



CIN: L17110GJ1935PLC000494

# 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

September 29, 2017

Dept. of Corporate Services,  
BSE Limited,  
Floor – 1, Rotunda Bldg., Dalal Street,  
MUMBAI – 400 001

By On-Line

Dear Sir,

**Sub: Filing of ANNUAL REPORT FOR THE FINANCIAL YEAR 2016 – 2017**  
**Ref.: Regulation 34 of SEBI (L.O.D.R.) Regulations, 2015**

We enclose herewith the Annual Report of the Company for the financial year 2016–2017 approved and adopted by the members of the Company at their 82<sup>nd</sup> Annual General Meeting of the Company held on 27<sup>th</sup> September, 2017.

This is for your information and necessary actions please.

Thanking you,  
Yours faithfully,  
For SHRI DINESH MILLS LIMITED,

**J.B.SOJITRA**  
**COMPANY SECRETARY**  
Encl.: As stated above

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Subject to Vadodara Jurisdiction

**dinesh**

# Shri Dinesh Mills Limited, Vadodara.



## BOARD OF DIRECTORS

Shri Bharatbhai U. Patel	(Chairman & Managing Director)
Shri Nimishbhai U. Patel	(Managing Director)
Shri Tanujbhai M. Patel	
Shri Rakesh Agrawal	
Shri Sanjiv Shah	
Mrs. Taruna P. Patel	
Shri J. B. Sojitra	Executive Director (Corporate Affairs)

## COMPANY SECRETARY

Shri J. B. Sojitra

## BANKERS

Bank of Baroda  
Indian Overseas Bank  
The South Indian Bank Ltd.

## AUDITORS

M/s. Dhirubhai Shah & Doshi  
Chartered Accountants  
Ahmedabad

## REGISTERED OFFICE

P.O. Box No.2501,  
Padra Road,  
Vadodara - 390 020  
Telephone : (0265) 2330060-65  
Fax : (0265) 2336195  
Email : complianceofficer@dineshmills.com, sojitra@dineshmills.com  
Website : www.dineshmills.com  
CIN : L17110GJ1935PLC000494

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## NOTICE

**NOTICE** is hereby given that 82nd Annual General Meeting (AGM) of the Members of Shri Dinesh Mills Ltd. will be held at the Registered Office of the Company at Padra Road, Vadodara on Wednesday, 27th September, 2017 at 11.00 A.M. to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Standalone Financial Statement of the Company, the Reports of the Board of Directors and Auditors' thereon including consolidated financial statement together with Auditors' Report thereon for the financial year ended 31st March, 2017.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri Bharatbhai Patel (DIN-00039543), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Dhirubhai Shah & Doshi, Chartered Accountants, Ahmedabad as Auditors and fix their remuneration.

### SPECIAL BUSINESS:

5. **REVISION IN THE MANAGERIAL REMUNERATION OF CHARMAN & MANAGING DIRECTOR (CMD) AND MANAGING DIRECTOR (MD)**

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

"**RESOLVED THAT** in partial modification of earlier Resolutions, the Company hereby approves the revision in the payment of the managerial remuneration of Shri Bharatbhai Patel, Chairman & Managing Director (CMD) and Shri Nimishbhai Patel, Managing Director (MD) of the Company in accordance with the provisions of Section 197 of the Companies Act, 2013 read with Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the period from 1st April, 2017 to 31st March, 2018 as set out in the draft Deeds of Variation, copies whereof placed before the meeting and initiated by the Chairman for the purpose of identification with liberty to the Board to increase/reduce their remuneration, alter and vary such terms and conditions in accordance with the provisions of the Companies Act, 2013 read with the Rules made thereunder and the Schedule V to the Companies Act, 2013 as may be agreed by Shri Bharatbhai Patel and Shri Nimishbhai Patel.

**RESOLVED FURTHER THAT** the Deeds of Variation be executed with Shri Bharatbhai Patel and Shri Nimishbhai Patel under the Common seal of the Company pursuant to the provisions of Articles of Association of the Company and Shri J. B. Sojitra, Secretary of the Company is authorised to file relevant Form(s) electronically with Ministry of Corporate Affairs (MCA) as may be required in this connection."

### Regd. Office :

P.O. Box No. 2501,  
Padra Road,  
Vadodara - 390 020.  
Dated : 30th May, 2017

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

**J. B. SOJITRA**  
**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 Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed hereto in respect of item No. 3. (Annexure : A)
3. The Explanatory statement as required under section 102 of the Companies Act, 2013 is annexed hereto in respect of item No.5.(Annexure: B)
4. The Register of Members and Share Transfer Books will remain closed from Saturday, 16th September, 2017 to Saturday, 23rd September, 2017. (Both days inclusive)
5. The Company has already transferred unclaimed dividend to the Investor Education & Protection Fund for the Financial Year ended 31st March, 2009



## SHRI DINESH MILLS LTD.

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
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
78	31-8-2013	2012-2013	06-10-2020
79	30-9-2014	2013-2014	26-10-2021
80	30-9-2015	2014-2015	26-10-2022
81	27-9-2016	2015-2016	23-10-2023

6. The Company will have to transfer Dividend No.75 for the Financial Year 2009-2010 which remain unclaimed for a period of 7 years to the Investor Education & Protection Fund of the Central Govt. pursuant to provisions of the Companies Act, 2013. 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 26th October, 2017 to those shareholders whose names appear on the Register of Members of the Company on 15th September, 2017 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. Voting through electronic means:
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on Resolutions proposed to be considered at the 82nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
  - II. The facility for voting through Polling Paper shall be made available at the AGM and the members attending the meeting who have not casted their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.
  - III. The members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - IV. The remote e-voting period commences on 24th September, 2017 (9:00 am) and ends on 26th September, 2017 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a Resolution is casted by the member, the member shall not be allowed to change it subsequently.
  - V. The process and manner for remote e-voting are as under:

In case a member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:

    - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>

- (iii) Click on Shareholder - [Login](#)
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - (vii) Select "EVEN" of "Shri Dinesh Mills Limited".
  - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (xi) Once you have voted on the Resolution, you will not be allowed to modify your vote.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [scrutinizershridineshmills@gmail.com](mailto:scrutinizershridineshmills@gmail.com) or [sojitra@dineshmills.com](mailto:sojitra@dineshmills.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting, you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 20th September, 2017.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the AGM Notice and holding shares as of the cut-off date i.e. 20th September, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the Company at [sojitra@dineshmills.com](mailto:sojitra@dineshmills.com)
- However, if you are already registered with NSDL for remote e-voting, you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.
- XIII. Mr. Kashyap Shah, Practicing Company Secretary (Membership No. FCS 7662) and Proprietor of M/s. Kashyap Shah & Co., Practicing Company Secretaries is appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the Resolutions on which voting is to be



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- held, allow voting with the assistance of Scrutinizer, by use of "Poling Paper" for all those members who are present at the AGM but have not casted their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the 82nd AGM, will first count the votes cast at the meeting and thereafter unblock the votes casted through remote e-voting in the presence of at least two witnesses who are not in the employment of the Company and shall make, not later than three days of the conclusion of the 82nd AGM, a consolidated Scrutinizer's Report of the total votes casted in favour or against, if any, to the Chairman, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the Report of the Scrutinizer shall be placed on the website of the Company [www.dineshmills.com](http://www.dineshmills.com) and on the website of NSDL immediately after the declaration of result by the Chairman. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
- XVII. The Notice of this AGM and Annual Financial Statement, Boards' Report, Auditors Report etc. will be placed on the website of the Company viz. [www.dineshmills.com](http://www.dineshmills.com)
- XVIII. The members holding shares in the physical form can prefix 106990 with their folio no. as LOGIN ID and for Password contact the Company to cast their votes electronically.
9. 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.

**ANNEXURE TO THE NOTICE  
ANNEXURE : A**

**THE INFORMATION AS PER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS &  
DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (ITEM No. 3)**

The details as required pursuant to the Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are as under:-

**Name** : **Shri Bharatbhai U. Patel**  
Age : 63 years  
Qualifications : B. Text, M.B.A. (U.S.A.)  
Expertise : Wide expertise in the overall management of Textile Company  
Tenure : Director of the Company since 12/05/1973  
Shareholding in the Company : 4,91,710 equity shares of Rs.10/- each  
Other Directorships :

<u>Sr. No.</u>	<u>Name of the Company</u>	<u>Position Held</u>	<u>Member/Chairman of Committee of the Company</u>
1	Dinesh Remedies Ltd.	Director	None
2	Gujarat Sheep & Wool Development Corporation Ltd.	Director	None
3	Parikamma Investment Pvt. Ltd.	Chairman	None

Inter relationship : He is related to Shri Nimishbhai Patel, Managing Director of the Company.



**ANNEXURE: B**  
**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE**  
**COMPANIES ACT, 2013 (ITEM No. 5)**

**ITEM No. 5 TO CONSIDER REVISION IN THE MANAGERIAL REMUNERATION OF CHARMAN & MANAGING DIRECTOR (CMD) AND MANAGING DIRECTOR (MD)**

**PART - A: REVISION IN THE REMUNERATION OF CMD:**

Members are aware that, Shri Bharatbhai Patel, after completing his B. Text. and M.B.A., is rendering his valuable services to the Company since 1973 and has very rich experience of more than 44 years in the textile industry. He has made significant contribution to the progress of the Company in consultation with other members of the Board from time to time. He was elevated as Chairman & Managing Director of the Company w. e. f. 1st April, 2010 and the Company is paying the remuneration with the Basic Salary of Rs.3,50,000/- per month and the Allowances & Perquisites not exceeding the Basic Salary to him since 1st April, 2011.

Members are also aware that, the erstwhile Maharani Woolen Mills Ltd. was acquired in July, 1935 through Court Liquidator and the same was renamed as Shri Dinesh Mills Ltd. w.e.f. 1st July, 1935 and our Company had to face ups and down during more than eight decades of the existence. During this period, majority of medium size textile sector companies including some of the large companies had to close down their operations. Despite this fact and cut throat competitive environment over the globe, our Company could survive due to untiring efforts, timely actions taken / changes made in consultation with other members of the Board of Directors of our Company from time to time. The Company is paying the remuneration to Shri Bharatbhai Patel as per provisions of the Schedule V to the Companies Act, 2013 read with Section 197 of the Companies Act, 2013 and the remuneration of even senior level executives have been increased substantially. In order to enable the Company to continue to get the benefit of wide and varied knowledge and experience of Shri Bharatbhai Patel, members of the Nomination, Remuneration & Compensation Committee and Board of Directors at their respective meetings held on 11th November, 2016 approved the revision in the remuneration of Shri Bharatbhai Patel, Chairman & Managing Director of the Company for the period from 1st April, 2017 to 31st March, 2018 subject to approval of the Shareholders of the Company as per details given hereunder considering the Notification dated 12th September, 2016 issued by the Ministry of Corporate Affairs, Govt. of India.

1. Basic Salary: Rs.4,00,000/- 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 Cars with driver and telephone at his residence shall not be included in the computation of the above ceiling of allowances & perquisites, use of cars 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.

Members of the Board were of the view that, our Company is a unique Composite Textile sector Company manufacturing suiting and Machine Clothing, comparative managerial remuneration being paid by other Companies are not comparable with textile sector companies and therefore, the revision in 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, 2013 read with Schedule V thereto.



The details pursuant to Part II, Section II(A)(iv) of the Schedule V of the Companies Act, 2013 are as under:

**I General Information:**

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

(Rs. in Lakhs)

SR.No	Particulars	2016-2017	2015-2016
1	Sales Turnover	7929	7809
2	Operating Profit (PBDIT)	1113	1214
3	Interest	207	220
4	Net Profit	244	290
5	Dividend (%)	15 *	15
6	Net Worth	10412	10168
7	Book Value per Share of Rs.10/- each	205	200
8	E.P.S. (Rs.)	4.81	5.71

\* proposed

- (4) 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.
- (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 hereinabove.
- (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 looking to his experience and contribution 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, 2013.
- (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 sluggish domestic & international markets and intense competition on prices, our Company could achieve marginal increase in the sales turnover but the net profit has been adversely affected.
- (2) Steps taken or proposed to be taken for improvement: 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 Deed of Variation to be executed between the Company and Shri Bharatbhai Patel is available



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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 82nd Annual General Meeting.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for the approval by the Shareholders of the Company.

Except Shri Bharatbhai Patel and Shri Nimishbhai Patel, no other Directors and Key Managerial Personnel are in any way concerned or interested, financial or otherwise, in the Resolution at Item No. 5 of the Notice.

### **PART - B: REVISION IN THE REMUNERATION OF MD:**

Members are aware that, Nimishbhai Patel, after completing his B.B.A. and M.B.A., is rendering his valuable services to the Company since 1990 and has very rich experience of more than 26 years in the textile industry and more than 11 years in Pharma industry. He is also rendering honorary services as Chairman & Managing Director of our subsidiary company viz. Dinesh Remedies Ltd. He has made significant contribution to the progress of these Companies in consultation with other members of the Board from time to time. In consideration of the valuable services rendered by him, the Board of Directors at their meeting held on 31st March, 2010 elevated him as the Managing Director of the Company w.e.f. 1st April, 2010 and the Company is paying the remuneration with the Basic Salary of Rs.3,50,000/- per month and the Allowances & Perquisites not exceeding the Basic Salary to him since 1st April, 2011.

Members are also aware that, the erstwhile Maharani Woolen Mills Ltd. was acquired in July, 1935 through Court Liquidator and the same was renamed as Shri Dinesh Mills Ltd. w.e.f. 1st July, 1935. Members may also be aware that, our Company had to face ups and down during more than eight decades of the existence. During this period, majority of medium size textile sector companies including some of the large companies had to close down their operations. Despite this fact and cut throat competitive environment over the globe, our Company could survive during this period due to untiring efforts, timely actions taken / changes made in consultation with other members of the Board of Directors of our Company from time to time. The Company is paying the remuneration to Shri Nimishbhai Patel as per Schedule V to the Companies Act, 2013 read with Section 197 of the Companies Act, 2013 and the remuneration of even senior level executives have been increased substantially. In order to enable the Company to continue to get the benefit of wide and varied knowledge and experience of Shri Nimishbhai Patel, members of the Nomination, Remuneration & Compensation Committee and Board of Directors at their respective meetings held on 11th November, 2016 approved the revision in the remuneration of Shri Nimishbhai Patel, Managing Director of the Company for the period from 1st April, 2017 to 31st March, 2018 subject to approval of the Shareholders of the Company as per details given hereunder considering the Notification dated 12th September, 2016 issued by the Ministry of Corporate Affairs, Govt. of India.

1. Basic Salary: Rs.4,00,000/- per month
2. Allowances & Perquisites:
  - i) The 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 Cars with driver and telephone at his residence shall not be included in the computation of the above ceiling of allowances & perquisites, use of cars for private purpose and personal long distance calls on telephone shall be billed by the Company to the 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 Managing Director shall not be included in the computation of the aforesaid limits of the remuneration.

Members of the Board were of the view that, our Company is a unique Composite Textile sector Company manufacturing suiting and Machine Clothing, comparative managerial remuneration being paid by other Companies are not comparable with textile sector companies and therefore, the revision in 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, 2013 read with Schedule V thereto.

The details pursuant to Part II, Section II(A)(iv) of the Schedule V of the Companies Act, 2013 are as under:

**I General Information:**

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

(Rs. in Lakhs)

SR.No	Particulars	2016-2017	2015-2016
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6	Net Worth	10412	10168
7	Book Value per Share of Rs.10/- each	205	200
8	E.P.S. (Rs.)	4.81	5.71

\* proposed

- (4) 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.
- (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 hereinabove.
- (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 looking to his experience and contribution 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, 2013.
- (7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any: He is related to Shri Bharatbhai Patel, Chairman & 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 sluggish domestic & international markets and intense competition on prices, our Company could achieve marginal increase in the sales turnover but the net profit has been adversely affected.
- (2) Steps taken or proposed to be taken for improvement: 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 Deed of Variation to be executed between the Company and Shri Nimishbhai Patel is available



## **SHRI DINESH MILLS LTD.**

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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 82nd Annual General Meeting.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for the approval by the Shareholders of the Company.

Except Shri Bharatbhai Patel and Shri Nimishbhai Patel, no other Directors and Key Managerial Personnel are in any way concerned or interested, financial or otherwise, in the Resolution at Item No. 5 of the Notice.

**Regd. Office :**

P.O. Box No. 2501,  
Padra Road,  
Vadodara - 390 020.  
Dated : 30th May, 2017

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

**J. B. SOJITRA**  
**COMPANY SECRETARY**

## BOARDS' REPORT

To,  
The Members,  
Shri Dinesh Mills Limited.

Your Directors have pleasure in presenting their Report together with the Annual Financial Statement for the year ended 31st March, 2017

### 1. PERFORMANCE OF THE COMPANY (Rs.in Lakhs)

PARTICULARS	2016-2017	2015-2016
SALES TURNOVER (NET)	7929	7809
PROFIT BEFORE DEPRECIATION, INTEREST & TAX (PBDIT)	1113	1214
NET PROFIT	244	290

### 2. DIVIDEND

Your Directors have recommended for your consideration Dividend of Rs. 1.50 per Equity share (Previous year Rs.1.50 per Equity share) on 50,84,382 equity shares of Rs.10/- each amounting to Rs. 76,26,573/- for the financial year ended 31st March, 2017.

### 3. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The Company has already transferred unclaimed dividend upto financial year 2008- 2009 to IEPF during the year under review. The Dividend for the financial year 2009-2010 will be transferred to IEPF in the current financial year i.e. 2017-2018 on due date as mentioned in the Note No. 5 of the ensuing 82nd AGM Notice.

### 4. 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 and the industry has to face various internal & external challenges and our Company is not an exception to these challenges. Despite sluggish domestic & international markets and intense competition on prices, our Company could achieve marginal increase in the sales turnover of Rs.7929/- Lakhs but the net profit has been reduced to Rs.244/- Lakhs during the year under review as compared to Rs.7809/- Lakhs and Rs.290/- Lakhs respectively of the previous year.

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

##### Highlights

(Rs. in Lakhs)

Sr. No.	Particulars	2016 - 2017	2015 - 2016
1	Sales Turnover (Net)	7929	7809
2	Operating profit (PBDIT)	1113	1214
3	Depreciation	754	745
4	Interest	207	220
5	Profit before Tax	152	249
6	Provision for Taxation	(92)	(41)
7	Net Profit	244	290

#### C. OVERALL OUTLOOK

Demonetization of currency notes has created liquidity crisis which has adversely affected the sales turnover of Suiting Division. However, due to increase in the sales turnover of Industrial Fabrics, Sales



## SHRI DINESH MILLS LTD.

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turnover of the Company was marginally increased during the year under review. The Global economy is expected to be sluggish and demand for textile products would be low. The supply of fabrics by China on very low prices would continue to put pressure on prices and profits. However, our Company is taking appropriate steps to mitigate the adverse impact to the extent possible.

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. The Company has adopted the concept of pre-audit and therefore, the mistakes, if any are rectified before the transactions are finally booked in the Accounts of the Company.

### **E. INDUSTRIAL RELATIONS**

The industrial relations both at Baroda and Ankleshwar units have remained cordial. As on 31st March, 2017, there were 930 employees in the Company.

