124427
Vadodara, May 31st, 2013

J. B. Sojitra
Company Secretary & Director
Vadodara, May 31st, 2013

B. B. Patel
Vice President (Finance)



SHRI DINESH MILLS LTD.

**CONSOLIDATED PROFIT & LOSS ACCOUNT OF SHRI DINESH MILLS LIMITED AND ITS
SUBSIDIARY FOR THE YEAR ENDED 31ST MARCH, 2013**

Particulars	Note No.	(Rs. In lacs)	
		Year ended 31st March, 2013	Year ended 31st March, 2012
I. Revenue from Operations	19	10,539.27	10,025.33
II. Other Income	20	258.26	370.15
III. Total Revenue (I + II)		<u>10,797.53</u>	<u>10,395.48</u>
IV. Expenses:			
Cost of Materials Consumed	21	3,567.76	3,418.49
Purchases of Stock-in-Trade	21	1.80	3.10
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	22	(179.41)	(623.34)
Employee Benefits Expense	23	2,652.08	2,450.25
Finance Costs	24	468.68	425.94
Depreciation and Amortization Expense	11	1,115.95	961.47
Other Expenses	25	2,632.72	2,897.11
Total Expenses		<u>10,259.58</u>	<u>9,533.02</u>
V. Profit before exceptional items and tax (III-IV)		537.95	862.46
VI. Exceptional items	26	17.50	6.62
VII. Profit before tax (V + VI)		555.45	869.08
VIII. Tax expense:			
(1) Current tax		95.63	106.05
(2) Deferred tax		6.71	120.70
IX. Profit (Loss) for the year (VII-VIII)		<u>453.11</u>	<u>642.33</u>
Less: Profit transferred to Minority Interest		64.05	88.71
		<u>389.06</u>	<u>553.62</u>
X. Earnings per equity share of Rs. 10 each	28		
(1) Basic		7.37	10.49
(2) Diluted		7.37	10.49

The notes form an integral part of
these financial statements

1 to 34

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

Yash K. Shah
Partner
Membership No. : 124427
Vadodara, May 31st, 2013

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

J. B. Sojitra
Company Secretary & Director
Vadodara, May 31st, 2013

B. U. Patel
Chairman & Managing Director

B. B. Patel
Vice President (Finance)



SHRI DINESH MILLS LTD.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	(Rs. In lacs)	
	2012-13	2011-12
A. Cash flow from operating Activity		
Net Profit/ (Loss) Before Tax and Extra Ordinary Items	555.45	869.08
Adjustments For:		
Depreciation	1,115.95	961.47
Interest paid	468.68	425.94
Profit on sales of assets	(1.13)	0.46
Dividend Income	(124.91)	(86.89)
Interest received on Loans and deposits	(38.97)	(103.69)
LTCG on redemption of FMP	(7.02)	(123.40)
	1,412.60	1,073.89
Operation profit before working capital changes	1,968.05	1,942.97
Adjustment For:		
Inventories	(53.39)	(850.41)
Trade Receivables	(259.50)	(39.67)
Loans & Advances and Current Assets	65.83	(76.70)
Trade Payables	(117.09)	59.27
Liabilities & Provisions	(153.27)	144.07
Minority Interest	63.98	115.06
Taxes Paid	(95.63)	(106.05)
Profit charged to Minority Interest	(64.05)	(88.71)
	(613.12)	(843.14)
Cash Generated from Operations	1,354.93	1,099.83
B Cash Flow from Investment Activities		
Purchase of Fixed Assets	(550.95)	(2894.64)
(Purchase)/ Redemption of Investment	22.48	1598.40
Dividend Income	124.91	86.89
Interest received	38.97	103.69
Net Cash Flow from Investment Activity	(364.59)	(1105.66)
C Cash Flow from Financial Activities:	990.34	(5.83)
Proceeds from Borrowings	(458.08)	158.86
Dividend paid	-	(105.55)
Corporate Tax Paid	-	(17.12)
Interest Paid	(468.68)	(425.94)
Net Cash Flow from Financial Activities	(926.76)	(389.75)
Total of Cash Flow	63.58	(395.58)
Opening Cash & Cash equivalent	1,390.41	1785.99
Closing Cash & Cash equivalent	1,453.99	1,390.41

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 **Dhirubhai Shah & Co.,**
Chartered Accountants