### **5. MATERIAL CHANGES AND COMMITMENT, IF ANY**

There are no other material changes and commitments affecting the financial position of the Company occurred from 1st April, 2017 to the date of this Report.

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

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure - "A" attached to this Report.

### **7. RISK MANAGEMENT**

The Company has been taking appropriate actions pursuant to Risk Management Policy from time to time to mitigate adverse impact of various Risks which may adversely affect the performance of the Company and may threaten the very existence of the Company. The provisions relating to Risk Management Committee is not applicable to the Company.

### **8. THE CORPORATE SOCIAL RESPONSIBILITY**

As the provisions relating to the Corporate Social Responsibility (CSR) as prescribed u/s. 135 of the Companies Act, 2013 along with Rules made thereunder are not applicable to our Company and therefore, neither the CSR Committee nor the CSR Policy are required to be framed by the Company.

### **9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

During the year under review, the Company has not given any loans, guarantees or made investments pursuant to Section 186 of the Companies Act, 2013.

### **10. THE RELATED PARTY TRANSACTIONS**

During the year under review, the transactions with Related Parties were not material, entered into in the ordinary course of business and on Arms' length basis. However, as Good Corporate Governance practice, the particulars of Related Parties transactions are given in Note No. 31 attached to the Annual Financial Statement.

### **11. AUDITORS REPORTS**

The Auditors' Report issued by M/s. Dhirubhai Shah & Doshi on the Accounts is self-explanatory and therefore, does not call for any explanation. There were no qualifications, reservations or adverse remarks made by the above referred Statutory Auditors.

The Secretarial Audit Report issued by the Secretarial Auditor, M/s. Kashyap Shah & Co., Practicing Company Secretaries, Vadodara is self explanatory and therefore, does not call for any explanation except the penalty paid by the Company to the BSE Ltd. for 7 days delay in submission of Un-audited Financial Results for the quarter & nine months ended 31st December, 2016 due to automatic adjournment of the Board Meeting for want of quorum from 14/02/2017 to 21/02/2017. There were no other qualifications, reservations or adverse remarks made by the above referred Secretarial Auditor. The copy of the Secretarial Audit Report is attached as Annexure - "B" to this Report.

**12. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The appointment of Directors, Key Managerial Personnel (KMP), payment of remuneration and discharge of their duties are as per the Remuneration Policy framed by the Company pursuant to Section 178(3) of the Companies Act, 2013. The Remuneration Policy can be viewed at Company's website [www.dineshmills.com](http://www.dineshmills.com) in "Investors" Section

**13. WOMAN HARRASSMENT**

The Company has formed the Committee to deal with the complaints, if any regarding sexual harassment of woman employees and no complaint was received by the Committee during the financial year 2016 - 2017.

**14. ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Annexure - "C" attached to this Report.

**15. THE MEETINGS OF THE BOARD OF DIRECTORS**

During the year under review, six meetings of Board of Directors of the Company were held on 30/05/2016, 11/08/2016, 27/09/2016, 11/11/2016, 21/02/2017 and 29/03/2017.

**16. KEY MANAGERIAL PERSONNEL (KMP) AND REMUNERATION**

Shri Bharatbhai Patel, Chairman & Managing Director, Shri J B Sojitra, Company Secretary and Shri Sudip Ray, Chief Financial Officer are the KMP of the Company pursuant to Section 203 of the Companies Act, 2013 and the Rules made thereunder.

During the year under review, Shri M. B. Thummar resigned as Chief Financial Officer (CFO) of the Company w.e.f 01/02/2017 and Shri Sudip Ray has been appointed as CFO w.e.f. 30th May, 2017.

**REMUNERATION ETC. PURSUANT TO SECTION 197(12) AND THE RULES MADE THEREUNDER ARE AS UNDER:**

- a) The ratio of the Remuneration of each Director to the median employee's remuneration for the financial year and such other details as given hereunder:
  - (1) Name : Shri Bharatbhai Patel (Chairman & Managing Director)  
Ratio: 84:1
  - (2) Name: Shri Nimishbhai Patel (Managing Director)  
Ratio: 84:1
- b) The percentage increase in Remuneration of each Director, Chief Financial Officer, Company Secretary during the financial year:
  - (1) Shri Bharatbhai Patel - Chairman & Managing Director : NIL%
  - (2) Shri Nimishbhai Patel - Managing Director : NIL%
  - (3) Shri M. B. Thummar-Chief Financial Officer (Upto 31/01/2017): NIL%
  - (4) Shri J. B. Sojitra - Company Secretary : 6.37%
- c) The percentage increase in the median remuneration of employees in the financial year: 3.37%
- d) The number of permanent employees on the Roll of the Company: 930
- e) The explanation on the relationship between average increase in Remuneration and Company performance: The Net Profit of the Company has been adversely affected but to retain the employees, normal increments are given also considering the inflation. However, there is no increase in the managerial remuneration of Shri Bharatbhai Patel and Shri Nimishbhai Patel, Managing Directors of the Company during the year under review.
- f) Comparison of the Remuneration of the Key Managerial Personnel (KMP) against the performance of the company: The turnover has been marginally improved whereas the profitability of the Company has been reduced from Rs. 290 Lakhs to Rs. 244 Lakhs. The Company has given normal yearly increment to KMP (excluding the remuneration of Managing Directors).



## SHRI DINESH MILLS LTD.

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### 17. CORPORATE GOVERNANCE

The Report on Corporate Governance pursuant to the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 along with the certificate of M/s. Dhirubhai Shah & Doshi, Chartered Accountants, Auditors of the Company are attached herewith as Annexure - "D" and Annexure - "E" respectively.

### 18. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has only one Subsidiary Company viz. Dinesh Remedies Ltd., engaged in manufacturing of Empty hard Gelatin Capsules Shells at Village Mahuvad, Haranmal Road, Padra-Jambusar Highway, Taluka Padra, District Vadodara - 391 440. There are no other Joint Ventures and Associate companies.

### 19. DEPOSITS

The Company has neither accepted nor renewed any deposits pursuant to Section 73 and 76 of the Companies Act, 2013 and Rules made thereunder during the financial year 2016 - 2017.

### 20. DIRECTORS

During the year under review, Shri A. T. Patel, Independent Director and Shri Upendrabhai Patel, Chairman Emeritus of the Company had resigned with effect from 31st May, 2016.

Shri Upendrabhai Patel, Ex-Chairman Emeritus passed away on 14th February, 2017. The Board appreciates the valuable contribution and guidance given by late Shri Upendrabhai Patel during his tenure.

Pursuant to Section 149 and 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors are not liable to retire by rotation whereas other Directors are liable to retire by rotation and accordingly, Shri Bharatbhai Patel, Chairman & Managing Director of the Company would retire by rotation and being eligible, offer himself for re-appointment. The particulars of the Director retiring by rotation and seeking re-appointment have been given in the Notice of the ensuing 82nd Annual General Meeting of the members of the Company.

### 21. DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors have given the declaration that, they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 read with Rules made thereunder.

### 22. PERFORMANCE EVALUATION OF DIRECTORS

The performance evaluation of all the Directors including Independent Directors and the Board as a whole which includes the Committees thereof was done on 29th March, 2017 as per the Performance Evaluation Policy of the Company.

As per provisions of the Companies Act, 2013 read with Rules made thereunder, a separate meeting of the Independent Directors was held on 29th March, 2017 to consider the following agenda:

- a) Review the performance of Non-Independent Directors and the Board as a whole.
- b) Review the performance of the Chairperson of the Company.
- c) Asses the efficacy and adequacy of flow of information.

Except Mrs. Tarunaben Patel, all other Independent Directors of the Company were present in the meeting held on 29th March, 2017 and they considered the above referred agenda.

### 23. STATUTORY AUDITORS

The tenure of M/s. Dhirubhai Shah & Doshi, Chartered Accountants, Ahmedabad would expire on the conclusion of the ensuing 82nd Annual General Meeting. The Company has received a letter dated 15th May, 2017 from the above referred Auditors to the effect that, if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013. The continuance of appointment and payment of remuneration to M/s. Dhirubhai Shah & Doshi, Chartered Accountants are proposed to be approved in the ensuing 82nd Annual General Meeting.

### 24. COMPOSITION OF AUDIT COMMITTEE AND VIGIL MECHANISM

Presently, the Audit Committee consists of three Independent Directors viz. Shri Rakesh Agrawal, Shri T. M. Patel and Shri Sanjiv Shah.

The Board of Directors of the Company had established the Vigil Mechanism pursuant to Section 177(9) of the Companies Act, 2013 and Rules made for Directors and Employees to report their genuine concerns.



However, there were no instances reported to the Chairman of the Audit Committee during the year under review. The Whistle Blower Policy can be viewed at Company's website [www.dineshmills.com](http://www.dineshmills.com) in "Investors" Section.

**25. SHARES:**

- (a) **BUY BACK OF SECURITIES:** The Company has not bought back any of its securities during the year under review.
- (b) **SWEAT EQUITY:** The Company has not issued any Sweat Equity Shares during the year under review.
- (c) **BONUS SHARES:** No Bonus Shares were issued during the year under review.
- (d) **EMPLOYEES STOCK OPTION PLAN:** The Nomination, Remuneration & Compensation Committee at its meeting held on 21st February, 2017 granted 54,000 Options to the employees pursuant to "Shri Dinesh Mills Ltd. - Employees Stock Option Scheme, 2016". The Options granted can be exercised within three months from the date of vesting at the price of Rs.10/- per equity share as per the Vesting Schedule given hereunder:

Vesting Schedule:	<ul style="list-style-type: none"> <li>(1) 30% of the Options granted (i.e. 16,200 Options) will be vested on 20th February, 2018,</li> <li>(2) 30% of the Options granted (i.e. 16,200 Options) will be vested on 20th February, 2019 and</li> <li>(3) The balance 40% (i.e. 21,600 Options) of the Options granted will be vested on 20th February, 2020</li> </ul>
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**26. EMPLOYEES' REMUNERATION:**

The details of the remuneration paid to the employees during the year under review are given in the Annexure - "F" to this Report pursuant to Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

**27. INSURANCE:**

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

**28. DIRECTORS RESPONSIBILITY STATEMENT**

Your Directors confirm that:

- (a) in the preparation of the Annual Accounts for the financial year 2016-2017, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such Accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the Annual Accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the Company and that, such internal financial controls are adequate and were operating effectively.
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**29. ACKNOWLEDGEMENTS**

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

For and on behalf of the Board of Directors

Place : Vadodara  
Date : 30th May, 2017

**BHARAT PATEL**  
CHAIRMAN



## SHRI DINESH MILLS LTD.

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### ANNEXURE : A

#### A. CONSERVATION OF ENERGY:

- (a) The steps taken or impact on Conservation of Energy: During the year under review, 150 LED Tube Lights of 18W had been replaced in place of 36W Fluorescent tube lights in the fabric inspection machines.
- (b) The steps taken by the Company for utilizing alternate sources of Energy: None
- (c) The Capital Investments on Energy Conservation Equipments: None

#### B. TECHNOLOGY ABSORPTION:

As no foreign technology is imported, the question of its absorption does not arise.

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Rs. in Lakhs)

Year	Earnings	Outgo
2016-2017	806	1791

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### FORM 'A'

#### RESEARCH & DEVELOPMENT:

The R & D department of the Company is actively involved in product & process improvement / development as well as monitoring of Effluent Treatment Plants of the Company.

Expenditure on R & D: Rs. 23.69 Lacs

Place : Vadodara  
Date : 30th May, 2017

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

**Annexure-B**  
**Secretarial Audit Report**

(For the Financial year ended on 31st March, 2017)

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

To,  
The Members,  
**SHRI DINESH MILLS LIMITED**  
P.O. Box No. 2501, Padra Road  
Vadodara - 390 020

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by Shri Dinesh Mills Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2017, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings. - Not Applicable to the Company during the Audit period;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
  - A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. - Not Applicable to the Company during the Audit Period;
  - D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - Not Applicable to the Company during the Audit Period;
  - F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2011 regarding the Companies Act and dealing with client;
  - G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. - Not Applicable to the Company during the Audit Period; and
  - H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. - Not Applicable to the Company during the Audit Period;



## SHRI DINESH MILLS LTD.

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- I. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have also examined compliance with the applicable clauses of the following: (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above except as per Regulation 33 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, quarterly financial results could not be submitted to BSE Ltd. within 45 days from the quarter ended on 31st December 2016.

Further, as per representation of management letter, considering its nature of business, process and location, the following Acts are specifically applicable to the Company. There are adequate systems and processes in the company to monitor and ensure compliance.

1. The Water (prevention and control of pollution) Act, 1974 & Rules
2. Air (Prevention & Control of Pollution) Act, 1981 & Rules
3. Environment Protection Act, 1986 & Rules
4. Water Cess Act, 1997 & Rules

**We further report that;**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the Audit period, all the decisions were taken by the Board of Directors or Committee of the Board without any dissent by any of the Directors of the Company as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that during the audit period, the Company has passed following major special resolutions at Annual General Meeting held on 27.09.2016:

- (a) For variation of remuneration of Mr. Bharabhai Patel, Chairman & Managing Director for period of two years from 01.04.2016 to 31.03.2018.
- (b) For appointment of Mr. J. B. Sojitra as an Executive Director (Corporate Affairs & Company Secretary) w.e.f. 01.06.2016
- (c) For approval of ESOP Scheme, 2016

For **Kashyap Shah & Co.**  
Practising Company Secretaries  
**(Kashyap Shah)**  
Proprietor  
FCS No. 7662; CP No. 6672

Place: Vadodara  
Date: May 16, 2017

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

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## Annexure to Secretarial Audit Report

To  
The members,  
**SHRI DINESH MILLS LIMITED**  
P.O. Box No. 2501,  
Padra Road  
Vadodara - 390 020

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

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

For **Kashyap Shah & Co.**  
Practising Company Secretaries  
**(Kashyap Shah)**  
Proprietor  
FCS No. 7662; CP No. 6672

Place: Vadodara  
Date: May 16, 2017



**SHRI DINESH MILLS LTD.**

**ANNEXURE - "C"  
FORM No. MGT-9  
EXTRACT OF ANNUAL RETURN**

as at the Financial Year ended on 31st March, 2017  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

(i)	Corporate Identification Number (CIN)	L17110GJ1935PLC000494
(ii)	Registration Date	01/07/1935
(iii)	Name of the Company	SHRI DINESH MILLS LIMITED
(iv)	Category / Sub-Category of the Company	Indian Non-Govt. Company
(v)	Address of the Registered office and contact details	P. B. No.2501, Padra Road, Vadodara - 390020
(vi)	Whether Listed company	Listed Public Company
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS SHARE TRANSFER AGENT LTD. Administrative Office: 10, Aaram Apartments, 12, Sampatrao Colony, Behind Laxmi Hall, Alkapuri, Vadodara-390007

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1.	Woolen & Worsted Fabrics	131	39%
2	Paper Makers' Felt	13999	61%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of shares held	Applicable Section
1	Dinesh Remedies Ltd. Shri Dinesh Mills premises, Akota Road, Vadodara	U24230GJ2005PLC045447	SUBSIDIARY	55.52%	Section 2(46)

**IV. SHARE HOLDING PATTERN: (Equity Share Capital Breakup as percentage of Total Equity)**

**(i) Category-wise shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year (1st April, 2016)				No. of Shares held at the end of the year (31st March, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	2288372	0	2288372	45.01	2288372	0	2288372	45.01	NIL
b) Central Govt.	0	0	0	0	0	0	0	0	NIL
c) State Govt.(s)	0	0	0	0	0	0	0	0	NIL
d) Bodies Corporate	0	0	0	0	0	0	0	0	NIL
e) Banks / FI	0	0	0	0	0	0	0	0	NIL

Category of Shareholders	No. of Shares held at the beginning of the year (1st April, 2016)				No. of Shares held at the end of the year (31st March, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Any other	0	0	0	0	0	0	0	0	NIL
<b>Sub Total (A) (1):-</b>	<b>2288372</b>	<b>0</b>	<b>2288372</b>	<b>45.01</b>	<b>2288372</b>	<b>0</b>	<b>2288372</b>	<b>45.01</b>	<b>NIL</b>
<b>(2) Foreign</b>									
a) NRIs- Individuals	0	0	0	0	0	0	0	0	NIL
b) Others - Individuals	0	0	0	0	0	0	0	0	NIL
c) Bodies Corporate	0	0	0	0	0	0	0	0	NIL
d) Banks/FI	0	0	0	0	0	0	0	0	NIL
e) Any Other.	0	0	0	0	0	0	0	0	NIL
<b>Sub Total (A)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>NIL</b>
<b>Total shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>2288372</b>	<b>0</b>	<b>2288372</b>	<b>45.01</b>	<b>2288372</b>	<b>0</b>	<b>2288372</b>	<b>45.01</b>	<b>NIL</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	10	10	0.00	0	10	10	0.00	NIL
b) Banks / FI	2770	990	3760	0.07	2770	990	3760	0.07	NIL
c) Central Govt.	0	0	0	0	0	0	0	0	NIL
d) State Govt.(s)	0	0	0	0	0	0	0	0	NIL
e) Venture Capital Funds	0	0	0	0	0	0	0	0	NIL
f) Insurance Companies	0	0	0	0	0	0	0	0	NIL
g) FIs	0	0	0	0	0	0	0	0	NIL
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	NIL
i) Others (specify)	0	0	0	0	0	0	0	0	NIL
<b>Sub-total (B)(1):-</b>	<b>2770</b>	<b>1000</b>	<b>3770</b>	<b>0.07</b>	<b>2770</b>	<b>1000</b>	<b>3770</b>	<b>0.07</b>	<b>NIL</b>
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	97507	6870	104377	2.05	102734	6870	109604	2.16	0.11
ii) Overseas	0	0	0	0	0	0	0	0	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2/- lakh.	1576627	338250	1914877	37.66	1451136	327000	1778136	34.97	(2.69)
ii) Individual shareholders holding nominal share capital in excess of Rs. 2/- Lakh	682374	0	682374	13.42	805792	0	805792	15.85	2.43
<b>c) Others, (specify)</b>									
Non Resident Indians	90282	330	90612	1.78	98378	330	98708	1.94	0.16
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	NIL
Foreign Nationals	0	0	0	0	0	0	0	0	NIL



## SHRI DINESH MILLS LTD.

Category of Shareholders	No. of Shares held at the beginning of the year (1st April, 2016)				No. of Shares held at the end of the year (31st March, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Clearing Members	0	0	0	0	0	0	0	0	NIL
Trusts	0	0	0	0	0	0	0	0	NIL
Foreign Bodies - D R	0	0	0	0	0	0	0	0	NIL
<b>Sub-total (B)(2):-</b>	<b>2446790</b>	<b>345450</b>	<b>2792240</b>	<b>54.92</b>	<b>2458040</b>	<b>334200</b>	<b>2792240</b>	<b>54.92</b>	<b>NIL</b>
<b>Total Public Shareholding (B)= (B)(1)+ (B)(2)</b>	<b>2449560</b>	<b>346450</b>	<b>2796010</b>	<b>54.99</b>	<b>2460810</b>	<b>335200</b>	<b>2796010</b>	<b>54.99</b>	<b>NIL</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	NIL
<b>Grand Total (A+B+C)</b>	<b>4737932</b>	<b>346450</b>	<b>5084382</b>	<b>100</b>	<b>4749182</b>	<b>335200</b>	<b>5084382</b>	<b>100</b>	<b>NIL</b>