N. U. Patel
Managing Director

B. U. Patel
Chairman & Managing Director

Yash K. Shah
Partner
Membership No. : 124427
Vadodara, May 31st, 2013

J. B. Sojitra
Company Secretary & Director
Vadodara, May 31st, 2013

B. B. Patel
Vice President (Finance)

NOTES FORMING PART TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2013

Particulars	(Rs. In lacs)	
	As at 31st March 2013	As at 31st March 2012
NOTE:1 SHARE CAPITAL		
Authorised		
9,500,000 Equity Shares of Rs 10/- each	950.00	950.00
50,000 unclassified Shares of Rs. 100/-	50.00	50.00
	1,000.00	1,000.00
Issued, Subscribed & Paid up		
5,277,500 Equity Shares of Rs 10/- each fully paid	527.75	527.75
Total	527.75	527.75

1.1 Board approves Buy-Back of Equity Shares

The company has informed SEBI (BSE) that the Board of Directors of the Company at its meeting held on March 9, 2013, have accorded to buy back from shareholders of the company of its own fully paid equity shares of Rs. 10/- each not exceeding 13,00,000 equity shares, being 24.63% of the total existing paid-up equity share capital at a price not exceeding Rs. 91/- per equity share to be financed out of the Free Reserves such that the aggregate consideration for the shares to be bought-back does not exceed Rs. 950 Lacs being an amount not exceeding 10% of the paid-up equity share capital and Free Reserves of the Company ('buy-back').

The buy-back period shall close at the end of 12 months from the date of the resolution, i.e., March 9, 2013 approving buy-back.

1.2 The reconciliation of the number of shares outstanding:

The Company has not issued or bought back any equity or preference shares during the year.

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

Name of the Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	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

1.4 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.

1.5 4,775,420 Equity shares issued as Bonus Shares by way of capitalisation of Reserve and Share Premium Account.

1.6 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.



SHRI DINESH MILLS LTD.

NOTES FORMING PART TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2013

Particulars	(Rs. In lacs)	
	As at 31st March 2013	As at 31st March 2012
NOTE: 2 RESERVES & SURPLUS		
a. General Reserve		
Opening Balance	8,835.73	8,435.73
(+) Current Year Transfer	250.00	400.00
Closing Balance	<u>9,085.73</u>	<u>8,835.73</u>
b. Surplus		
Opening balance	(96.05)	(126.99)
(+) Net Profit/(Net Loss) For the current year	389.06	553.62
(-) Proposed Dividends	110.41	122.68
(-) Transfer to Reserves	250.00	400.00
Surplus as per annexed accounts	<u>(67.40)</u>	<u>(96.05)</u>
Total	<u>9,018.33</u>	<u>8,739.68</u>

NOTE: 3 LONG TERM BORROWINGS

Term loans	3,012.52	3,281.35
Term loan under Technology Upgradation Fund Scheme is secured by way of hypothecation of machineries purchased therefrom.		
Deposits :		
From Directors & Shareholders	129.65	226.69
From Public	66.22	64.31
Total	<u>3,208.39</u>	<u>3,572.35</u>

3.1 TERMS OF REPAYMENT OF TERM LOANS

Name of Institutions	Instruments	Repayment schedule			
		Frequency	Number of Installments	Rate of Interest	First installment due
Shri Dinesh Mills Limited					
Indian Overseas Bank - II	Term Loan	Quarterly	24	12.25%	Jul-09
Indian Overseas Bank - III	Term Loan	Quarterly	24	12.25%	Aug-10
South Indian Bank - II	Term Loan	Quarterly	24	12.00%	Apr-13
South Indian Bank - III	Term Loan	Quarterly	24	12.00%	May-14
Dinesh Remedies Limited					
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 31.03.2012	Charge / (Credit) during the year	As on 31.03.2013
Deferred Tax Liability on account of :			
(I) Depreciation	858.47	0.18	<u>858.65</u>
Deferred Tax Assets on account of :			
(I) Expenses allowable for tax purpose when paid (Octroi)	15.31	-	<u>15.31</u>
(II) Unencashed leave (Leave + Director Leave)	53.12	(7.66)	<u>45.46</u>
(III) Gratuity	6.94	1.13	<u>8.07</u>
	<u>75.37</u>	<u>(6.53)</u>	<u>68.84</u>
Net Deferred tax Liabilities / Assets	<u>783.10</u>	<u>6.71</u>	<u>789.81</u>

NOTES FORMING PART TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2013

Particulars	(Rs. In lacs)	
	As at 31st March 2013	As at 31st March 2012
NOTE: 5 OTHER LONG TERM LIABILITIES		
Trade Deposits	246.72	238.78
Octroi Liability	63.49	63.49
Outstanding expenses	241.21	215.18
Total	551.42	517.45
NOTE: 6 LONG TERM PROVISIONS		
Provision for employee benefits:		
Gratuity	154.48	115.03
Leave Encashment	130.89	180.11
Provisions for Medical/LTA/allowances, etc.	58.75	67.61
Total	344.12	362.75
NOTE: 7 SHORT TERM BORROWINGS		
<u>Secured</u>		
(a) Term Loans		
Loan from Indian Overseas Bank	38.83	226.91
Loan from Bank of Baroda	-	3.84
(b) Cash credit	13.17	(170.84)
Cash credits from Banks, against hypothecation of Raw materials, Stores, Spare parts, Finished goods and Work-in-progress		
<u>Unsecured</u>		
Deposits :		
From Directors & Shareholders	242.55	301.16
From Public	62.39	89.98
Total	356.94	451.05

7.1 The above term loan is repayable in 24 quarterly installments, commencing from October 2007, Last installment due in July 2013 rate of interest is 12.25%

7.2 The above term loan from BOB is repayable in 24 quarterly installments, commencing from April 2007, Last installment due in March 2013 rate of interest is 15.75%

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



SHRI DINESH MILLS LTD.

NOTES FORMING PART TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2013

Particulars	(Rs. In lacs)	
	As at 31st March 2013	As at 31st March 2012
NOTE: 8 TRADE PAYABLES		
Micro, Small and Medium Enterprises	-	-
Others	345.63	462.73
Total	345.63	462.73

8.1 The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under:

Particulars	As at 31st March, 2013	As at 31st March, 2012
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	-	-

NOTE: 9 OTHER CURRENT LIABILITIES

Interest accrued but not due	83.21	77.94
Unclaim dividends	21.38	21.08
Unpaid matured deposits and interest accrued thereon	6.29	13.66
Application money received and due for refund	6.28	6.28
Other Payables :		
Advance from Customers	611.21	612.45
Statutory dues	153.51	210.29
Other provision for expenses	466.13	396.20
Total	1,348.01	1,337.90

9.1 There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31st March, 2013

NOTE: 10 SHORT TERM PROVISIONS

Dues to Directors	15.72	91.76
Provision for employee benefits		
Gratuity	0.14	-
Leave Encashment	19.84	-
Provisions for Dividend and Dividend Tax	110.41	122.67
Total	146.11	214.43

NOTES FORMING PART TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2013

(Rs. In lacs)

NOTE: 11 FIXED ASSETS

Fixed Asset	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 1st April 2012	Additions/ (Disposals)	Balance as at 31st March 2013	Balance as at 1st April 2012	Depreciation Charge for the year	Adjustment/ Deduction	Balance as at 31st March 2013	As at 31st March 2013	As at 31st March 2012
(A) Tangible Assets									
CWIP - Plant and Machinery	-	27.97	27.97	-	-	-	-	27.97	-
Land	381.15	-	381.15	-	-	-	-	381.15	381.15
Assets under lease	6.09	(0.09)	6.00	-	-	-	-	6.00	6.09
Buildings	987.34	78.46	1,065.80	396.99	30.71	-	427.70	638.10	590.35
Plant and Equipment	18,869.97	258.30	19,128.27	10,872.19	1,024.58	1.48	11,895.29	7,232.98	7,997.78
Furniture and Dead stock	320.16	11.37	331.53	219.00	17.10	0.43	235.67	95.86	101.16
Vehicles	345.82	0.28	346.10	193.25	38.46	15.82	215.89	130.21	152.57
Electrical Installations	175.25	0.83	176.08	98.18	4.46	-	102.64	73.44	77.07
Tubewell and waterworks	12.17	-	12.17	5.73	0.25	-	5.98	6.19	6.44
Drainage installation	0.14	-	0.14	0.12	-	-	0.12	0.02	0.02
Total	21,098.09	377.12	21,475.21	11,785.46	1,115.56	17.73	12,883.29	8,591.92	9,312.63
(B) Intangible Assets									
Computer Software	9.78	-	9.78	9.39	0.39	-	9.78	-	0.39
Total	21,107.87	377.12	21,484.99	11,794.85	1,115.95	17.73	12,893.07	8,591.92	9,313.02
Previous Year's Total Rs.	18,275.02	2,832.21	21,107.22	10,850.83	961.47	18.15	11,794.16	9,313.06	
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/-)									



SHRI DINESH MILLS LTD.