### (ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (i.e. 1st April, 2016)			Shareholding at the end of the year (i.e. 31st March, 2017)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Shri Upendrabhai Maganbhai Patel	531655	10.46	NIL	531655	10.46	NIL	NIL
2	Shri Bharatbhai Upendrabhai Patel	376300	7.40	NIL	376300	7.40	NIL	NIL
3	Shri Nimishbhai Upendrabhai Patel	316360	6.22	NIL	316360	6.22	NIL	NIL
4	Shri Nimishbhai Upendrabhai Patel	257028	5.06	NIL	257028	5.06	NIL	NIL
5	Shri Aditya B. Patel	209639	4.12	NIL	209639	4.12	NIL	NIL
6	Smt. Miraben Upendrabhai Patel	181856	3.58	NIL	181856	3.58	NIL	NIL
7	Shri Bharatbhai Upendrabhai Patel	115410	2.27	NIL	115410	2.27	NIL	NIL
8	Smt. Arushaben Nimishbhai Patel	58085	1.14	NIL	58085	1.14	NIL	NIL
9	Shri Nishank Nimishbhai Patel	118199	2.32	NIL	118199	2.32	NIL	NIL
10	Smt. Minal Shekhar Desai	34640	0.68	NIL	34640	0.68	NIL	NIL
11	Smt. Ranak Kamlesh Lashkari	34060	0.67	NIL	34060	0.67	NIL	NIL
12	Smt. Roopaben Bharatbhai Patel	29140	0.57	NIL	29140	0.57	NIL	NIL
13	Ms. Jemika Bharatbhai Patel	20560	0.40	NIL	20560	0.40	NIL	NIL
14	Shri Adityabhai Bharatbhai Patel	3960	0.08	NIL	3960	0.08	NIL	NIL
15	Shri Aditya Bharatbhai Patel	880	0.02	NIL	880	0.02	NIL	NIL
16	Ms. Jemika Bharatbhai Patel	600	0.01	NIL	600	0.01	NIL	NIL



**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. No.		Shareholding at the beginning of the year (1st April, 2016)		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total
1	At the beginning of the year (1st April, 2016)	2288372	45.01%	2288372	45.01%
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	-	-	-	-
3	At the end of the year (31st March, 2017)	2288372	45.01%	2288372	45.01%

**(iv) Shareholding Pattern of top 10 shareholders (other than Directors, Promoters and Holders of GDRs and ADRs))**

Sr. No.	For each of Top 10 Shareholders	Shareholding at the beginning of the year (i.e. 01.04.2016)		Shareholding at the Ending of the year (i.e. 31.03.2017)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sharad Kanayalal shah Varsha Sharad Shah Dipak Kanayalal Shah	104963	2.06	104963	2.06
2	Pranav Kumarpal Parekh Sanjeev Vinodchandra Parekh	86220	1.70	93054	1.83
3	Vinodchandra Mansukhlal Parekh Sanjeev Vinodchandra Parekh	90721	1.78	90721	1.78
4	Ashok Kumar Jain	43816	0.86	80301	1.58
5	Preeti Anand Patel	76750	1.51	76750	1.51
6	Varsha Sharad Shah Sharad Kanayalal Shah Dipak Kanayalal Shah	64466	1.27	64466	1.27
7	Muktilal Ganulal Paldiwal Taradevi Muktilal Paldiwal	37102	0.73	59537	1.17
8	Jigna Kanayalal Shah Sharad Kanayalal Shah Dipak Kanayalal Shah	44150	0.87	51336	1.01
9	Vinodchandra Mansukhlal Parekh	46328	0.91	46328	0.91
10	Anshul Saigal			43281	0.85
11	Sangita Kumarpal Parekh Kumarpal Mansukhlal Parekh	41584	0.82	41584	0.82
12	Jitendra Mansukhlal Parekh Sanjeev Vinodchandra Parekh	37530	0.74	37530	0.74
	Total	673630	13.25	789851	15.53



## SHRI DINESH MILLS LTD.

### (v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year (01/04/2016)				
(1)	Shri U M Patel = 531655 shares	1597834	31.43%	-	-
(2)	Shri B U Patel (CMD-KMP) = 491710 shares				
(3)	Shri N U Patel = 573388 shares				
(4)	Shri A. T. Patel = 50 shares				
(5)	Shri J. B. Sojitra = 11 Shares				
(6)	Shri T. M. Patel = 1020 shares				
(7)	Shri Rakesh Agrawal = NIL				
(8)	Shri Sanjiv Shah = NIL				
(9)	Mrs. Tarunaben Patel = NIL				
(10)	Shri J B Sojitra = 11 shares (CS-KMP)				
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.).	-	-	-	-
	At the end of the year (31/03/2017)				
(1)	Shri B U Patel (CMD-KMP) = 491710 shares	1066129	20.97%	-	-
(2)	Shri N U Patel = 573388 shares				
(3)	Shri J. B. Sojitra = 11 shares				
(4)	Shri T. M. Patel = 1020 shares				
(5)	Shri Rakesh Agrawal = NIL				
(6)	Mrs. Tarunaben Patel = NIL				
(7)	Shri Sanjiv Shah = NIL				
(8)	Shri J B Sojitra = 11 shares (CS-KMP)				

**V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.** (Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (i.e. 01/04/2016)</b>				
i) Principal Amount	130070062	0	45000	130115062
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i + ii + iii)</b>	<b>130070062</b>	<b>0</b>	<b>45000</b>	<b>130115062</b>
<b>Change in Indebtedness during the financial year (2016 - 2017)</b>				
* Addition 0	0	0	0	
* Reduction	37730530	0	0	37730530
<b>Net Change</b>	<b>(37730530)</b>	<b>0</b>	<b>0</b>	<b>(37730530)</b>
<b>Indebtedness at the end of the financial year (i.e. 31/03/2017)</b>				
i) Principal Amount	92339532	0	45000	92384532
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i + ii + iii)</b>	<b>92339532</b>	<b>0</b>	<b>45000</b>	<b>92384532</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager/KMP			Total Amount (Rs.)
		Shri B U Patel (CMD)	Shri N U Patel (MD)	Shri J.B.Sojitra (E.D. & C.S.)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9162846	9162846	1747820	20073512
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	420000	420000	20400	860400
	(c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	See Note *	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL	NIL
	- as % of profit				
	- others, specify				
5	Others, please specify	NIL	NIL	NIL	NIL
	<b>Total (A)</b>	<b>9582846</b>	<b>9582846</b>	<b>1768220</b>	<b>20933912</b>
	Ceiling as per the ActAs per Schedule V to the Companies Act, 2013				

Note: \*The Nomination, Remuneration & Compensation Committee at its meeting held on 21st February, 2017 granted 9,000 Options pursuant to "Shri Dinesh Mills Ltd. - Employees Stock Option Scheme, 2016". The Options granted can be exercised within three months from the date of vesting at the price of Rs.10/- per equity share.



## SHRI DINESH MILLS LTD.

### B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount (Rs.)
		ATP	SMS	TMP	RA	TPP	UMP	
1	Independent Directors							
	Fee for attending Board & Committee meetings	37000	141000	130000	130000	48000	NIL	486000
	Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Total (1)</b>	<b>37000</b>	<b>141000</b>	<b>130000</b>	<b>130000</b>	<b>48000</b>	<b>NIL</b>	<b>486000</b>
2	Other Non-Executive Directors							
	Fee for attending Board & Committee meetings	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Total (2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	<b>Total (B)=(1+2)</b>	<b>37000</b>	<b>141000</b>	<b>130000</b>	<b>130000</b>	<b>48000</b>	<b>0</b>	<b>486000</b>
Total Managerial Remuneration (A+B)		Rs.2,14,19,912/-						
Overall Ceiling as per the Act		As per Schedule V to the Companies Act, 2013 & Rules.						

ATP: Shri A. T. Patel, SMS: Shri Sanjiv M. Shah, TMP: Shri T. M. Patel, RA: Shri Rakesh Agrawal, TPP: Mrs. Taruna P. Patel and UMP: Shri Upendra M. Patel.

### C. Remuneration to Key Managerial Personnel other than MD /Manager / WTD during the financial year 2016 - 2017

Sr. No.	Particulars of Remuneration Key Managerial Personnel	Key Managerial Personnel			Total
		CEO	CS	CFO (upto 31/01/2017)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	As per the details given at Sr. VI hereinabove	1072692	1072692
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	NIL		8850	8850
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	NIL		NIL	NIL
2 Stock Option	NIL	NIL		NIL	
3 Sweat Equity	NIL	NIL		NIL	
4 Commission					
- as % of profit					
- others, specify	NIL		NIL	NIL	
5 Others, please specify	NIL		NIL	NIL	
	<b>Total</b>	<b>NIL</b>		<b>1081542</b>	<b>1081542</b>

CEO: Chief Executive Officer,

CS: Company Secretary,

CFO: Chief Financial Officer

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	N.A.	None	None	None	None
Punishment	N.A.	None	None	None	None
Compounding	N.A.	None	None	None	None
<b>B. DIRECTORS</b>					
Penalty	N.A.	None	None	None	None
Punishment	N.A.	None	None	None	None
Compounding	N.A.	None	None	None	None
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	N.A.	None	None	None	None
Punishment	N.A.	None	None	None	None
Compounding	N.A.	None	None	None	None

Place : Vadodara  
Date : 30th May, 2017

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



## SHRI DINESH MILLS LTD.

### ANNEXURE - "D" REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the financial year 2016-2017.

#### 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 BSE 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 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.

#### BOARD OF DIRECTORS AND COMMITTEES OF DIRECTORS:

##### (A) BOARD OF DIRECTORS:

- (i) Composition: As on 31st March, 2017, the Board of Directors of the Company consisted of 7 members as per the details given hereunder. The members of the Board are from diverse field and having experience in business, finance, techno-commercial and management. The Company has Executive Chairman and the composition of the Board is in conformity with the Regulation 17(1) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 and the provisions of the Companies Act, 2013 and Rules made thereunder.
- (ii) Other Directorship: Other Directorships/Committee memberships held by the Directors are as under:

Name of Director	Category of Director	Directorship held in other Companies		Committee membership held on other Companies	
		As a Director	As a Chairman	As a Member	As a Chairman
Shri B. U. Patel	C.M.D.	2	NIL	NIL	NIL
Shri N. U. Patel	M.D.	3	1	4	1
Shri T. M. Patel	I.D.	1	NIL	3	NIL
Shri Rakesh Agrawal	I.D.	3	1	5	1
Shri Sanjiv M. Shah	I.D.	1	NIL	2	NIL
Mrs. Taruna Patel	I.D.	1	NIL	NIL	NIL
Shri U. M. Patel #	Chairman-Emeritus	1	NIL	NIL	NIL
Shri A. T. Patel #	I.D.	NIL	NIL	NIL	NIL
Shri J.B. Sojitra	E.D.	NIL	NIL	NIL	NIL

# Resigned w.e.f 31st May, 2016.

C.M.D. - Chairman & Managing Director,

M.D. - Managing Director,

I.D. - Independent Director

E.D. - Executive Director (Corporate Affairs)

Notes: (1) Excludes Directorships held in Private Limited Companies, Foreign Companies, Companies u/s. 8 of the Companies Act, 2013 and Memberships of Managing Committees of various Chambers/Institutions/Boards.

(2) Only Memberships/Chairmanships of Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Risk Management Committee and Corporate Social Responsibility Committee have been considered.

- (iii) Board Meetings held during the year & attendance of Directors: During the financial year ended 31st March 2017, Six Board Meetings were held on 30/05/2016, 11/08/2016, 27/09/2016, 11/11/2016, 21/02/2017 and 29/03/2017 and the attendance of Directors are as under:

Name of Director	No. of Board Meetings attended	Attendance at the last AGM held on 29/09/2016.
Shri B. U. Patel	6	Yes
Shri N. U. Patel	6	Yes
Shri T. M. Patel	4	No
Shri Rakesh Agrawal	4	No
Shri Sanjiv M. Shah	6	Yes
Mrs. Taruna Patel	3	Yes
Shri U. M. Patel #	1	NA
Shri A. T. Patel ##	1	NA
Shri J. B. Sojitra	6	Yes

- (iv) Particulars of Director retiring by rotation and seeking re-appointment have been given in the Notice convening the 82nd Annual General Meeting and Explanatory Statement, attached thereto.

**(B) COMMITTEES OF DIRECTORS:**

❖ **AUDIT COMMITTEE:**

- (a) Composition, Name of Members and Chairperson:

The Audit Committee of the Company comprises of three Independent Directors. All the members of the Audit Committee are qualified and having insight to interpret & understand financial statements. The Audit Committee comprises of the following members:

Sr.	Name of member	Category
1	Shri Rakesh Agrawal*	Chairman
2	Shri T. M. Patel	Member
3	Shri A. T. Patel **	Member
4	Shri Sanjiv M. Shah	Member

\*Appointed w.e.f. 30th May, 2016. \*\*Resigned w.e.f. 31st May, 2016

The Company Secretary has been designated as the 'Secretary' to the Audit Committee.

- (b) Terms of Reference:

The Audit Committee shall have powers, roles, review of information etc. pursuant to Section 177 of the Companies Act, 2013 read with Rules made thereunder and Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 including the amendment(s), if any, as may be made from time to time.

- (c) Meetings and Attendance during the year:

During the financial year ended 31st March, 2017, four meetings of the Audit Committee were held on 30/05/2016, 11/08/2016, 11/11/2016 and 21/02/2017 and the attendances of the Members are as follows:

Sr.	Name of member	No. of Meetings attended
1	Shri Rakesh Agrawal*	3
2	Shri T. M. Patel	3
3	Shri A. T. Patel **	1
4	Shri Sanjiv M. Shah	4

\*Appointed w.e.f. 30th May, 2016. \*\*Resigned w.e.f. 31st May, 2016

M/s. Dhirubhai Shah & Doshi, Statutory Auditors and the Internal Auditor of the Company are invited to attend the Audit Committee meetings. The minutes of the meetings of the Audit Committee are also circulated to all the members of the Board.

Shri Sanjiv Shah, member of the Audit Committee remained present at the Annual General Meeting to answer the shareholders queries, as he was duly authorized by Shri Rakesh Agrawal, Chairman of the Audit Committee.



## SHRI DINESH MILLS LTD.

### ❖ **NOMINATION, REMUNERATION & COMPENSATION COMMITTEE:**

(a) Composition, Name of Members and Chairperson:

The Nomination, Remuneration & Compensation Committee of the Company comprises three Independent Directors. The names & category of the Committee members are as follows:

Sr.	Name of member	Category
1	Shri T. M. Patel	Chairman
2	Shri Sanjiv Shah	Member
3	Shri Rakesh Agrawal	Member
4	Shri A T Patel*	Member

\*Resigned w.e.f. 31st May, 2016

(b) Terms of Reference:

The Nomination, Remuneration & Compensation Committee shall have powers, roles etc. pursuant to Section 178 of the Companies Act, 2013 read with Rules made thereunder and Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 including the amendment(s), if any, as may be made from time to time.

(c) Meetings and Attendance during the year:

During the year ended 31st March, 2017, four meetings of the Nomination, Remuneration & Compensation Committee were held on 30/05/2016, 11/11/2016, 21/02/2017 and 29/03/2017 and the attendances of the Members are as follows:

Sr.	Name of member	No. of Meetings attended
1	Shri T. M. Patel	3
2	Shri Sanjiv Shah	4
3	Shri Rakesh Agrawal	3
4	Shri A T Patel*	1

\*Resigned w.e.f. 31st May, 2016

(d) The Remuneration Policy:

The Nomination & Remuneration Committee had recommended the Remuneration Policy of the Company to the Board of Directors which was adopted by the Board at their meeting held on 6th February, 2015 and the said Policy can be viewed on the Company's website [www.dineshmills.com](http://www.dineshmills.com) in the "Investors" Section.

(e) Remuneration paid to the Directors during the financial year ended 31st March, 2017:

(Amount in Rs.)

Name of Director	Salary	Allowance & Perks	Sitting Fees	Total
Shri B. U. Patel	9162846	420000	NIL	9582846
Shri N. U. Patel	9162846	420000	NIL	9582846
Shri T. M. Patel	NIL	NIL	130000	1,30,000
Shri Rakesh Agrawal	NIL	NIL	130000	1,30,000
Shri Sanjiv M. Shah	NIL	NIL	141000	1,41,000
Mrs. Taruna Patel	NIL	NIL	48000	48,000
Shri J.B. Sojitra	NIL	NIL	NIL	NIL

Except Independent Directors, all the members of the Board are liable to retire by rotation. The terms of appointment of the Managing Directors are approved by the Board, as per recommendations of the Nomination, Remuneration & Compensation Committee, considering the provisions of the Companies Act, 2013 read with Rules made thereunder which is presently based on Schedule V to the Companies Act, 2013 and also considering the Remuneration Policy of the Company, subject to approval of shareholders. The Shareholding of Directors of the Company as on 31st March, 2017 is as follows:



Name of Director	Designation	No. of Equity Shares	% of shareholding
Shri B. U. Patel	Chairman & Managing Director	4,91,710	9.67
Shri N. U. Patel	Managing Director	5,73,388	11.28
Shri T. M. Patel	Non Executive Independent Director	1,020	0.02
Shri Rakesh Agrawal	Non Executive Independent Director	NIL	NIL
Shri Sanjiv M. Shah	Non Executive Independent Director	NIL	NIL
Mrs. Taruna Patel	Non Executive Independent Director	NIL	NIL
Shri J.B. Sojitra	Professional Director	11	0.00

At present, sitting fees of Rs.10,000/- per meeting is paid to all the members of the Board except Shri B. U. Patel, Shri N. U. Patel and Shri J. B. Sojitra and Rs.9,000/- per meeting to all the members of the Committees of Directors.

❖ **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

(a) Composition:

As on 31st March, 2017, the Stakeholders Relationship Committee comprises the following three Independent Directors:

Sr.	Name of member	Category
1	Shri Rakesh Agrawal	Chairman
2	Shri T. M. Patel	Member
3	Shri A T Patel*	Member
4	Mrs. Tarunaben Patel**	Member

\*\* Appointed w.e.f. 30th May, 2016. \*Resigned w.e.f 31st May, 2016

The Company Secretary has been designated as the "Secretary" to the Stakeholders Relationship Committee.

(b) Terms of Reference:

The Stakeholders Relationship Committee shall have powers, roles etc. pursuant to Section 178(5) of the Companies Act, 2013 read with Rules made thereunder and Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 including the amendment(s), if any, as may be made from time to time.

(c) Meetings and Attendance during the year:

During the year ended 31st March, 2017, three meetings of the Stakeholders Relationship Committee were held 11/08/2016, 11/11/2016 and 21/02/2017 and the attendance of the Members are as follows:

Sr.	Name of member	No. of Meetings attended
1	Shri Rakesh Agrawal	3
2	Shri T. M. Patel	3
3	Shri A T Patel*	Nil
4	Mrs. Tarunaben Patel**	2

\*\* Appointed w.e.f. 30th May, 2016. \*Resigned w.e.f 31st May, 2016

(d) Status of Transfers: During the year ended 31st March, 2017, 5640 equity shares in physical form were transferred and as on 31st March, 2017, no share transfer was pending.