NOTES FORMING PART TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2013

Particulars	(Rs. In lacs)		
	As at 31st March 2013	As at 31st March 2012	
NOTE: 12 NON CURRENT INVESTMENTS			
Investment in Equity instruments:			
In fully paid shares			
Quoted:			
1,20,020	Equity shares of Rs. 10/- each in Kamron Laboratories Limited. Less Provision for Diminution in value. (Investments of Re. 1/- appearing in the books)	-	-
Unquoted:			
50	Equity Shares of Rs. 100/- each in Gujarat Sheep & Wool Development Corporation Limited	0.05	0.05
1,44,946	Equity Shares of Rs. 10/- each in Narmada Cleantech Limited	14.49	14.49
Others:			
400	Equity Shares of Rs. 25/- each in Co-operative Bank of Baroda Limited	0.10	0.10
Investments in Government or Trust securities:			
50,000	11.50% GOI Securities - 2015	55.90	55.90
20,000	6.90% GOI Securities - 2019	18.76	18.76
Investments in Mutual Funds:			
1,21,400.476	(1,21,400.476) HDFC MF MIP Long Term Growth	-	25.00
7,75,325.887	(7,75,325.887) Units of HDFC Prudence	252.01	252.01
8,00,645.406	(8,00,645.406) Units of SBI balance Fund	242.58	233.41
4,36,220.847	(4,36,220.847) Units of FT India Balance Fund	125.00	125.00
2,32,001.127	(2,32,001.127) Units of TATA Balance Fund	125.00	125.00
36,728	(0) Units of Reliance	0.37	-
Total		834.26	849.72
NOTE: 13 LONG TERM LOANS & ADVANCES			
(Unsecured, considered good)			
	Security Deposits	108.74	93.11
	Balance with Statutory authorities	90.99	13.38
Total		199.73	106.49

NOTES FORMING PART TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2013

Particulars	(Rs. In lacs)	
	As at 31st March 2013	As at 31st March 2012
NOTE: 14 INVENTORIES		
a. Raw Materials	1,032.33	1,133.54
Goods-in transit	-	40.13
	<u>1,032.33</u>	<u>1,173.67</u>
b. Work-in-progress	1,311.22	1,321.95
c. Finished goods	1,290.40	1,088.19
e. Stores and spares	509.56	506.31
Total	<u>4,143.51</u>	<u>4,090.12</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	115.39	154.10
Unsecured, considered doubtful	-	2.96
Less: Provision for doubtful debts	-	(2.96)
Sub total	<u>115.39</u>	<u>154.10</u>

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

Unsecured, considered good	1,597.83	1,299.62
Total	<u>1,713.22</u>	<u>1,453.72</u>

NOTE: 16 CASH AND BANK BALANCES

Bank Balances:

In Current Account	286.93	220.59
In Fixed Deposit Account (having maturity period less than 3 months)	1,164.12	1,167.73
	<u>1,451.05</u>	<u>1,388.32</u>

Cash on hand	2.94	2.09
Total	<u>1,453.99</u>	<u>1,390.41</u>

NOTE: 17 SHORT-TERM LOANS AND ADVANCES

(Unsecured, considered good)		
Statutory dues (net of tax provisions)	173.94	339.28
Advance to Suppliers	95.92	47.47
Other loans and advances	6.62	8.91
Total	<u>276.48</u>	<u>395.66</u>



SHRI DINESH MILLS LTD.