(e) Complaints: During the year ended 31st March, 2017, the Company had received 03 complaints and disposed off the same and therefore, no complaint was pending for redressal.

**(C) MEETING OF THE INDEPENDENT DIRECTORS:**

As per provisions of the Companies Act, 2013 read with Rules made thereunder and the Regulation 25 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors was held on 29th March, 2017 to consider the following agenda:

- Review the performance of Non-Independent directors and the Board as a whole.
- Review the performance of the Chairperson of the Company.
- Asses the efficacy and adequacy of flow of information.

Except Mrs. Tarunaben Patel, all other Independent Directors were present in the meeting held on 29th March,



## SHRI DINESH MILLS LTD.

2017 and they considered the above referred agenda.

The performance evaluation of all the Directors including Independent Directors and the Board as a whole which includes the Committees thereof was done on 29th March, 2017 as per the Performance Evaluation Policy of the Company.

### (D) SUBSIDIARY COMPANY:

The Company has one subsidiary company viz. Dinesh Remedies Ltd. (DRL). The Company holds 1,30,98,095 (i.e. 55.52%) equity shares in the share capital of DRL as on 31st March, 2017. DRL is engaged in manufacturing of Empty Hard Gelatin Capsules shells at its factory situated at Village Mahuvad, Taluka Padra, District Vadodara. The requirements relating to subsidiary company pursuant to Regulation 24 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are complied with during the financial year 2016-2017.

### (E) GENERAL BODY MEETINGS: The details of the last three Annual General Meetings of the Company held and number of Special Resolution passed thereat are as follows:

AGM Number	Year Ended	Venue	Day, Date & Time	No. of Special Resolution Passed
79th	31/03/2014	Registered Office at Padra Road, Vadodara	Tuesday, 30th September,2014 At 11.00 A.M.	03
80th	31/03/2015	Registered Office at Padra Road, Vadodara	Wednesday, 30th September,2015 At 11.00 A.M.	01
81st	31/03/2016	Registered Office at Padra Road, Vadodara	Tuesday, 27th September,2016 At 11.00 A.M.	03

During the financial year 2016-2017, there was no need to hold an Extra-Ordinary General Meeting of shareholders of the Company and also no Resolution was required to be passed through postal ballot.

### (F) DISCLOSURES:

- The Remuneration Policy, the Policy on Related Party Transactions and Risk Management Policy These Policies have been placed on the Website of the Company and the same can be viewed at [www.dineshmills.com](http://www.dineshmills.com) in "Investors" Section.
- During the year, there were no transactions of material nature with related parties that had potential conflict with the interests of the Company and the transactions entered with Related Parties were in the ordinary course of business and on Arms' length basis. The Policy for determining "material subsidiaries" can be viewed at [www.dineshmills.com](http://www.dineshmills.com) in "Investors" Section.
- During preparation of financial statement during the period under review, no accounting treatment which was different from that prescribed in the Accounting Standards was followed.
- The Company has complied with the requirements of Regulatory Authorities on capital markets and no penalties/strictures have been imposed against it in the last three years.
- There were no material financial and commercial transactions where senior management of the Company who had personal interest that may have a potential conflict with the interest of the Company at large.
- The Whistle Blower Policy for Directors and employees which have been placed in the website of the Company and the same can be viewed at [www.dineshmills.com](http://www.dineshmills.com) in "Investors" Section. No personnel have been denied access to the Audit Committee.
- The Company had formed the Committee to deal with the complaints, if any regarding sexual harassment of woman employees and no complaint was received by the Committee during the financial year 2016-2017.
- The declaration by the Chairman & Managing Director (CMD) for compliance of Code of Conduct by all Board members and Senior Management personnel of the Company during the year 2016-2017 pursuant to Regulation 17(5) read with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 is attached as Annexure-"I".

- i. The policy on preservation of Documents which have been placed on the website of the Company and the same can be viewed at [www.dineshmills.com](http://www.dineshmills.com) in "Investors" Section.

**(G) MEANS OF COMMUNICATION:**

The quarterly, half-yearly and yearly financial results of the Company are sent to the BSE 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 also placed on the website of the Company and same can be viewed at [www.dineshmills.com](http://www.dineshmills.com) in "Investors" Section.

**(H) CODE OF CONDUCT:**

The revised Code of Conduct for Directors and Senior Management Employees of the Company is available on the Company's website and the same can be viewed on [www.dineshmills.com](http://www.dineshmills.com) in "Investors" Section.

**(I) CMD /CFO CERTIFICATION:**

The Certificate duly signed by the Chairman & Managing Director (CMD) and the Chief Finance Officer for the financial year ended 31st March, 2017 pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as Annexure-"II".

**(J) FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

The Chairman and Secretary of the Company used to familiarize the Independent Directors of the Company, their roles, rights, responsibilities, nature of the industry in which the Company operates, etc. from time to time.

**(K) THE NON-MANDATORY REQUIREMENTS:**

- a. Office of the Chairman of the Board and re-imburement of expenses by the Company: The Company has Executive Chairman and therefore, the reimbursement of expenses to the Non Executive Chairman is not applicable.
- b. Shareholders' Rights: The Company's financial results are published in the newspapers and also posted on its own website. ([www.dineshmills.com](http://www.dineshmills.com)). However, the Company furnishes the same, if the request is made by the shareholders.
- c. Audit Qualification: The Company, at present, does not have any audit qualification pertaining to the financial statement.
- d. Separate posts of Chairman and CEO: Shri Bharat Patel is a Chairman & Managing Director of the Company pursuant to Articles of Association of the Company and therefore, no separate posts for Chairman & CEO is required.
- e. Reporting of the Internal Auditor: The Internal Auditor reports to the Chairman & Managing Director of the Company. However, Internal Audit Reports are considered by the Audit Committee of the Company on quarterly basis.

**(L) SHAREHOLDER INFORMATION:**

1. Annual General Meetings:

The 82nd Annual General Meeting will be held at 11.00 A.M. on 27th September, 2017, at Registered Office of the Company situated at Padra Road, Vadodara - 390 020.

2. Financial Calendar for the financial year 2017-2018:

First quarterly results	By 14th August, 2017
Half Yearly results	By 14th November, 2017
Dividend payment, if any	By 26th October, 2017
Third quarterly results	By 14th February, 2018
Fourth quarterly results alongwith Audited	By 30th May, 2018
Annual Results for the year 2017-2018	
Annual General Meeting for the year 2017-18	By 30th September, 2018

3. Book Closure Dates:

The period for Book Closure is from 16th September, 2017 to 23rd September, 2017 (both days inclusive).



## SHRI DINESH MILLS LTD.

4. Dividend Payment Date:  
Dividend, if any will be paid on or before 26th October, 2017.
5. Listing on Stock Exchange & payment of Listing Fees:  
The equity shares of the Company is listed on BSE Limited (BSE), P. J. Towers, Dalal Street, Mumbai - 400 001 having Stock Code 503804 and the Company has paid the Annual Listing Fees for the year 2017-2018 to BSE Ltd.
6. Annual Custody Fees to Depositories:  
The Annual Custody Fees for the year 2017-2018 to both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) have been paid.
7. International Securities Identification Number (ISIN) of the Company:  
The International Securities Identification Number (ISIN) of the Company's shares in the dematerialized mode, as allotted by NSDL and CDSL is INE204C01024.
8. Market Price Data:  
As the equity shares of the Company are listed on BSE Ltd., monthly high & low price of Company's equity shares, traded quantity and monthly High & Low of BSE Sensex for the period from April, 2016 to March, 2017 are given hereunder.

Month & Year	Price (Rs.)		Traded Quantity	Sensex	
	High	Low		High	Low
April, 2016	129.50	109.60	11994	26100.54	24523.20
May, 2016	121.90	101.50	23751	26837.20	25057.93
June, 2016	121.40	105.15	38082	27105.41	25911.33
July, 2016	131.00	110.00	53244	28240.20	27034.14
August, 2016	129.00	105.70	62142	28532.25	27627.97
September, 2016	123.30	104.00	44900	29077.28	27716.78
October, 2016	152.25	117.00	183034	28477.65	27488.30
November, 2016	150.00	100.00	55740	28029.80	25717.93
December, 2016	141.75	117.15	16347	26803.76	25753.74
January, 2017	139.70	121.20	31182	27980.39	26447.06
February, 2017	138.00	121.35	45061	29065.31	27590.10
March, 2017	144.80	123.00	70971	30184.22	28716.21

9. Registrar & Share Transfer Agent:  
The Company has appointed MCS Share Transfer Agent Limited as its R & T Agent and the contact details are as under:  
**MCS SHARE TRANSFER AGENT LIMITED**  
Administrative Office: 10, Aaram Apartments, 12, Sampatrao Colony, Behind Laxmi Hall, Alkapuri, Vadodara - 390 007  
Email: mcsstalbaroda@gmail.com | Phone No.: (0265) 2350490, 2314757, 2339397  
Fax No. (0265) 2341639 | Website: www.mcsregistrars.com
10. Investor Grievances:  
The Company has designated an exclusive E-mail ID viz. [complianceofficer@dineshmills.com](mailto:complianceofficer@dineshmills.com) to enable the investors to send their grievances, if any.
11. Share Transfer System:  
For expeditious transfer of shares, the Company Secretary approves share transfers on fortnight basis and the same is reported to the Board of Directors from time to time.

**12. Shareholding Pattern:**

Shareholding Pattern as on 31st March, 2017 is as under:

Category	No. of Equity Shares As at 31/03/2017	%
Directors & Relatives (Promoters Group)	2288372	45.01
Mutual Funds (UTI)	10	0.00
Banks	3760	0.07
Financial Institutions	NIL	NIL
Foreign Institutional Investors	NIL	NIL
Non-resident Indians	98708	1.94
Bodies Corporate	109604	2.16
Others (Public)	2583928	50.82
<b>Total</b>	<b>5084382</b>	<b>100.00</b>

**13. Distribution of Shareholding:**

Distribution of shareholding as on 31st March, 2017 is as under:

Sr. No.	Nominal value of equity shares (Rs.)	No. of Shareholders	% of Total	Nominal value of shares (Rs.)	% of Total
1	Upto 5000	10320	94.63	84,55,810	16.63
2	5001-10,000	280	2.57	22,02,290	4.33
3	10,001-20,000	157	1.44	22,25,870	4.38
4	20,001-30,000	39	0.36	9,57,530	1.88
5	30,001-40,000	30	0.28	10,34,450	2.03
6	40,001-50,000	12	0.11	5,39,990	1.06
7	50,001-1,00,000	32	0.29	23,02,920	4.53
8	1,00,001-500000	21	0.19	52,68,360	10.36
9	500001-1000000	8	0.07	57,42,500	11.30
10	1000001 & Above	7	0.06	2,21,14,100	43.50
<b>Total</b>		<b>10906</b>	<b>100</b>	<b>5,08,43,820</b>	<b>100</b>

**14. Reconciliation of Share Capital Audit:**

As stipulated by SEBI, a qualified Practising Company Secretary carries out an Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the BSE Ltd. and to the Board of Directors from time to time.

**15. Dematerialization of Shares and Liquidity:**

As per notification issued by SEBI, with effect from 26th June 2000, it has become mandatory to trade in the Company's shares in the electronic form. The Company's shares are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). The shareholding of Promoters Group is 100% in Demat form.

The Physical and Dematerialization position of the Company's equity shares as on 31st March, 2017 and 31st March, 2016 are as under:

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	%	No. of Shares	%
No. of Demat Shares				
- NSDL	2182826	42.93	2168316	41.73
- CDSL	2566356	50.48	2569616	51.01
No. of Physical Shares	335200	6.59	346450	7.26
<b>Total</b>	<b>5084382</b>	<b>100</b>	<b>5084382</b>	<b>100</b>



## SHRI DINESH MILLS LTD.

16. Address for correspondence with Depositories are as under:

National Securities Depository Ltd. Trade World, 4th & 5th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel Mumbai - 400013	Central Depository Services (India) Ltd. P. J. Towers, 17th Floor, Dalal Street, Mumbai - 400001
Telephone No.: 022-24994200 Facsimile No: 022-24972993/6351	Telephone No.: 022 - 22723333 Facsimile No: 022 - 22723199/2072
Email: info@nsdl.co.in Website: www.nsdl.co.in	Email: investors@cdslindia.com Website: www.cdslindia.com

17. Outstanding GDR/Warrants and Convertible Bonds, Conversion Dates and likely impact on Equity:

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.

18. Plant Locations are as under:

Location / Unit	Address
Vadodara Unit	P. B. No.2501, Padra Road, Vadodara - 390020
Ankleshwar Unit	Plot No. 43, 44, Village Bhadkodra, Kapodra Road, Near N.H. No.8 Ankleshwar, District - Bharuch

19. Address for correspondence with the Compliance Officer of the Company:

Mr. J. B. Sojitra  
Executive Director (Corporate Affairs) & Company Secretary  
**SHRI DINESH MILLS LIMITED**  
**(CIN - L17110GJ1935PLC000494)**  
P. B. No. 2501, Padra Road, Vadodara - 390 020  
Phone: (0265) 2330060/61/62/63/64/65 (6 lines), Fax No.: (0265) 2336195  
Emails: complianceofficer@dineshmills.com, sojitra@dineshmills.com  
Website: www.dineshmills.com

20. Auditors Certificate: The Certificate dated 30th May, 2017 issued by M/s. Dhirubhai Shah & Doshi, Statutory Auditors of the Company regarding compliance of the conditions of the Corporate Governance by the Company during the year 2016 - 2017 is attached as Annexure - "E".

Place : Vadodara  
Date : 30th May, 2017

For and on behalf of the Board of Directors,  
**BHARAT PATEL**  
CHAIRMAN & MANAGING DIRECTOR

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## ANNEXURE - "I"

To,  
The Board of Directors,  
Shri Dinesh Mills Limited  
Padra Road,  
Vadodara - 390 020

Dear Sirs,

**Sub: DECLARATION BY CMD FOR THE COMPLIANCE WITH THE CODE OF CONDUCT OF THE COMPANY**

This is to state that, the Company had adopted a revised Code of Conduct in the meeting of the Board of Directors held on 6th February, 2015. After adoption of the revised Code of Conduct, the same was circulated to all the Board of Members and Senior Management Personnel for compliance. The revised Code of Conduct has also been posted on the website of the Company. The Company has received declaration from all the Board Members and Senior Management Personnel affirming compliance of the Code of Conduct of the Company in respect of the financial year ended 31st March, 2017.

This declaration is given pursuant to Regulation 17(5) read with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place: Vadodara  
Date: 20th May, 2017

**For Shri Dinesh Mills Limited,  
Bharat Patel  
Chairman & Managing Director**

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## ANNEXURE - "II"

To,  
The Board of Directors,  
Shri Dinesh Mills Limited  
Padra Road,  
Vadodara - 390 020

Dear Sirs,

**Sub: CEO and CFO Certification as per Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with BSE Limited.**

We certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2017 and that, to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company



## SHRI DINESH MILLS LTD.

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during the year which are fraudulent, illegal or violative of the Company's code of conduct.

- C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that, we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee:
1. significant changes in internal control over financial reporting during the year;
  2. that no significant changes in accounting policies during the year has taken place; and
  3. that neither instances of significant fraud of which we have become aware nor the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Shri Dinesh Mills Limited**

**Bharat Patel**  
Chairman & Managing Director (CMD)

Place: Vadodara  
Date: May 30, 2017

**For Shri Dinesh Mills Limited**

**Sudip Ray**  
Chief Financial Officer (CFO)

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### ANNEXURE - "E"

#### AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of,  
**Shri Dinesh Mills Limited,**

We have examined the compliance of conditions of Corporate Governance by Shri Dinesh Mills Limited, for the year ended 31st March, 2017 as per the Regulations 17 to 27 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance 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 Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Uniform Listing Agreement executed by the Company with BSE Limited.

We state that, such compliance 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  
**Dhirubhai Shah & Doshi**  
Chartered Accountants  
Firm Registration Number: 102511W

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

Place : Vadodara  
Date : May 30, 2017



**ANNEXURE - "F"**  
**EMPLOYEES' REMUNERATION:**

The details of the remuneration paid to the employees pursuant to Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2017 are as under:

Sr. No.	Name	Age	Designation	Remuneration (Rs. in Lakhs)	Qualification & experience	Date of commencement of employment	Last employment Before joining the Company with designation
1.	Shri Bharatbhai U. Patel	63	Chairman & Managing Director	95.83	B.Text, M.B.A. (USA) (44)	12-05-1973	First Employment
2.	Shri Nimishbhai U. Patel	51	Managing Director	95.83	B.B.A., M.B.A. (Finance) (U.S.A) (26)	01-12-1990	- Do -

**Notes:**

1. Remuneration includes Salary, Allowances, Perquisites, Employer's contribution to Provident Fund, Superannuation Fund etc. are as per the terms of the appointment pursuant to Schedule V to the Companies Act, 2013 & Rules made thereunder.
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 2016-2017 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.**

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### **Independent Auditor's Report**

#### **To the Members of Shri Dinesh Mills Limited**

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Shri Dinesh Mills Limited ('the Company') which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and as summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

#### **Opinion**

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

generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, its profit and its 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and 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 accounts required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the directors as on 31st March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017, from being appointed as a director in terms of Section 164(2) of the Act.
  - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 29 to the financial statements.
    - ii. The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and the same are in accordance with the books of accounts maintained by the company.

For,

**Dhirubhai Shah & Doshi**

Chartered Accountants

Firm's Registration Number: 102511W

**Kaushik D Shah**

Partner

Membership Number: 016502

Place : Vadodara

Date: May 30th, 2017



## SHRI DINESH MILLS LTD.

### ANNEXURE - A TO INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Independent Auditors' Report to the members of the company on the standalone financial statements for the year ended 31 March 2017, we report that:

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. Discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) The Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, and therefore, the provisions of clauses (iii)(a) & (iii)(b) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) In our opinion and according to the information and explanations given to us and based on books of account, maintenance of cost records under section 148(1) of the Companies Act, 2013 is not applicable to the company and hence paragraph 3(vi) of the Order is not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.  
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and records of the company examined by us, the following dues of income tax and duty of excise as at March 31, 2017 which have not been deposited by the Company on account of any disputes:

Financial period to which it relates	Act	Nature of Dues	Forum where dispute is pending	Amount (Rs. In Lakhs)
A.Y 2002-2003	Income Tax Act, 1961	Disallowance under Business Income	High Court, Gujarat	8.92
A.Y 2010-2011	Income Tax Act, 1961	Disallowance under Business Income	Income Tax Appellate Tribunal, Ahmedabad	28.37
A.Y 2011-2012	Income Tax Act, 1961	Disallowance under Business Income	Income Tax Appellate Tribunal, Ahmedabad	275.95
A.Y 2012-2013	Income Tax Act, 1961	Disallowance under Business Income	Income Tax Appellate Tribunal, Ahmedabad	107.43
A.Y 2013-2014	Income Tax Act, 1961	Disallowance under Business Income	Income Tax Appellate Tribunal, Ahmedabad	5.48
A.Y. 2014-2015	Income Tax Act, 1961	Disallowance under Business Income	Commissioner of Income Tax (Appeals), Vadodara	146.72
A.Y 1998-1999	The Central Excise Act, 1944	Disallowed MODVAT credit taken on capital goods	Joint Commissioner of Central Excise, Surat-II	4.94
A.Y 1998-1999	The Central Excise Act, 1944	Excise duty on blended yarn	Dy. Commissioner of Central Excise and Custom, Ankleshwar	2.73
A.Y 2004-2008	The Central Excise Act, 1944	Excise duty on Polyester Tops	Central Excise and Customs Appellant Tribunal, Ahmedabad	200.64
A.Y 2008-2009	The Central Excise Act, 1944	Excise duty on Polyester Tops	Central Excise and Customs Appellant Tribunal, Ahmedabad	2.47
A.Y 2009-2010	The Central Excise Act, 1944	Excise duty on Polyester Tops	Central Excise and Customs Appellant Tribunal, Ahmedabad	3.31
A.Y 2015-2016	The Customs Act, 1962	Refund of Additional duty	Central Excise and Customs Appellant Tribunal, Ahmedabad	3.71

- (viii) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution, banks, Government or debenture holders during the year.
- (ix) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For  
**Dhirubhai Shah & Doshi**  
Chartered Accountants

Firm's Registration Number: 102511W

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

Place : Vadodara  
Date : 30th May, 2017

## ANNEXURE - B to the Auditor's Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Shri Dinesh Mills Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



## SHRI DINESH MILLS LTD.

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For,  
**Dhirubhai Shah & Doshi**  
Chartered Accountants  
Firm's Registration Number: 102511W

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

Place : Vadodara  
Date : 30th May, 2017

**BALANCE SHEET AS AT 31ST MARCH, 2017**

Particulars	Note No.	(Rs. In Lakhs)	
		As at 31st March, 2017	As at 31st March, 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
Share Capital	1	<b>508.44</b>	508.44
Reserves and Surplus	2	<b>9,904.01</b>	9,659.62
<b>2 Non-Current Liabilities</b>			
Long- term borrowings	3	<b>547.00</b>	1,018.40
Deferred tax Liabilities (Net)	4	<b>335.54</b>	427.69
Other Long Term Liabilities	5	<b>519.81</b>	511.57
Long Term Provisions	6	<b>293.68</b>	245.60
<b>3 Current Liabilities</b>			
Short term borrowings	7	<b>(22.30)</b>	(25.51)
Trade Payables	8	<b>309.30</b>	181.87
Other Current Liabilities	9	<b>1,735.50</b>	1,636.08
Short Term Provisions	10	<b>146.96</b>	190.29
<b>TOTAL</b>		<b>14,277.94</b>	14,354.05
<b>II. ASSETS</b>			
<b>1 Non-Current Assets</b>			
Fixed assets	11		
(i) Tangible assets		<b>4,256.03</b>	4,914.60
(ii) Capital work-in-progress		-	-
Non-current investments	12	<b>1,347.25</b>	1,347.25
Long term loans and advances	13	<b>105.25</b>	105.33
<b>2 Current assets</b>			
Current Investments	14	<b>3,362.35</b>	-
Inventories	15	<b>3,521.53</b>	3,238.79
Trade Receivables	16	<b>970.50</b>	1,126.19
Cash and Bank Balance	17	<b>400.14</b>	3,245.03
Short Term Loans and Advances	18	<b>189.15</b>	239.14
Other Current Assets	19	<b>125.74</b>	137.72
<b>TOTAL</b>		<b>14,277.94</b>	14,354.05

The Notes form an integral part of these financial statements

1 to 33

As per our Report of even date  
For **Dhirubhai Shah & Doshi**  
Chartered Accountants  
Firm's Registration Number: 102511W

**Kaushik D. Shah**  
Partner  
Membership No.: 016502  
Vadodara, May 30th, 2017

**N. U. Patel**  
Managing Director

**J. B. Sojitra**  
Company Secretary  
Vadodara, May 30th, 2017

For and on behalf of the Board of Directors

**B. U. Patel**  
Chairman & Managing Director (CEO)

**Sudip Ray**  
Chief Financial Officer



**SHRI DINESH MILLS LTD.**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

(Rs. In Lakhs)

Particulars	Note No.	2016-17	2015-16
<b>I. Revenue from Operations</b>	20	<b>7,928.94</b>	7,808.67
<b>II. Other Income</b>	21	<b>381.77</b>	314.12
<b>III. Total Revenue (I + II)</b>		<b>8,310.71</b>	8,122.79
<b>IV. Expenses:</b>			
Cost of Materials Consumed	22	<b>2,362.19</b>	2,275.15
Purchases of Stock-in-Trade	22	<b>117.88</b>	105.00
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	23	<b>(121.37)</b>	(62.36)
Employee Benefits Expense	24	<b>2,858.06</b>	2,687.52
Finance Costs	25	<b>206.62</b>	219.76
Depreciation and Amortization Expense	11	<b>754.35</b>	745.26
Other Expenses	26	<b>1,980.74</b>	1,903.20
<b>Total Expenses</b>		<b>8,158.47</b>	7,873.53
<b>V. Profit before exceptional items and tax (III-IV)</b>		<b>152.24</b>	249.26
<b>VI. Exceptional items</b>		-	-
<b>VII. Profit before tax (V + VI)</b>		<b>152.24</b>	249.26
<b>VIII. Tax expense:</b>			
(1) Current tax		-	14.04
(2) Deferred tax		<b>(92.15)</b>	(55.21)
<b>IX. Profit for the year (VII-VIII)</b>		<b>244.39</b>	290.43
<b>X. Earnings per equity share of Rs. 10 each</b>	28		
(1) Basic		<b>4.81</b>	5.71
(2) Diluted		<b>4.81</b>	5.71
The Notes form an integral part of these financial statements	1 to 36		

As per our Report of even date  
For **Dhirubhai Shah & Doshi**  
Chartered Accountants  
Firm's Registration Number: 102511W

**Kaushik D. Shah**  
Partner  
Membership No.: 016502  
Vadodara, May 30th, 2017

For and on behalf of the Board of Directors  
**N. U. Patel**  
Managing Director  
**B. U. Patel**  
Chairman & Managing Director (CEO)  
**J. B. Sojitra**  
Company Secretary  
**Sudip Ray**  
Chief Financial Officer  
Vadodara, May 30th, 2017



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

Particulars	(Rs. In lacs)	
	2016-17	2015-16
A. Cash flow from operating Activity		
Net Profit Before Tax	<b>152.24</b>	249.26
Adjustments For:		
Depreciation	<b>754.35</b>	745.26
Depreciation written back	<b>(16.48)</b>	(42.39)
Interest & Financial Expenses	<b>206.62</b>	219.76
Loss on sales of assets	<b>0.04</b>	0.44
Profit on sale of assets	<b>(0.08)</b>	(0.82)
Dividend Income	<b>(187.37)</b>	(175.59)
Interest received on deposits	<b>(46.80)</b>	(47.32)
Gain on redemption of Investment	<b>0.00</b>	(8.58)
	<b>710.28</b>	690.75
Operation profit before working capital changes	<b>862.52</b>	940.01
Adjustment For:		
Inventories	<b>(282.74)</b>	(223.00)
Trade Receivables	<b>155.69</b>	89.27
Loans & Advances and Other Assets	<b>62.06</b>	(77.53)
Trade Payables & Other liabilities and Provisions	<b>239.83</b>	(73.29)
Taxes paid	<b>0.00</b>	(24.67)
	<b>174.84</b>	(309.22)
Cash Generated from Operations	<b>1037.36</b>	630.80
B. Cash Flow from Investment Activities		
Purchase of Fixed Assets (Net of disposals)	<b>(79.26)</b>	(650.15)
(Purchase)/ Redemption of Investment	<b>(3362.35)</b>	56.00
Gain on redemption of Investment	<b>0.00</b>	8.58
Dividend Income	<b>187.37</b>	175.59
Interest received	<b>46.80</b>	47.32
Net Cash Flow from Investment Activity	<b>(3207.44)</b>	(362.66)
C. Cash Flow from Financial Activities:		
Proceeds/(Repayment) from Borrowings	<b>(468.19)</b>	74.09
Interest & Financial Expenses	<b>(206.62)</b>	(219.76)
Net Cash Flow from Financial Activities	<b>(674.81)</b>	(145.67)
Total of Cash Flow (A+B+C)	<b>(2844.89)</b>	122.46
Opening Cash & Cash equivalent	<b>3245.03</b>	3122.57
Closing Cash & Cash equivalent	<b>400.14</b>	3245.03

**Note:**

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

As per our Report of even date	For and on behalf of the Board of Directors	
For <b>Dhirubhai Shah &amp; Doshi</b>	<b>N. U. Patel</b>	<b>B. U. Patel</b>
Chartered Accountants	Managing Director	Chairman & Managing Director (CEO)
Firm's Registration Number: 102511W		
<b>Kaushik D. Shah</b>	<b>J. B. Sojitra</b>	<b>Sudip Ray</b>
Partner	Company Secretary	Chief Financial Officer
Membership No.: 016502		
Vadodara, May 30th, 2017	Vadodara, May 30th, 2017	



## SHRI DINESH MILLS LTD.

### NOTES TO THE FINANCIAL STATEMENTS

Particulars	(Rs. In Lakhs)	
	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE:1 SHARE CAPITAL</b>		
<b>Authorised</b>		
9,500,000 Equity Shares of Rs 10/- each	<b>950.00</b>	950.00
50,000 Unclassified Shares of Rs. 100/-	<b>50.00</b>	50.00
	<b>1,000.00</b>	1,000.00
<b>Issued, Subscribed &amp; Paid up</b>		
5,084,382 (P.Y. 5,084,382) Equity Shares of Rs 10/- each fully paid	<b>508.44</b>	508.44
<b>Total</b>	<b>508.44</b>	508.44

**1.1 The reconciliation of the number of shares outstanding at the beginning and at the end of the year:-**

	(Rs. In Lakhs)			
	No. of Shares	As at 31st March, 2017	No. of Shares	As at 31st March, 2016
Shares outstanding at beginning of the year	<b>5,084,382</b>	<b>508.44</b>	5,084,382	508.44
<b>Shares outstanding at end of the year</b>	<b>5,084,382</b>	<b>508.44</b>	5,084,382	508.44

Note: During the F.Y. 2013-14, Company had bought back 193118 equity shares at a premium out of General Reserves and amount equal to nominal value of bought back shares i.e Rs.19.31 Lakhs has been transferred from General Reserve to Capital Redemption Reserve.

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

Name of the Shareholder	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shri U.M.Patel	<b>531,655</b>	<b>10.46</b>	531,655	10.46
Shri B.U.Patel	<b>491,710</b>	<b>9.67</b>	491,710	9.67
Shri N.U.Patel	<b>573,388</b>	<b>11.28</b>	573,388	11.28

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

1.4 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 Lakhs)	
	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE: 2 RESERVES &amp; SURPLUS</b>		
<b>a. Capital Redemption Reserve</b>		
Opening Balance	19.31	19.31
(+) Current Year Transfer from General Reserve	-	-
Closing Balance	<u>19.31</u>	<u>19.31</u>
<b>b. General Reserve</b>		
Opening Balance	9,258.56	9,258.56
(+) Current Year Transfer	-	-
(-) Transfer to Capital Redemption Reserve	-	-
Closing Balance	<u>9,258.56</u>	<u>9,258.56</u>
<b>c. Surplus</b>		
Opening balance	381.75	183.11
(+) Net Profit For the current year	244.39	290.43
(-) Proposed Dividends	-	91.79
(-) Transfer to Reserves	-	-
Closing Balance	<u>626.14</u>	<u>381.75</u>
Total	<u>9,904.01</u>	<u>9,659.62</u>

**NOTE: 3 LONG TERM BORROWINGS**

Term loans from Banks	547.00	1,018.40
(Term loan under Technology Upgradation Fund Scheme is secured by way of hypothecation of machineries purchased therefrom.)		
<b>Total</b>	<u>547.00</u>	<u>1,018.40</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	Amount of Installment
South Indian Bank - II	Term Loan	Quarterly	24	10.50%	Apr-13	27.50
South Indian Bank - III	Term Loan	Quarterly	24	10.50%	May-14	66.60



## SHRI DINESH MILLS LTD.

### NOTES TO THE FINANCIAL STATEMENTS

(Rs. In Lakhs)

#### Particulars

#### NOTE: 4 DEFERRED TAX LIABILITY

	As on 31.03.2016	Charge / (Credit) during the year	As on 31.03.2017
Deferred Tax Liability on account of :			
(I) Depreciation	503.64	(78.79)	<b>424.85</b>
	<u>503.64</u>	<u>(78.79)</u>	<u><b>424.85</b></u>
Deferred Tax Assets on account of :			
(I) Expenses allowable for tax purpose when paid (Octroi)	15.60	-	<b>15.60</b>
(II) Unencashed leave (Employees & Director)	48.65	12.21	<b>60.86</b>
(III) Gratuity	11.70	1.15	<b>12.85</b>
	<u>75.95</u>	<u>13.36</u>	<u><b>89.31</b></u>
<b>Net Deferred tax Liabilities / (Assets)</b>	<u>427.69</u>	<u>(92.15)</u>	<u><b>335.54</b></u>

(Rs. In Lakhs)  
As at 31st  
March, 2017      As at 31st  
March, 2016

#### NOTE: 5 OTHER LONG TERM LIABILITIES

Others		
Unsecured Trade Deposits	<b>250.93</b>	242.69
Octroi Liability	<b>63.49</b>	63.49
Outstanding Expenses	<b>205.39</b>	205.39
<b>Total</b>	<u><b>519.81</b></u>	<u>511.57</u>

#### NOTE: 6 LONG TERM PROVISIONS

<b>Provision for employee benefits:</b>		
Gratuity	<b>38.88</b>	35.38
Leave Encashment	<b>127.83</b>	114.87
Provisions for Medical/LTA/allowances, etc.	<b>49.54</b>	52.88
Provision for Tax (net of advance tax, TDS, self asst. tax)	<b>77.43</b>	42.47
<b>Total</b>	<u><b>293.68</b></u>	<u>245.60</u>

#### NOTE: 7 SHORT TERM BORROWINGS

<u>Secured</u>		
Cash credit	<b>(22.30)</b>	(25.51)
Cash credits from Banks, against hypothecation of Raw materials, Stores, Spare parts, Finished goods and Work-in-progress and Recievables		
<b>Total</b>	<u><b>(22.30)</b></u>	<u>(25.51)</u>

**NOTES TO THE FINANCIAL STATEMENTS**

Particulars	(Rs. In Lakhs)	
	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE: 8 TRADE PAYABLES</b>		
Micro, Small and Medium Enterprises	-	-
Others	<b>309.30</b>	181.87
<b>Total</b>	<b>309.30</b>	181.87

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

**Particulars**

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**

Current Maturities of Long Term Debts	<b>376.40</b>	282.30
Interest accrued and due on deposits	<b>79.63</b>	78.21
Unclaimed dividends	<b>18.50</b>	19.52
Unclaimed matured deposits and interest thereon	<b>0.79</b>	1.18
<b>Other Payables :</b>		
Advances from Customers	<b>553.63</b>	559.05
Statutory dues	<b>136.18</b>	151.09
Other provision for expenses	<b>568.24</b>	540.73
Other current liabilities	<b>2.13</b>	4.00
<b>Total</b>	<b>1,735.50</b>	1,636.08

9.1 There is no amount due and outstanding to be credited to Investor Education and Protection "Fund as at 31st March, 2017"

**NOTE: 10 SHORT TERM PROVISIONS**

Dues to Directors	<b>15.62</b>	15.71
<b>Provision for employee benefits:</b>		
Gratuity	<b>75.10</b>	50.50
Leave Encashment	<b>56.24</b>	32.29
Provisions for Dividend and Dividend Tax	-	91.79
<b>Total</b>	<b>146.96</b>	190.29

## NOTES TO THE FINANCIAL STATEMENTS

(Rs. In Lakhs)

### NOTE: 11 FIXED ASSETS

Fixed Asset	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK		
	Balance as at 1st April, 2016	Additions	Adjustment/ Deduction	Balance as at 31st March, 2017	Balance as at 1st April, 2016	Depreciation for the year	Adjustment/ Deduction	Amount adjusted with retained earnings on account of change in Assets life as per The Company Act. 2013	Balance as at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
<b>(A) Tangible Assets</b>											
Land	321.25	-	-	<b>321.25</b>	-	-	-	-	-	<b>321.25</b>	321.25
Assets under lease	5.73	-	(0.08)	<b>5.65</b>	-	-	-	-	-	<b>5.65</b>	5.73
Buildings	580.22	45.73	-	<b>625.95</b>	447.80	17.24	-	-	<b>465.04</b>	<b>160.91</b>	132.42
Plant and Equipment	18,399.74	24.99	-	<b>18,424.73</b>	14,095.74	689.89	-	-	<b>14,785.63</b>	<b>3,639.10</b>	4,304.00
Furniture and Dead stock	303.22	15.31	(3.52)	<b>315.01</b>	276.33	9.29	(3.34)	-	<b>282.28</b>	<b>32.73</b>	26.89
Vehicles	380.37	8.27	(13.46)	<b>375.18</b>	263.13	36.90	(13.14)	-	<b>286.89</b>	<b>88.29</b>	117.24
Electrical Installations	97.92	-	-	<b>97.92</b>	92.16	0.30	-	-	<b>92.46</b>	<b>5.46</b>	5.76
Tubewell and waterworks	11.72	1.98	-	<b>13.70</b>	10.41	0.65	-	-	<b>11.06</b>	<b>2.64</b>	1.31
Sub Total :	20,100.17	96.28	(17.06)	<b>20,179.39</b>	15,185.57	754.27	(16.48)	-	<b>15,923.36</b>	<b>4,256.03</b>	4,914.60
<b>(B) Intangible Assets</b>											
Computer Software	9.78	-	-	<b>9.78</b>	9.78	-	-	-	<b>9.78</b>	-	-
<b>Total :</b>	20,109.95	96.28	(17.06)	<b>20,189.17</b>	15,195.35	754.27	(16.48)	-	<b>15,933.14</b>	<b>4,256.03</b>	4,914.60
Previous Year's Total	19,427.46	726.76	(44.27)	<b>20,109.95</b>	14,492.57	745.17	(42.39)	-	<b>15,195.35</b>	<b>4,914.60</b>	
<p><b>Note: 11.1</b> Gross Block is carried at cost except Leasehold Land which is at cost less amounts written off.</p> <p><b>Note: 11.2</b> Amount written off Rs. 0.08 Lakhs of Leasehold Land has been debited to Profit and Loss Account under the head Depreciation and Amortization Expenses.</p> <p><b>Note: 11.3</b> Buildings includes Rs. 250/- being the cost of shares in Co-operative Society (Previous year Rs. 250/-)</p>											