NOTES FORMING PART TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2013

Particulars	(Rs. In lacs)			
	As at 31st March 2013	As at 31st March 2012		
NOTE: 18 OTHER CURRENT ASSETS				
Interest and Dividend Receivables on investments	2.31	2.33		
Interest Subsidy receivables	57.32	94.11		
Prepaid Expenses	7.12	10.18		
Total	66.75	106.62		
NOTE: 19 REVENUE FROM OPERATIONS				
Sale of products	11,237.87	10,573.32		
Less:				
Excise duty	698.60	547.99		
Total	10,539.27	10,025.33		
NOTE: 20 OTHER INCOME				
Interest Income	38.97	103.69		
Dividend Income	124.91	86.89		
LTCG on redemption of FMP	7.02	123.40		
Miscellaneous Income	87.36	56.17		
Total	258.26	370.15		
NOTE: 21 COST OF MATERIALS CONSUMED				
Shri Dinesh Mills Limited				
Wool	813.04	1,086.23		
Synthetic Fibre	945.25	937.41		
Yarn	1,059.01	892.89		
Others	22.42	22.89		
Dinesh Remedies Limited				
Gelatin	707.76	453.90		
Others	20.28	25.17		
Total	3,567.76	3,418.49		
Goods - Traded - In :				
Ready Made Garments	1.80	3.10		
Shri Dinesh Mills Limited				
Imported & Indigenous Raw material consumed	2012-13		2011-12	
	VALUE (Rs. In lacs)	%	VALUE (Rs. In lacs)	%
Imported	1893.72	53.08	1897.44	55.51
Indigenous	946.00	26.52	1041.98	30.48
Dinesh Remedies Limited				
Gelatin	707.76	19.83	453.90	13.27
Others	20.28	0.57	25.17	0.74
Total	3567.76	100.00	3418.49	100.00

NOTES FORMING PART TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2013

Particulars	2012-13	(Rs. In lacs) 2011-12
NOTE: 22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories (at close):		
Work -in- Process	1,311.22	1,320.43
Finished Goods	1,288.87	1,088.18
	<u>2,600.09</u>	<u>2,408.61</u>
Inventories (at commencement):		
Work -in- Process	1,320.43	936.80
Finished Goods	1,088.18	824.44
	<u>2,408.61</u>	<u>1,761.24</u>
	<u>(191.48)</u>	<u>(647.37)</u>
Excise duty variations on opening/closing stocks	12.07	24.03
Total	<u>(179.41)</u>	<u>(623.34)</u>
NOTE: 23 EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	2,233.84	2,105.60
Contributions to- Provident fund, Superannuation scheme & Other funds	366.38	296.50
Employees' State Insurance Scheme	40.82	38.23
Staff welfare expenses	11.04	9.92
Total	<u>2,652.08</u>	<u>2,450.25</u>
NOTE: 24 FINANCE COST		
Interest expenses	457.65	409.76
Other borrowing costs	15.60	18.88
Applicable gain on foreign currency transactions and translations	(4.57)	(2.70)
Total	<u>468.68</u>	<u>425.94</u>
NOTE: 25 OTHER EXPENSES		
Stores Consumed	405.89	410.78
Electricity, Power and Fuels	585.08	672.28
Rent	4.31	4.61
Commission	150.12	153.30
Cash Discount	205.95	201.87
Repairs to Building	45.15	29.66
Repairs to Machinery	359.39	361.91
Repairs to Others	25.12	16.93
Insurance	22.48	18.03
Rates and Taxes	25.06	29.37
Payment to Auditors	9.61	6.21
Advertisement and Publicity	48.15	334.00
Legal & professional fees	155.39	153.22
Freight and Cartage	44.32	34.02
Travelling and Conveyance	160.02	162.49
Miscellaneous expenses	386.68	308.43
Total	<u>2,632.72</u>	<u>2,897.11</u>



SHRI DINESH MILLS LTD.

NOTES FORMING PART TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2013

Particulars	(Rs. In lacs)	
	2012-13	2011-12
25.1 PAYMENT TO AUDITORS AS:		
i) Statutory Audit Fees	4.26	4.26
ii) In other capacity - certificates	4.52	1.20
iii) For expenses	0.49	0.44
	<u>9.27</u>	<u>5.90</u>
Cost Auditors :		
i) As auditors	0.34	0.31
	<u>9.61</u>	<u>6.21</u>

NOTE 26 EXCEPTIONAL ITEMS

Credit Balance written back	16.37	7.08
Profit on sale of assets (net)	1.13	(0.46)
Total	<u>17.50</u>	<u>6.62</u>