**NOTES TO THE FINANCIAL STATEMENTS**

Particulars	(Rs. In Lakhs)	
	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE: 12 NON CURRENT INVESTMENTS</b>		
<b>Investment in Equity instruments:</b> (In fully paid shares)		
<b>Unquoted:</b>		
50 Equity Shares of Rs. 100/- each in Gujarat Sheep & Wool Development Corporation Limited	<b>0.05</b>	0.05
186265 (P.Y.186265) Equity Shares of Rs. 10/- each in Narmada Cleantech Limited	<b>18.63</b>	18.63
<b>Others:</b>		
400 Equity Shares of Rs. 25/- each in Co-operative Bank of Baroda Limited	-	-
13098095 (P.Y.13098095) Equity shares of Rs 10/- each in Dinesh Remedies Limited - Subsidiary	<b>1,309.81</b>	1,309.81
<b>Investments in Government or Trust securities:</b>		
50,000 11.50% GOI Securities - 2015	-	-
20,000 6.90% GOI Securities - 2019	<b>18.76</b>	18.76
<b>Total</b>	<b><u>1,347.25</u></b>	<u>1,347.25</u>
<b>NOTE: 13 LONG TERM LOANS &amp; ADVANCES</b>		
(Unsecured, considered good)		
Security Deposits	<b>105.25</b>	105.33
<b>Total</b>	<b><u>105.25</u></b>	<u>105.33</u>
<b>NOTE: 14 CURRENT INVESTMENTS</b>		
Reliance Money Manager Fund	<b>230.64</b>	-
ICICI Prudential Equity Arbitrage Fund	<b>1,134.11</b>	-
IDFC Arbitrage Fund	<b>3.45</b>	-
Kotak Equity Arbitrage Fund	<b>850.49</b>	-
Reliance Arbitrage Advantage Fund	<b>457.81</b>	-
HDFC Arbitrage Fund	<b>685.85</b>	-
<b>Total</b>	<b><u>3,362.35</u></b>	<u>-</u>



## SHRI DINESH MILLS LTD.

### NOTES TO THE FINANCIAL STATEMENTS

Particulars	(Rs. In Lakhs)	
	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE: 15 INVENTORIES</b>		
a. Raw Materials	<b>850.20</b>	684.81
Goods-in transit	-	-
	<b>850.20</b>	684.81
b. Work-in-progress	<b>1,041.84</b>	1051.12
c. Finished goods	<b>1,186.07</b>	1046.76
d. Stores and spares	<b>443.42</b>	456.10
<b>Total</b>	<b>3,521.53</b>	3,238.79

#### **15.1 DETAILS OF RAW MATERIALS**

Imported:		
Wool	<b>339.29</b>	123.91
Yarn	<b>183.43</b>	197.80
Fibre	<b>125.33</b>	205.50
Miscellaneous	<b>3.18</b>	0.21
Indigeneous:		
Wool	-	1.66
Yarn	<b>116.93</b>	118.68
Fibre	<b>81.86</b>	36.87
Miscellaneous	<b>0.18</b>	0.18
<b>Total</b>	<b>850.20</b>	684.81

#### **15.2 DETAILS OF WORK-IN-PROGRESS**

Woolen worsted	<b>627.35</b>	627.54
Felt	<b>414.49</b>	423.58
<b>Total</b>	<b>1,041.84</b>	1,051.12

#### **15.3 DETAILS OF FINISHED GOODS**

Woolen/ Worsted Fabrics	<b>632.00</b>	473.54
Felt	<b>548.18</b>	572.70
Readymade Garments	<b>5.89</b>	0.51
<b>Total</b>	<b>1,186.07</b>	1,046.76

#### **Note 15.4 :**

Valuation of Inventory is carried out as per the Standard Accounting policy followed by the company. See Annexure I referred to in Note 34



**NOTES TO THE FINANCIAL STATEMENTS**

Particulars	(Rs. In Lakhs)	
	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE: 16 TRADE RECEIVABLES</b>		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	203.45	213.68
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
<b>Sub total</b>	<b>203.45</b>	<b>213.68</b>
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	767.05	912.51
<b>Total</b>	<b>970.50</b>	<b>1,126.19</b>
<b>NOTE: 17 CASH AND BANK BALANCES</b>		
<b>Bank Balances:</b>		
In Current Account	356.41	74.81
In Fixed Deposit Account (having maturity period less than 3 months)	3.94	3,127.65
<b>Other Bank Balances:-</b>		
In Fixed Deposit Account (having maturity period more than 12 months)	17.60	18.25
Unclaimed dividend accounts	20.08	20.76
	<b>398.03</b>	<b>3,241.47</b>
Cash on hand	2.11	3.56
<b>Total</b>	<b>400.14</b>	<b>3,245.03</b>
<b>NOTE: 18 SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Loans and advances to related parties	-	-
Other loans and advances	21.14	21.46
Statutory dues (net)	23.82	91.28
Advances to Suppliers	142.23	117.32
Prepaid Expenses	1.96	9.08
<b>Total</b>	<b>189.15</b>	<b>239.14</b>
<b>NOTE: 19 OTHER CURRENT ASSETS</b>		
Interest and dividend receivables on investments	0.33	5.78
Interest subsidy receivables	125.41	131.94
<b>Total</b>	<b>125.74</b>	<b>137.72</b>



## SHRI DINESH MILLS LTD.

### NOTES TO THE FINANCIAL STATEMENTS

(Rs. In Lakhs)

Particulars	2016-17	2015-16		
<b>NOTE: 20 REVENUE FROM OPERATIONS</b>				
Sale of products	8,440.94	8,319.69		
Less:				
Excise duty	512.00	511.02		
<b>Total</b>	<b>7,928.94</b>	<b>7,808.67</b>		
<b>NOTE: 21 OTHER INCOME</b>				
Interest Income	46.80	47.32		
Dividend Income	187.37	175.59		
Miscellaneous Income	147.60	91.21		
<b>Total</b>	<b>381.77</b>	<b>314.12</b>		
<b>NOTE: 22 COST OF MATERIALS CONSUMED</b>				
Wool	809.99	635.11		
Synthetic Fibre	881.02	840.39		
Yarn	651.03	778.10		
Others	20.15	21.55		
<b>Total</b>	<b>2,362.19</b>	<b>2,275.15</b>		
<b>GOODS - TRADED - IN :</b>				
Ready Made Garments	117.88	105.00		
<b>22.1 Imported &amp; Indigenous</b>				
Raw material consumed				
	VALUE	%	VALUE	%
	(Rs. In Lakhs)	(Rs. In Lakhs)	(Rs. In Lakhs)	(Rs. In Lakhs)
Imported	1,676.76	70.98%	1,468.79	64.56%
Indigenous	685.43	29.02%	806.36	35.44%
<b>Total</b>	<b>2,362.19</b>	<b>100.00%</b>	<b>2,275.15</b>	<b>100.00%</b>
<b>NOTE: 23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>				
<b>Inventories (at close):</b>				
Work -in- Process	1,041.84		1,051.12	
Finished Goods	1,186.07		1,046.76	
	<b>2,227.91</b>		<b>2,097.88</b>	
<b>Inventories (at commencement):</b>				
Work -in- Process	1,051.12		1,165.86	
Finished Goods	1,046.76		838.07	
	<b>2,097.88</b>		<b>2,003.93</b>	
	<b>(130.03)</b>		<b>(93.95)</b>	
Excise duty variations on opening/closing stocks	8.66		31.59	
<b>Total</b>	<b>(121.37)</b>		<b>(62.36)</b>	

**NOTES TO THE FINANCIAL STATEMENTS**

(Rs. In Lakhs)

Particulars	2016-17	2015-16
<b>NOTE: 24 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and Wages	2,515.66	2,371.46
Contributions to -		
Provident fund, Superannuation scheme & Other funds	292.57	268.03
Employees' State Insurance Scheme	39.46	38.04
Staff welfare expenses	10.37	9.99
<b>Total</b>	<b>2,858.06</b>	<b>2,687.52</b>

**24.1 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	993.17	936.43
Current Service Cost	42.46	41.54
Interest Cost	78.06	74.16
Benefit Paid	(108.45)	(71.28)
Actuarial Losses / (Gains) on obligations	9.58	12.32
Present value of Obligations as at the end of the year	1,014.82	993.17

**(II) Changes in Fair Value of plan assets**

Fair value of plan assets as at the beginning of the year	942.69	826.30
Expected return on Plan Assets	74.09	65.44
Contributions	50.50	110.20
Benefits Paid	(108.45)	(71.28)
Actuarial Losses / (Gains) on Plan Assets	(19.04)	12.03
Fair value of plan assets as at the end of the year	939.79	942.69

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

Present value of obligation as at end of the year	1,014.82	993.17
Fair Value of Plan assets as at the end of the year	939.79	942.69
Funded Status	(75.03)	(50.48)
Net Asset / (Liability) recognised in the Balance Sheet	(75.03)	(50.48)

**(IV) Expenses recognized in the Profit and Loss Account**

Service Cost	42.46	41.54
Interest Cost	78.06	74.16
Expected return on Plan Assets	74.09	65.44
Net Actuarial Losses / (Gains) on Plan Assets for the period	28.62	0.29
Expenses recognised in Profit and Loss account	75.05	50.55

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

Government of India Securities	5.93%	8.56%
Debt Instruments	85.51%	81.98%
Cash and cash equivalent	8.56%	9.45%

**(VI) Assumptions:**

	LIC (2006-08) Ult	LIC (2006-08) Ult
Mortality		
Discount rate (per annum)	7.27%	7.86%
Rate of increase in compensation	5.00%	5.00%
Rate of return (expected) on plan assets	7.27%	7.86%
Present value of obligation	1,014.82	993.17
Fair value of plan assets	939.79	942.69
Surplus or (Deficit) in the plan	(75.03)	(50.48)



## SHRI DINESH MILLS LTD.

### NOTES TO THE FINANCIAL STATEMENTS

(Rs. In Lakhs)

Particulars	2016-17	2015-16
<b>NOTE: 25 FINANCE COST</b>		
Interest expenses	185.03	207.81
Other borrowing costs	21.59	11.95
<b>Total</b>	<b>206.62</b>	<b>219.76</b>
<b>NOTE: 26 OTHER EXPENSES</b>		
Stores Consumed	321.68	327.96
Electricity, Power and Fuel	229.97	307.14
Rent	4.77	2.82
Commission	128.21	116.05
Cash Discount	175.93	167.91
Repairs to Building	16.17	36.11
Repairs to Machinery	312.12	245.57
Repairs to Others	15.78	20.61
Insurance	21.22	18.86
Rates and Taxes	33.77	28.01
Payments to Auditors	11.06	10.20
Advertisement and Publicity	14.30	14.44
Legal & Professional Fees	131.09	116.73
Travelling and Conveyance	204.07	196.70
Miscellaneous Expenses	360.60	294.09
<b>Total</b>	<b>1,980.74</b>	<b>1,903.20</b>
<b>26.1 DETAILS OF STORES CONSUMED</b>		
Imported	110.29	28.52
Indigenous	211.39	299.44
<b>Total</b>	<b>321.68</b>	<b>327.96</b>
<b>26.2 PAYMENT TO AUDITORS AS:</b>		
Statutory Auditors :		
i) Audit Fees	4.92	4.90
ii) For Taxation matters	5.62	5.30
iii) For expenses	0.52	-
<b>Sub Total</b>	<b>11.06</b>	<b>10.20</b>
Cost Auditors :		
i) As auditors	-	-
<b>Total</b>	<b>11.06</b>	<b>10.20</b>

**NOTES TO THE FINANCIAL STATEMENTS**

(Rs. In Lakhs)

Particulars	2016-17	2015-16
<b>NOTE: 27 C.I.F. VALUE OF IMPORTS, EXPENDITURE AND EARNINGS IN FOREIGN CURRENCY</b>		
<b>(A) C.I.F. Value of imports:</b>		
Raw Materials	1,594.14	812.55
Capital Goods	1.09	514.31
Stores & Spares	76.70	90.25
<b>(B) Expenditure in Foreign currencies:</b>		
Commission	46.42	26.67
Travelling expenses	60.89	57.64
Other matters	12.85	23.36
<b>(C) Earnings in Foreign currencies:</b>		
F.O.B. value of Exports	805.54	540.32

**NOTE: 28 EARNINGS PER SHARE (EPS)**

Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. In Lakhs)	244.39	290.43
Total number of equity shares (P.Y:Weighted Average number of equity shares used as denominator for calculating EPS)	5,084,382	5,084,382
Basic Earnings per share (Rs.)	4.81	5.71
Diluted Earnings per share (Rs.)	4.81	5.71
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	228.34	140.11
Additional Bonus liability owing to amendment introduced in The Payment of Bonus Act, 1965, the matter at this juncture is at subjudiced stage with the various High Courts for the year 2014-15	28.48	28.48
Income tax Demands - matter under appeal	572.87	847.51
Excise matter under appeal	217.81	217.81

**NOTE: 30**

Estimated amount of contracts remaining to be executed on Capital Account (net of advance payment) is NIL (previous year Rs.NIL)



## 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	Ceased to be Director w.e.f. 14th February, 2017 owing to his demise
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
Mr. N.N.Patel	Son of Mr. N.U.Patel
Mrs. M.U.Patel	Wife of Mr. U.M.Patel

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

(Rs. in Lacs)

Name of Related Party	Relationship	Nature of Transaction	Amount		Outstanding Balance	
			2016-17	2015-16	2016-17	2015-16
1. Chairman and Managing Director Shri B.U.Patel	Key Management Personnel	Remueration	95.83	94.19	7.72	7.71
		Fixed Deposits received	-	-	-	-
		Interest Paid	-	-	-	-
2. Managing Director Shri N.U.Patel	Key Management Personnel	Remueration	95.83	94.19	7.90	8.00
		Fixed Deposits received	-	-	-	-
		Interest Paid	-	-	-	-
3. Relatives of Key Management Personnel	Relatives of Key Management Personnel	Fixed Deposits received	-	-	-	-
		Interest Paid	-	-	-	-
		Salary	26.74	16.31	-	-

(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 one business segment Viz : "Textile".

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

Information of geographical segment:

(Rs. in Lacs)

Particulars	Year	In India	Outside India	Total
Segment Revenue	<b>2016-17</b>	<b>7,111.55</b>	<b>817.39</b>	<b>7,928.94</b>
	2015-16	7,267.08	541.59	7,808.67
Carrying cost of Assets by location of Assets	<b>2016-17</b>	<b>14,277.94</b>	-	<b>14,277.94</b>
	2015-16	14,354.05	-	14,354.05
Additions to Assets and Intangible	<b>2016-17</b>	<b>96.28</b>	-	<b>96.28</b>
	2015-16	726.76	-	726.76

Note: 33 The Board of Directors have recommended for the approval of Members a final dividend of Rs.1.50 per equity share of Rs.10/- each for the financial year 2016-17. As per the requirement of Accounting Standard 4 (Revised), the Company has not recognised any provision in financial statements.

Note: 34 Significant Accounting Policies followed by the Company are as stated in the statement annexed to this schedule as Annexure I.

Note: 35 Previous year's figures have been regrouped wherever necessary.

Note: 36 Disclosure of the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, required as per Notification G.S.R 308 (E) dated 30th March 2017 issued by the Ministry of Corporate Affairs.

This is to certify that the disclosure given below are true and correct to the best of our knowledge and belief and is as per the Books of Account maintained by the Company

Amount in Rs.

	Specified Bank Notes (SBNs)	Other denomination notes	Total
<b>Closing cash in hand as on 08.11.2016</b>	<b>566,500.00</b>	<b>7,132.00</b>	<b>573,632.00</b>
(+) Permitted receipts	-	3,767,710.00	3,767,710.00
(-) Permitted payments	-	3,341,723.00	3,341,723.00
(-) Amount deposited in Banks	566,500.00	-	566,500.00
<b>Closing cash in hand as on 30.12.2016</b>	<b>-</b>	<b>433,119.00</b>	<b>433,119.00</b>

As per our Report of even date

For and on behalf of the Board of Directors

For **Dhirubhai Shah & Doshi**  
Chartered Accountants

**N. U. Patel**  
Managing Director

**B. U. Patel**  
Chairman & Managing Director (CEO)

Firm's Registration Number: 102511W

**Kaushik D. Shah**  
Partner

**J. B. Sojitra**  
Company Secretary

**Sudip Ray**  
Chief Financial Officer

Membership No.: 016502  
Vadodara, May 30th, 2017

Vadodara, May 30th, 2017



## SHRI DINESH MILLS LTD.

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### Annexure I referred to in note 34 to the Account for the year ended 31st March, 2017, 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 generally accepted principles in India and are in compliance with the accounting standard issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 2013. 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 is being provided on written down value method except for plant & machinery, wherein straight-line method is followed. Rate of depreciation is accordance with the provisions of section 123 of the Companies Act, 2013 considering the useful life provided in part "C" of the schedule II.
  - II. Depreciation on additions to the assets during the year is being provided on pro-rata basis with reference to the month of acquisition /installation.
  - III. 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.

#### 3. Investments :

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



## SHRI DINESH MILLS LTD.

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- 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 Subsidies:

- i) Government subsidies are recognized when there is reasonable assurance that the same will be received.
- ii) Revenue subsidies for expenses incurred are reduced from the respective expenses.
- iii) Capital subsidies 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, Contingent Liabilities and Contingent Assets :

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. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### 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.

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF SHRI DINESH MILLS LIMITED****Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of "SHRI DINESH MILLS LIMITED" (hereinafter referred to as "the Company") and "DINESH REMEDIES LIMITED", the Subsidiary (the Company and the Subsidiary collectively referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

**Management's Responsibility for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the company/subsidiary included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



## SHRI DINESH MILLS LTD.

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### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the consolidated state of affairs of the Group as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Company and the Subsidiary as on 31st March, 2017, none of the directors are disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
  - (g) In respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group- Refer Note 28 to the consolidated financial statements.
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.
    - iv. The company had provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and the same are in accordance with the books of accounts maintained by the company.

For

**Dhirubhai Shah & Doshi**

Chartered Accountants

Firm's Registration Number: 102511W

**Kaushik D. Shah**

Partner

Membership No. 016502

Place : Vadodara  
Date : 30th, May 2017

**ANNEXURE - A TO THE AUDITORS' REPORT****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company for the year ended March 31, 2017, We have audited the internal financial controls over financial reporting of Shri Dinesh Mills Limited ("the Holding Company") and its subsidiary company as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its Subsidiary company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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



## SHRI DINESH MILLS LTD.

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accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Holding Company and its Subsidiary Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For  
**Dhirubhai Shah & Doshi**  
Chartered Accountants  
Firm's Registration Number: 102511W  
**Kaushik D. Shah**  
Partner  
Membership No. 016502

Place : Vadodara  
Date : 30th, May 2017

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017**

Particulars	Note No.	(Rs. In Lakhs)	
		As at 31st March, 2017	As at 31st March, 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
Share Capital	1	<b>508.44</b>	508.44
Reserves and Surplus	2	<b>9,688.01</b>	9,477.17
<b>Minority Interest</b>		<b>881.16</b>	908.04
<b>2 Non-Current Liabilities</b>			
Long- term borrowings	3	<b>959.18</b>	1,592.41
Deferred tax Liabilities (Net)	4	<b>335.54</b>	427.69
Other Long Term Liabilities	5	<b>519.81</b>	511.57
Long Term Provisions	6	<b>313.14</b>	259.66
<b>3 Current Liabilities</b>			
Short term borrowings	7	<b>53.99</b>	152.87
Trade Payables	8	<b>588.70</b>	513.89
Other Current Liabilities	9	<b>1,986.36</b>	1,884.08
Short Term Provisions	10	<b>150.41</b>	195.30
<b>TOTAL</b>		<b>15,984.74</b>	16,431.13
<b>II. ASSETS</b>			
<b>1 Non-Current Assets</b>			
Fixed assets	11		
(i) Tangible assets		<b>6,569.85</b>	7,376.78
(ii) Capital work-in-progress		-	-
Non-current investments	12	<b>37.44</b>	37.44
Long term loans and advances	13	<b>161.00</b>	145.99
<b>2 Current assets</b>			
Current Investments	14	<b>3,397.35</b>	-
Inventories	15	<b>3,684.32</b>	3,407.66
Trade Receivables	16	<b>1,396.40</b>	1,807.25
Cash and Bank balances	17	<b>403.56</b>	3,257.63
Short Term Loans and Advances	18	<b>209.08</b>	260.66
Other Current Assets	19	<b>125.74</b>	137.72
<b>TOTAL</b>		<b>15,984.74</b>	16,431.13
The Notes form an integral part of these financial statements	1 to 35		

As per our Report of even date

For and on behalf of the Board of Directors

 For **Dhirubhai Shah & Doshi**
**N. U. Patel**
**B. U. Patel**

Chartered Accountants

Managing Director

Chairman &amp; Managing Director (CEO)

Firm's Registration Number: 102511W

**Kaushik D. Shah**
**J. B. Sojitra**
**Sudip Ray**

Partner

Company Secretary

Chief Financial Officer

Membership No.: 016502

Vadodara, May 30th, 2017

Vadodara, May 30th, 2017



## SHRI DINESH MILLS LTD.

### CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. In Lakhs)

Particulars	Note No.	2016-17	2015-16
I. Revenue from Operations	20	9,633.79	9,881.12
II. Other Income	21	410.66	324.12
III. Total Revenue (I + II)		<u>10,044.45</u>	<u>10,205.24</u>
IV. Expenses:			
Cost of Materials Consumed	22	3,092.30	3,231.19
Purchases of Stock-in-Trade	22	117.88	105.00
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	23	(139.87)	(89.28)
Employee Benefits Expense	24	3,132.84	2,971.61
Finance Costs	25	290.93	328.49
Depreciation and Amortization Expense	11	910.65	901.22
Other Expenses	26	2,547.91	2,477.74
Total Expenses		<u>9,952.64</u>	<u>9,925.97</u>
VII. Profit before tax (V + VI)		<u>91.81</u>	<u>279.27</u>
VIII. Tax expense:			
(1) Current tax		-	19.76
(2) Deferred tax		(92.15)	(55.21)
IX. Profit (Loss) for the year (VII-VIII)		<u>183.95</u>	<u>314.71</u>
Less: Profit transferred to Minority Interest		<u>(26.88)</u>	<u>10.80</u>
X. Earnings per equity share of Rs. 10 each	27	<u>210.83</u>	<u>303.91</u>
(1) Basic		4.15	5.98
(2) Diluted		4.15	5.98

The notes form an integral part of these financial statements

1 to 35

As per our Report of even date  
For **Dhirubhai Shah & Doshi**  
Chartered Accountants  
Firm's Registration Number: 102511W

**Kaushik D. Shah**  
Partner  
Membership No.: 016502  
Vadodara, May 30th, 2017

**N. U. Patel**  
Managing Director

**J. B. Sojitra**  
Company Secretary  
Vadodara, May 30th, 2017

For and on behalf of the Board of Directors

**B. U. Patel**  
Chairman & Managing Director (CEO)

**Sudip Ray**  
Chief Financial Officer



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

Particulars	(Rs. In Lakhs)	
	2016-17	2015-16
<b>A. Cash flow from operating Activity</b>		
Net Profit/ (Loss) Before Tax	<b>91.81</b>	279.27
Adjustments For:		
Depreciation	<b>910.65</b>	901.22
Interest & Financial Expenses	<b>290.93</b>	328.49
Loss on sales of assets	<b>0.04</b>	1.21
Profit on sale of assets	<b>(0.08)</b>	(0.82)
Dividend Income	<b>(187.37)</b>	(175.59)
Interest received on deposits	<b>(49.29)</b>	(49.96)
Capital Gain on redemption of Investment	-	(8.58)
	<b>964.88</b>	995.97
Operation profit before working capital changes	<b>1,056.69</b>	1,275.24
Adjustment For:		
Inventories	<b>(276.66)</b>	(252.66)
Trade Receivables	<b>410.84</b>	49.31
Loans & Advances and Other Assets	<b>48.55</b>	42.53
Trade Payables	<b>74.81</b>	17.42
Other Liabilities & Provisions	<b>119.11</b>	(64.57)
Minority Interest	<b>(26.88)</b>	10.64
Taxes Paid	-	(30.39)
Profit charged to Minority Interest	<b>26.88</b>	(10.80)
	<b>376.65</b>	(238.52)
<b>Cash Generated from Operations</b>	<b>1,433.34</b>	1,036.72
<b>B Cash Flow from Investment Activities</b>		
Purchase of Fixed Assets (Net of sales)	<b>(103.68)</b>	(884.82)
(Purchase)/ Redemption of Investment	<b>(3397.35)</b>	56.00
Capital Gain on redemption of Investment	-	8.58
Dividend Income	<b>187.37</b>	175.59
Interest received	<b>49.29</b>	49.96
Net Cash Flow from Investment Activity	<b>(3264.37)</b>	(594.69)
<b>C Cash Flow from Financial Activities:</b>		
Proceeds/(Repayment) from Borrowings	<b>(732.11)</b>	11.17
Dividends Paid (Incl. Dividend Distribution Tax)		
Interest & Financial Expenses	<b>(290.93)</b>	(328.49)
Net Cash Flow from Financial Activities	<b>(1023.04)</b>	(317.32)
Total of Cash Flow	<b>(2854.07)</b>	124.71
Opening Cash & Cash equivalent	<b>3,257.63</b>	3,132.92
Closing Cash & Cash equivalent	<b>403.56</b>	3,257.63

**Note:**

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

As per our Report of even date	For and on behalf of the Board of Directors	
For <b>Dhirubhai Shah &amp; Doshi</b>	<b>N. U. Patel</b>	<b>B. U. Patel</b>
Chartered Accountants	Managing Director	Chairman & Managing Director (CEO)
Firm's Registration Number: 102511W		
<b>Kaushik D. Shah</b>	<b>J. B. Sojitra</b>	<b>Sudip Ray</b>
Partner	Company Secretary	Chief Financial Officer
Membership No.: 016502		
Vadodara, May 30th, 2017	Vadodara, May 30th, 2017	



## SHRI DINESH MILLS LTD.

### NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (F.Y. 2016-17)

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE:1 SHARE CAPITAL</b>		
<b>Authorised</b>		
9,500,000 Equity Shares of Rs 10/- each	<b>950.00</b>	950.00
50,000 Unclassified Shares of Rs. 100/-	<b>50.00</b>	50.00
	<b>1,000.00</b>	1,000.00
<b>Issued, Subscribed &amp; Paid up</b>		
5084382 (P.Y. 5084382) Equity Shares of Rs 10/- each fully paid	<b>508.44</b>	508.44
<b>Total</b>	<b>508.44</b>	508.44

#### 1.1 The reconciliation of the number of shares outstanding at the beginning and at the end of the year:-

	(Rs. In Lakhs)			
	No. of Shares	As at 31st March, 2017	No. of Shares	As at 31st March, 2016
Shares outstanding at beginning of the year	<b>5,084,382</b>	<b>508.44</b>	5,084,382	508.44
Shares outstanding at end of the year	<b>5,084,382</b>	<b>508.44</b>	5,084,382	508.44

**Note:** During the F.Y. 2013-14, Company had bought back 193118 equity shares at a premium out of General Reserves and amount equal to nominal value of bought back shares i.e Rs.19.31 lacs has been transferred from General Reserve to Capital Redemption Reserve.

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

Name of the Shareholder	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shri U.M.Patel	<b>531,655</b>	<b>10.46</b>	531,655	10.46
Shri B.U.Patel	<b>491,710</b>	<b>9.67</b>	491,710	9.67
Shri N.U.Patel	<b>573,388</b>	<b>11.28</b>	573,388	11.28

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

1.4 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.

**NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (F.Y. 2016-17)**

Particulars	(Rs. In Lakhs)	
	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE: 2 RESERVES &amp; SURPLUS</b>		
<b>a. Capital Redemption Reserve</b>		
Opening Balance	19.31	-
(+) Current Year Transfer from General Reserve	-	19.31
Closing Balance	<u>19.31</u>	<u>19.31</u>
<b>b. General Reserve</b>		
Opening Balance	9,244.71	9,244.92
(+) Current Year Transfer	-	-
(-) Utilization for Buy Back of Share	-	-
(-) Amount transferred owing to change in useful lives of assets as per the Companies Act, 2013 (Net of deferred tax)	-	0.21
(-) Transfer to Capital Redemption Reserve	-	-
Closing Balance	<u>9,244.71</u>	<u>9,244.71</u>
<b>c. Surplus</b>		
Opening balance	213.15	1.03
(+) Net Profit/(Net Loss) for the current year	210.83	303.91
(-) Proposed Dividends	-	91.79
(-) Transfer to Reserves	-	-
Surplus as per annexed accounts	<u>423.98</u>	<u>213.15</u>
<b>Total</b>	<b><u>9,688.01</u></b>	<b><u>9,477.17</u></b>

**NOTE: 3 LONG TERM BORROWINGS**

Term loans (Term loan under Technology Upgradation Fund Scheme is secured by way of hypothecation of machineries purchased therefrom.)	959.18	1,592.41
<b>Total</b>	<b><u>959.18</u></b>	<b><u>1,592.41</u></b>

**3.1 TERMS OF REPAYMENT OF TERM LOANS**

Name of Institutions	Instruments	Frequency	Number of Installments	Rate of Interest	Repayment schedule	
					First installment due	Amount of Installment
<b>Shri Dinesh Mills Limited</b>						
South Indian Bank - II	Term Loan	Quarterly	24	10.50%	Apr-13	27.50
South Indian Bank - III	Term Loan	Quarterly	24	10.50%	May-14	66.60
<b>Dinesh Remedies Limited</b>						
South Indian Bank Ltd	Term Loan	Quarterly	24	10.50%	Mar-14	51.60



## SHRI DINESH MILLS LTD.

### NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (F.Y. 2016-17)

(Rs. In Lakhs)

Particulars	As at 31.03.2016	Charge / (Credit) during the year	As at 31.03.2017
<b>NOTE: 4 DEFERRED TAX LIABILITY</b>			
Deferred Tax Liability on account of :			
(I) Depreciation	503.64	(78.79)	<b>424.85</b>
Deferred Tax Assets on account of :			
(I) Expenses allowable for tax purpose when . . paid (Octroi)	15.60	-	<b>15.60</b>
(II) Unencashed leave (Leave + Director Leave)	48.65	12.21	<b>60.86</b>
(III) Gratuity	11.70	1.15	<b>12.85</b>
	<u>75.95</u>	<u>13.36</u>	<u><b>89.31</b></u>
<b>Net Deferred tax Liabilities / Assets</b>	<u>427.69</u>	<u>(92.15)</u>	<u><b>335.54</b></u>
		<b>As at 31st March, 2017</b>	As at 31st March, 2016

#### NOTE: 5 OTHER LONG TERM LIABILITIES

Trade Deposits	<b>250.93</b>	242.69
Octroi Liability	<b>63.49</b>	63.49
Outstanding expenses	<b>205.39</b>	205.39
<b>Total</b>	<u><b>519.81</b></u>	<u>511.57</u>

#### NOTE: 6 LONG TERM PROVISIONS

<b>Provision for employee benefits:</b>		
Gratuity	<b>52.77</b>	44.37
Leave Encashment	<b>133.40</b>	119.94
Provisions for Medical/LTA/allowances, etc.	<b>49.54</b>	52.88
Provision for Tax (net of advance tax, TDS, self asst. tax)	<b>77.43</b>	42.47
<b>Total</b>	<u><b>313.14</b></u>	<u>259.66</u>

#### NOTE: 7 SHORT TERM BORROWINGS

<b>Secured</b>		
Cash credit (Cash credits from Banks secured against hypothecation of Raw materials, Stores, Spare parts, Finished goods and Work-in-progress)	<b>53.99</b>	152.87
<b>Total</b>	<u><b>53.99</b></u>	<u>152.87</u>

**NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (F.Y. 2016-17)**

Particulars	(Rs. In Lakhs)	
	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE: 8 TRADE PAYABLES</b>		
Micro, Small and Medium Entreprises	-	-
Others	<b>588.70</b>	513.89
<b>Total</b>	<b>588.70</b>	<b>513.89</b>

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

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	<b>79.63</b>	78.21
Unclaimed dividends	<b>18.50</b>	19.52
Unclaimed matured deposits and interest accrued thereon	<b>0.79</b>	1.18
Current Maturities of Long Term Debt	<b>582.64</b>	488.70
<b>Other Payables :</b>		
Advance from Customers	<b>554.28</b>	560.74
Statutory dues	<b>149.28</b>	162.55
Other provision for expenses	<b>599.11</b>	569.18
Other current liabilities	<b>2.13</b>	4.00
<b>Total</b>	<b>1,986.36</b>	<b>1,884.08</b>

9.1 There is no amount due and outstanding to be credited to Investor Education and . Protection Fund as at 31st March, 2017

**NOTE: 10 SHORT TERM PROVISIONS**

Dues to Directors	15.62	15.71
<u>Provision for employee benefits</u>		
Gratuity	<b>77.77</b>	54.45
Leave Encashment	<b>57.02</b>	33.35
Provisions for Dividend and Dividend Tax	-	91.79
<b>Total</b>	<b>150.41</b>	<b>195.30</b>

**NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (F.Y. 2016-17)**

(Rs. In Lakhs)

**NOTE: 11 FIXED ASSETS**

Fixed Asset	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK		
	Balance as at 1st April, 2016	Additions	Adjustment/ Deduction	Balance as at 31st March, 2017	Balance as at 1st April, 2016	Depreciation for the year	Adjustment/ Deduction	Amount adjusted with retained earnings on account of change in Assets life as per The Company Act. 2013	Balance as at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
<b>(A) Tangible Assets</b>											
Land	381.15	-	-	381.15	-	-	-	-	-	381.15	381.15
Assets under lease	5.73	-	(0.08)	5.65	-	-	-	-	-	5.65	5.73
Buildings	1,124.37	45.73	-	1,170.10	586.00	34.04	-	-	620.04	550.06	538.37
Plant and Equipment	21,245.12	31.95	-	21,277.07	15,017.89	819.59	-	-	15,837.48	5,439.59	6,227.22
Furniture and Dead stock	349.54	16.29	(3.52)	362.31	307.29	13.73	(3.34)	-	317.68	44.63	42.25
Vehicles	387.27	8.27	(13.46)	382.08	266.41	37.84	(13.14)	-	291.11	90.97	120.86
Electrical Installations	190.55	-	-	190.55	132.29	4.69	-	-	136.98	53.57	58.26
Tubewell and waterworks	13.80	1.98	-	15.78	10.87	0.68	-	-	11.55	4.23	2.94
Sub Total :	23,697.53	104.22	(17.06)	23,784.69	16,320.75	910.57	(16.48)	-	17,214.84	6,569.85	7,376.78
<b>(B) Intangible Assets</b>											
Computer Software	9.78	-	-	9.78	9.78	-	-	-	9.78	-	-
<b>Total :</b>	23,707.31	104.22	(17.06)	23,794.47	16,330.53	910.57	(16.48)	-	17,224.62	6,569.85	7,376.78
Previous Year's Total	22,448.76	1,308.95	(50.40)	23,707.31	15,475.73	901.13	(46.70)	0.37	16,330.53	7,376.78	
<p><b>Note: 11.1</b> Gross Block is carried at cost except Leasehold Land which is at cost less amounts written off.</p> <p><b>Note: 11.2</b> Amount written off Rs. 0.08 Lakhs of Leasehold Land has been debited to Profit and Loss Account under the head Depreciation and Amortization Expenses.</p> <p><b>Note: 11.3</b> Buildings includes Rs. 250/- being the cost of shares in Co-operative Society (Previous year Rs. 250/-)</p>											

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SHRI DINESH MILLS LTD.



**NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (F.Y. 2016-17)**

Particulars	(Rs. In Lakhs)	
	As at 31st March 2017	As at 31st March 2016

**NOTE: 12 NON CURRENT INVESTMENTS**

**Investment in Equity instruments:**

In fully paid shares

**Unquoted:**

50 Equity Shares of Rs. 100/- each in Gujarat Sheep & Wool Development Corporation Limited	0.05	0.05
186265 (P.Y.186265) Equity Shares of Rs. 10/- each in Narmada Cleantech Limited	18.63	18.63

**Others:**

400 Equity Shares of Rs. 25/- each in Co-operative Bank of Baroda Limited	-	-
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**Investments in Government or Trust securities:**

50,000 11.50% GOI Securities - 2015	-	-
20,000 6.90% GOI Securities - 2019	18.76	18.76
<b>Total</b>	<b>37.44</b>	<b>37.44</b>

**NOTE: 13 LONG TERM LOANS & ADVANCES**

(Unsecured, considered good)

Security Deposits	142.81	136.96
Balance with Statutory authorities	18.19	9.03
<b>Total</b>	<b>161.00</b>	<b>145.99</b>

**NOTE: 14 CURRENT INVESTMENTS**

**Mutual Funds**

Reliance Money Manager Fund	230.64	-
ICICI Prudential Equity Arbitrage Fund	1,134.11	-
IDFC Arbitrage Fund	3.45	-
Kotak Equity Arbitrage Fund	850.49	-
Reliance Arbitrage Advantage Fund	457.81	-
HDFC Arbitrage Fund	685.85	-
ICICI Prudential Savings Fund	35.00	-
<b>Total</b>	<b>3,397.35</b>	<b>-</b>



## SHRI DINESH MILLS LTD.

### NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (F.Y. 2016-17)

Particulars	(Rs. In lakhs)	
	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE: 15 INVENTORIES</b>		
a. Raw Materials	876.94	727.41
Goods-in transit	-	-
b. Work-in-progress	1,086.44	1,097.39
c. Finished goods	1,249.17	1,087.08
d. Stores and spares	471.77	495.78
<b>Total</b>	<b>3,684.32</b>	<b>3,407.66</b>
<b>NOTE: 16 TRADE RECEIVABLES</b>		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	225.24	236.27
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	<u>225.24</u>	<u>236.27</u>
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	1,171.16	1,570.98
<b>Total</b>	<b>1,396.40</b>	<b>1,807.25</b>
<b>NOTE: 17 CASH AND BANK BALANCES</b>		
<b>Bank Balances:</b>		
In Current Account	359.44	87.15
In Fixed Deposit Account (having maturity period less than 3 months)	3.94	3,127.65
<b>Other Bank Balances:-</b>		
In Fixed Deposit Account (having maturity period more than 12 months)	17.60	18.25
Unclaimed dividend accounts	20.08	20.76
	<u>401.06</u>	<u>3,253.81</u>
Cash on hand	2.50	3.82
<b>Total</b>	<b>403.56</b>	<b>3,257.63</b>
<b>NOTE: 18 SHORT-TERM LOANS AND ADVANCES</b>		
Unsecured, considered good)		
Statutory dues (net of tax provisions)	36.42	106.62
Advance to Suppliers	143.54	118.54
Other loans and advances	23.35	22.77
Prepaid Expenses	5.77	12.73
<b>Total</b>	<b>209.08</b>	<b>260.66</b>



**NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (F.Y. 2016-17)**

Particulars	(Rs. In Lakhs)		
	As at 31st March, 2017	As at 31st March, 2016	
<b>NOTE: 19 OTHER CURRENT ASSETS</b>			
Interest and Dividend Receivables on investments	0.33	5.78	
Interest Subsidy receivables	125.41	131.94	
<b>Total</b>	<b>125.74</b>	<b>137.72</b>	
<b>NOTE: 20 REVENUE FROM OPERATIONS</b>			
Sale of products	10,267.83	10,570.61	
Less:			
Excise duty	634.04	689.49	
<b>Total</b>	<b>9,633.79</b>	<b>9,881.12</b>	
<b>NOTE: 21 OTHER INCOME</b>			
Interest Income	49.29	49.96	
Dividend Income	187.37	175.59	
Miscellaneous Income	174.00	98.57	
<b>Total</b>	<b>410.66</b>	<b>324.12</b>	
<b>NOTE: 22 COST OF MATERIALS CONSUMED</b>			
<b>Shri Dinesh Mills Limited</b>			
Wool	809.99	635.11	
Synthetic Fibre	881.02	840.39	
Yarn	651.03	778.10	
Others	20.15	21.55	
<b>Dinesh Remedies Limited</b>			
Gelatin	713.20	934.67	
Others	16.91	21.37	
<b>Total</b>	<b>3,092.30</b>	<b>3,231.19</b>	
<b>GOODS - TRADED - IN :</b>			
Ready Made Garments	117.88	105.00	
<b>22.1 Imported &amp; Indigenous</b>			
	<b>2016-17</b>	<b>2015-16</b>	
	<b>VALUE</b>	<b>%</b>	<b>VALUE</b>
	<b>(Rs. In lacs)</b>		<b>(Rs. In lacs)</b>
<b>Shri Dinesh Mills Limited</b>			
Imported & Indigenous:			
Raw material consumed:			
Imported	1676.76	54.22%	1468.79
Indigenous	685.43	22.17%	806.36
<b>Dinesh Remedies Limited</b>			
Gelatin	713.20	23.06%	934.67
Others	16.91	0.55%	21.37
<b>Total</b>	<b>3092.30</b>	<b>100.00%</b>	<b>3231.19</b>



## SHRI DINESH MILLS LTD.

### NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (F.Y. 2016-17)

Particulars	(Rs. In Lakhs)	
	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE: 23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Inventories (at close):</b>		
Work -in- Process	1,086.44	1,097.39
Finished Goods	1,249.17	1,087.08
	<u>2,335.61</u>	<u>2,184.47</u>
<b>Inventories (at commencement):</b>		
Work -in- Process	1,097.39	1,194.62
Finished Goods	1,087.08	867.61
	<u>2,184.47</u>	<u>2,062.23</u>
	<u>(151.14)</u>	<u>(122.24)</u>
Excise duty variations on opening/closing stocks	11.27	32.96
<b>Total</b>	<u>(139.87)</u>	<u>(89.28)</u>
<b>NOTE: 24 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and Wages	2,779.90	2,644.79
Contributions to -		
Provident fund, Superannuation scheme & Other funds	303.11	278.79
Employees' State Insurance Scheme	39.46	38.04
Staff welfare expenses	10.37	9.99
	<u>3,132.84</u>	<u>2,971.61</u>
<b>NOTE: 25 FINANCE COST</b>		
Interest expenses	264.89	313.24
Other borrowing costs	26.04	15.25
	<u>290.93</u>	<u>328.49</u>
<b>NOTE: 26 OTHER EXPENSES</b>		
Stores Consumed	393.66	386.40
Electricity, Power and Fuels	535.10	640.41
Rent	4.77	2.82
Commission	150.34	135.26
Cash Discount	175.93	167.91
Repairs to Building	16.79	38.10
Repairs to Machinery	342.17	268.20
Repairs to Others	15.78	20.61
Insurance	30.68	27.53
Rates and Taxes	34.71	28.95
Payment to Auditors	11.94	11.04
Advertisement and Publicity	14.30	14.44
Legal & professional fees	135.76	119.63
Travelling and Conveyance	204.07	196.70
Miscellaneous expenses	481.91	419.74
	<u>2,547.91</u>	<u>2,477.74</u>

**NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (F.Y. 2016-17)**

Particulars	(Rs. In Lakhs)	
	2016-17	2015-16
<b>26.1 PAYMENT TO AUDITORS AS:</b>		
Statutory Auditors :		
i) Audit Fees	5.62	5.60
ii) For Taxation matters	5.75	5.43
iii) For expenses	0.57	0.01
<b>Sub Total</b>	<b>11.94</b>	<b>11.04</b>
Cost Auditors :		
i) As auditors	-	-
<b>Total</b>	<b>11.94</b>	<b>11.04</b>

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

<b>(A) C.I.F. Value of imports :</b>		
Raw Materials	1,594.14	812.55
Capital Goods	1.09	587.08
Stores and Spares	83.21	97.96
<b>(B) Expenditure in Foreign currencies:</b>		
Commission	48.44	32.15
Travelling expenses	63.95	58.32
Other matters	12.85	23.36
<b>(C) Earnings in Foreign currencies:</b>		
F.O.B. value of Exports	1,231.74	827.73

**NOTE: 28 EARNINGS PER SHARE (EPS)**

Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. In Lakhs)	210.83	303.91
Weighted Average number of equity shares used as denominator for calculating EPS	5,084,382	5,084,382
Basic and Diluted Earnings per share (Rs.)	4.15	5.98
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	228.34	140.11
Additional Bonus liability owing to amendment introduced in The Payment of Bonus Act, 1965, the matter at this juncture is at subjudged stage with the various High Courts for the year 2014-15.	28.48	28.48
Income tax Demands (including interest) - matter under appeal	572.87	847.51
Excise matter under appeal	217.81	217.81

**NOTE: 30**

Estimated amount of contracts remaining to be executed on Capital Account (net of advance payment) is NIL (previous year Rs.NIL)



## SHRI DINESH MILLS LTD.

### NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (F.Y. 2016-17)

#### 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>	
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
Mr. 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	
			2016-17 (Rs. in Lacs)	2015-16 (Rs. in Lacs)	2016-17 (Rs. in Lacs)	2015-16 (Rs. in Lacs)
1. Chairman and Managing Director Shri B.U.Patel	Key Management Personnel	Remueration	95.83	94.19	7.72	7.71
		Fixed Deposits received	-	-	-	-
		Interest Paid	-	-	-	-
2. Managing Director Shri N.U.Patel	Key Management Personnel	Remueration	95.83	94.19	7.90	8.00
		Fixed Deposits received	-	-	-	-
		Interest Paid	-	-	-	-
3. Relatives of Key Management Personnel	Relatives of Key Management Personnel	Fixed Deposits received	-	-	-	-
		Interest Paid	-	-	-	-
		Salary	26.74	16.31	-	-

(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.

**NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (F.Y. 2016-17)**
**Note: 32 Segment wise Revenue and Capital employed for the year ended March 31st, 2017**
**(a) Primary segment : Business segment**

(Rs. in Lakhs)

	Textile		Pharmaceuticals		Consolidated	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
<b>Revenue</b>						
External Sales	7,928.94	7,808.67	1,704.85	2,072.45	9,633.79	9,881.12
<b>Total Revenue</b>	<b>7,928.94</b>	<b>7,808.67</b>	<b>1,704.85</b>	<b>2,072.45</b>	<b>9,633.79</b>	<b>9,881.12</b>
<b>Segment Results</b>						
Profit before Interest and Tax	337.27	457.07	19.43	135.44	356.70	592.51
Interest Expense (Net)					264.89	313.24
Other un-allocable income, net of unallocable Expenditure					-	-
<b>Profit before tax</b>					<b>91.81</b>	<b>279.27</b>
(1) Current tax					-	19.76
(2) Deferred tax					(92.15)	(55.21)
<b>Profit/(Loss) for the year</b>					<b>183.95</b>	<b>314.72</b>
Less: Share of Minority Interest					(26.88)	10.80
<b>Profit / (Loss) (after adjustment of Minority Interest)</b>					<b>210.83</b>	<b>303.91</b>
Segment Assets	4,256.03	4,914.60	2,313.83	2,462.18	6,569.86	7,376.78
<b>Total Assets</b>					<b>6,569.86</b>	<b>7,376.78</b>
Segment Liabilities	3,865.49	4,094.20	1,041.64	1,351.48	4,907.13	5,445.68
<b>Total Liabilities</b>					<b>4,907.13</b>	<b>5,445.68</b>
Capital Expenditure	96.28	694.72	7.94	188.04	104.22	882.76
Depreciation & Amortisation	754.27	745.16	156.30	155.96	910.57	901.12
Non cash Expenses other than depreciation	-	-	-	-	-	-

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

(Rs. in Lakhs)

Particulars	In India		Out side India		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Segment Revenue	8,402.04	9,049.99	1,231.75	831.13	9,633.79	9,881.12
Carrying cost of Assets by location of Assets	15,984.74	16,431.13	-	-	15,984.74	16,431.13
Addition to Assets and Intangible	104.22	1,308.95	-	-	104.22	1,308.95

**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



## SHRI DINESH MILLS LTD.

### NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (F.Y. 2016-17)

**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.

**Note: 35** Disclosure of the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, required as per Notification G.S.R 308 (E) dated 30th March 2017 issued by the Ministry of Corporate Affairs.

This is to certify that the disclosure given below are true and correct to the best of our knowledge and belief and is as per the Books of Account maintained by the Company.

Amount in Rs.

	Specified Bank Notes (SBNs)	Other denomination notes	Total
<b>Closing cash in hand as on 08.11.2016</b>	<b>730,500.00</b>	<b>7,420.00</b>	<b>737,920.00</b>
(+) Permitted receipts	-	4,494,954.00	4,494,954.00
(-) Permitted payments	-	4,034,018.00	4,034,018.00
(-) Amount deposited in Banks	730,500.00	-	730,500.00
<b>Closing cash in hand as on 30.12.2016</b>	<b>-</b>	<b>468,356.00</b>	<b>468,356.00</b>

As per our Report of even date  
For **Dhirubhai Shah & Doshi**  
Chartered Accountants  
Firm's Registration Number: 102511W

**Kaushik D. Shah**  
Partner  
Membership No.: 016502  
Vadodara, May 30th, 2017

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

**J. B. Sojitra**  
Company Secretary

Vadodara, May 30th, 2017

**B. U. Patel**  
Chairman & Managing Director (CEO)

**Sudip Ray**  
Chief Financial Officer

## ANNEXURE I REFERRED TO IN NOTE 33 TO THE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017, STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

**1. System of Accounting :**

These consolidated financial statements have been prepared on an accrual basis and under historical cost convention and in compliance, in all material aspects, with generally accepted principles in India and are in compliance with the accounting standard issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 2013. 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 Amortization**

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 is being provided on written down value method except for plant & machinery of holding company and all assets of subsidiary company, wherein straight-line method is followed. The useful life of Continuous process plants and electrical installations of subsidiary company are considered based on the technical assessment by the management. For residual assets, rate of depreciation is accordance with the provisions of section 123 of the Companies Act, 2013 considering the useful life provided in part "C" of the schedule II.

II. 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.

**3. Investments :**

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



## SHRI DINESH MILLS LTD.

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### 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 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 Subsidies :

- i) Government subsidies are recognized when there is reasonable assurance that the same will be received.
- ii) Revenue subsidies for expenses incurred are reduced from the respective expenses.
- iii) Capital subsidies 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, Contingent Liabilities and Contingent Assets :

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. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### 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.



**Form: AOC - I**

(Pursuant to first proviso to sub - section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the Financial Statement of Subsidiaries / Associate companies / Joint Ventures****Part - "A": Subsidiaries**

Sr. No.	Particulars	Amount (Rs. in Lakhs)
1	Name of the Subsidiary	Dinesh Remedies Ltd.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting period is same i.e. 31st March of every year
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not Applicable
4	Share Capital	2359.16
5	Reserves & Surplus	(384.18)
6	Total Assets	3016.62
7	Total Liabilities	3016.62
8	Investments	35.00
9	Turnover	1704.85
10	Profit Before Tax	(60.43)
11	Provision for Taxation	0.00
12	Profit after Tax	(60.43)
13	Proposed Dividend	NIL
14	% of shareholding	55.52%

**Notes:**

- (1) Names of subsidiaries which are yet to commence operations: None.  
(2) Names of subsidiaries which have been liquidated or sold during the year: None

**Part - "B": Associates and Joint Ventures: - None**

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

**BHARAT PATEL**  
Chairman & Managing Director

**N. U. PATEL**  
Managing Director

Vadodara, 30th May, 2017

**J. B. SOJITRA**  
Company Secretary

**SUDIP RAY**  
Chief Financial Officer (CFO)



**SHRI DINESH MILLS LIMITED**

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

**(CIN: L17110GJ1935PLC000494)**

**82nd ANNUAL GENERAL MEETING**

**ATTENDANCE SLIP**

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

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

Name of Proxy (if any) \_\_\_\_\_

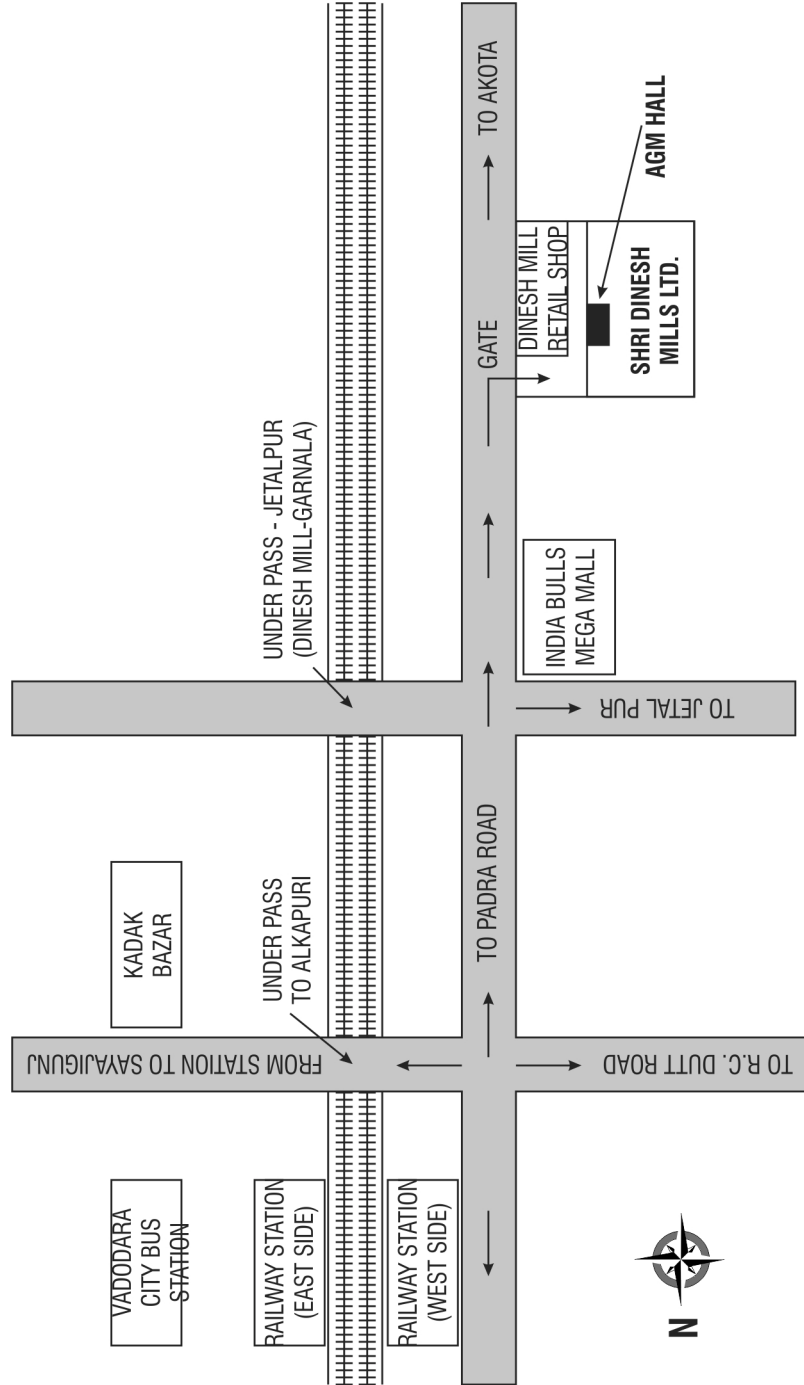
I/We hereby record my/our presence at the 82nd Annual General Meeting of the Company being held at Registered Office of the Company at Padra Road, Vadodara on Wednesday, the 27th September, 2017 at 11.00 A.M.

\_\_\_\_\_  
Member's/Proxy's Signature

Notes :

1. Please complete the Folio / DP-ID / Client ID No. and Name, sign this Attendance Slip and hand it over at the Attendance verification counter at the entrance of the Meeting Hall.
2. Members holding shares in physical form are requested to advise the change in their address, if any to the Registrar / Company quoting their Folio Number(s). Members holding shares in electronic form may update such details with their respective Depository Participant(s).
3. Member intending to appoint a proxy, should complete the proxy form and deposit it at the Company's Registered Office not later than 48 hours before the commencement of the Annual General meeting.





SHRI DINESH MILLS LTD. (ROAD MAP TO AGM VENUE)



**SHRI DINESH MILLS LIMITED**

Regd. Office : P.O. Box No. 2501, Padra Road, Vadodara - 390 020 • Website : www.dineshmills.com

(CIN: L17110GJ1935PLC000494)

**PROXY FORM**

Name of Member(s): \_\_\_\_\_

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

Email ID: \_\_\_\_\_

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

I/We, being a Member /Members of Shri Dinesh Mills Limited hereby appoint:

1. Name : \_\_\_\_\_

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

E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him

2. Name : \_\_\_\_\_

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

E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him

3. Name : \_\_\_\_\_

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

E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 82nd Annual General Meeting of the Company, to be held on Wednesday, the 27th September, 2017 at 11.00 A.M. at the Registered Office of the Company and at any adjournment thereof in respect of such Resolutions as are indicated below:

Resolution No.	Resolutions	Optional *	
		For	Against
<b>Ordinary Business:</b>			
1	Adoption of Audited Financial Statement		
2	Declaration of Dividend on Equity Shares		
3	Re-appointment of Shri Bharatbhai Patel as Director		
4	Appointment of Statutory Auditors		
<b>Special Business:</b>			
5	Revision in the Managerial Remuneration of Chairman & Managing Director (CMD) and Managing Director. (MD)		

Signed this on \_\_\_\_\_ day of \_\_\_\_\_ 2017

Signature of Shareholder: \_\_\_\_\_

Signature of Proxy Holder(s): \_\_\_\_\_

**Notes:**

- The Proxy should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Annual General Meeting.
- For this Resolution and explanatory statement and notes, please refer to the notice of the 82nd Annual General Meeting.
- It is optional to put a 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'for' or 'against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of manner(s) in above box before submission.

Affix 1  
Rupee  
Revenue  
Stamp