27 C.I.F. VALUE OF IMPORTS, EXPENDITURE AND EARNINGS IN FOREIGN CURRENCY

(A) C.I.F. Value of imports :		
Raw Materials	1,525.76	2,009.99
Capital Goods	141.95	1,413.97
(B) Expenditure in Foreign currencies:		
Commission	32.93	17.82
Travelling expenses	55.40	59.04
Other matters	56.76	50.65
(C) Earnings in Foreign currencies:		
F.O.B. value of Exports	465.58	309.94
Others	-	2.43

NOTE: 28 EARNINGS PER SHARE (EPS)

Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. In Lacs)	389.06	553.62
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.)	7.37	10.49
Face Value per equity share (Rs.)	10.00	10.00

NOTE: 29 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF

Workers' demand - matter under appeal	40.32	77.74
Claims against the company not acknowledged as debts	3.02	3.02
Income tax Demands (including interest) - matter under appeal	533.43	187.30
Excise matter under appeal	8.17	214.58

NOTE: 30

Estimated amount of contracts remaining to be executed on Capital Account (net of advance payment) Rs. 6,11,70,208/- (previous year Rs. 7,21,92,334/-)

NOTES FORMING PART TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2013

NOTE: 31 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	
			2012-13 (Rs. in Lacs)	2011-12 (Rs. in Lacs)	2012-13 (Rs. in Lacs)	2011-12 (Rs. in Lacs)
1. Chairman Emeritus Shri U.M.Patel	Key Management Personnel:	Fixed Deposits received	35.00	15.00	40.00	85.00
		Interest Paid	4.06	9.73		
2. Chairman and Managing Director Shri B.U.Patel		Remueration	100.13	97.50	7.72	45.86
		Fixed Deposits received	2.00	85.50	87.50	205.50
		Interest Paid	13.97	27.71		
3. Managing Director Shri N.U.Patel		Remueration	100.69	98.07	8.00	45.90
		Fixed Deposits received		2.00	2.00	2.00
		Interest Paid	0.19	0.19		
4. Relatives of Key Management Personnel		Fixed Deposits received	65.15	63.85	126.60	132.10
		Interest Paid	12.18	12.65		
		Salary	10.57	7.55		
5. Shri Dinesh Foundation	Key Management Personnel are Trustee	Donation	5.00	5.00		
6. Shri Maganbhai B. Patel's Charity Trust	Key Management Personnel are Trustee	Donation	5.00	5.00		

(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, 2013

Note 32 Segment wise Revenue and Capital employed for the year ended March 31st, 2013

(a) Primary segment : Business segment

(a) Primary segment : Business Segment

	Textile		Pharmaceuticals		Consolidated	
	2012-13 (Rs. in lacs)	2011-12 (Rs. in lacs)	2012-13 (Rs. in lacs)	2011-12 (Rs. in lacs)	2012-13 (Rs. in lacs)	2011-12 (Rs. in lacs)
Revenue						
External Sales	8,633.01	8,641.74	1,906.01	1,376.46	10,539.02	10,018.20
Total Revenue	8,633.01	8,641.74	1,906.01	1,376.46	10,539.02	10,018.20
Segment Result						
Profit before interest and Tax	768.26	1,082.99	244.77	197.98	1,013.03	1,280.97
Interest Expense (Net)					(457.58)	(411.89)
Other un-allocable income, net of Un-allocable Expenditure					-	-
Profit before tax					555.45	869.08
(1) Current tax					(95.63)	(106.05)
(2) Deferred tax					(6.71)	(120.70)
Profit / (Loss) for the year					453.11	642.33
Less: Share of Minority Interest					(64.05)	(88.71)
Profit / (Loss) (after adjustment of Minority Interest)					389.06	553.62
Segment Assets	6,270.10	7,010.60	2,321.77	2,302.46	8,591.87	9,313.06
Total Assets					8,591.87	9,313.06
Segment Liabilities	5,710.35	6,601.41	1,271.61	1,100.35	6,981.96	7,701.76
Total Liabilities					6,981.96	7,701.76
Capital Expenditure	216.65	2,218.38	160.47	597.98	377.12	2,816.36
Depreciation & Amortisation	974.79	849.75	141.25	111.64	1,116.04	961.39
Non cash Expenses other than depreciation	-	-	-	-	-	-

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

Particulars	In India		Out side India		Total	
	2012-13 (Rs. in lacs)	2011-12 (Rs. in lacs)	2012-13 (Rs. in lacs)	2011-12 (Rs. in lacs)	2012-13 (Rs. in lacs)	2011-12 (Rs. in lacs)
Segment Revenue	10,071.72	9,633.14	467.55	401.04	10,539.27	10,034.18
Carrying cost of Assets by location of Assets	17,485.68	17,754.37	-	-	17,485.68	17,754.37
Addition to Assets and Intangible	582.96	2,847.14	-	-	582.96	2,847.14

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

Note: 33 Significant Accounting Policies followed by the Company are as stated in the statement annexed to this schedule as Annexure I.

Note: 34 Previous year's figures have been regrouped wherever necessary.

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

Yash K. Shah
Partner
Membership No. : 124427
Vadodara, May 31st, 2013

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

J. B. Sojitra
Company Secretary & Director
Vadodara, May 31st, 2013

B. U. Patel
Chairman & Managing Director

B. B. Patel
Vice President (Finance)



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, 2013.
2. Date on which it became Subsidiary : 9th 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. : 1,30,98,095 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.144 Lacs
 - (ii) For the previous years of the Subsidiary Company : (Rs.600 Lacs)
5. The financial years of both Shri Dinesh Mills Ltd. and its Subsidiary Company are ended on 31st March, 2013 and hence no information pursuant to Section 212(5) is required to be given.

B. U. Patel
Chairman & Managing Director

N. U. Patel
Managing Director

J. B. Sojitra
Company Secretary & Director
Vadodara, May 31st, 2013

B. B. Patel
Vice President (Finance)

FINANCIAL INFORMATION OF SUBSIDIARY COMPANY VIZ. DINESH REMEDIES LIMITED AS AT 31ST MARCH, 2013

Sr. No.	Particulars	Amount (Rs. In Lacs)
1	Share Capital	2359.16
2	Reserves	(456.15)
3	Total Assets	3174.62
4	Total Liabilities	3174.62
5	Investments	0.00
6	Total Income	1911.04
7	Profit Before Tax	145.52
8	Provision for Taxation	1.53
9	Profit after Tax	143.99
10	Proposed Dividend	0.00

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
Vadodara, May 31st, 2013

B. B. Patel
Vice President (Finance)



SHRI DINESH MILLS LIMITED

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

SEVENTY EIGHT 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 78th Annual General Meeting of the Company being held at Registered Office of the Company at Padra Road, Vadodara on Saturday, the 31st August, 2013 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 78th Annual General Meeting of the Company to be held on Saturday, the 31st August, 2013 at 11.00 A.M and at any adjournment thereof.

Signed this on _____ day of _____ 2013

Name : _____

Address : _____

: _____

: _____

Affix 1
Rupee
Revenue
Stamp

Signature : _____






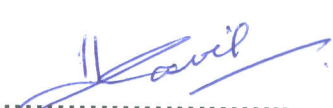
Note : The Proxy should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.



shri dinesh mills ltd.

REGD. OFFICE: P.O. Box 2501, Padra Road, Vadodara 390 020, Gujarat, India
Tel.: +91 265 2330060/61/62/63/64/65, 3290938 **Mobile:** 9974005975
Fax: +91 265 2336195 **Email:** dinesh@dineshmills.com **Website:** www.dineshmills.com

FORM "A"

1. Name of the Company:	Shri Dinesh Mills Limited
2. Annual Financial statements for the year ended:	31 st March, 2013
3. Type of Audit observation:	Un-qualified & No Matter of Emphasis.
4. Frequency of observation:	None
5. To be signed by –	
<ul style="list-style-type: none"> • Managing Director 	 N. U. PATEL MANAGING DIRECTOR
<ul style="list-style-type: none"> • Chief Financial Officer (CFO) 	 B. B. PATEL VICE PRESIDENT (FINANCE)
<ul style="list-style-type: none"> • Auditor of the Company 	 KAUSHIK D. SHAH PARTNER, M/S. DHIRUBHAI SHAH & CO.
<ul style="list-style-type: none"> • Audit Committee Chairman 	 H. N. ELAVIA CHAIRMAN – AUDIT COMMITTEE



dinesh