



shri dinesh mills ltd.

CIN: L17110GJ1935PLC000494

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

October 11, 2018

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 2017 – 2018
Ref.: Regulation 34 of SEBI (L.O.D.R.) Regulations, 2015

We enclose herewith the Annual Report of the Company for the financial year 2017–2018 approved and adopted by the members of the Company at their 83rd Annual General Meeting of the Company held on 28th September, 2018.

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

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

CHIEF FINANCIAL OFFICER

Shri Apurva Shah

BANKERS

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

AUDITORS

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

REGISTERED OFFICE

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

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NOTICE

NOTICE is hereby given that, the 83rd 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 Friday, 28th September, 2018 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

- 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, 2018.
"RESOLVED THAT the Audited Standalone Financial Statement of the Company, the Boards' Report and the Auditors' Report thereon including consolidated financial statements together with Auditors' Report thereon for the financial year ended 31st March, 2018 be and are hereby received, approved and adopted."
- To declare dividend on equity shares.
"RESOLVED THAT the Dividend at the rate of Rs. 1.50 per Equity Share on 50,84,382 Equity Shares of Rs.10/- each as recommended by the Board of Directors be and is hereby approved."
- To appoint a Director in place of Shri Nimishbhai Patel (DIN-00039549), who retires by rotation and being eligible, offers himself for re-appointment.
"RESOLVED THAT Shri Nimishbhai Patel (DIN - 00039549), a Director of the Company who retires by rotation at this Meeting being eligible for re-appointment, be and is hereby re-appointed as Director of the Company whose period of Office shall be liable to determination by retirement of Director by rotation."
- To appoint M/s. Dhirubhai Shah & Co., Chartered Accountants, Ahmedabad as Auditors and fix their remuneration.
"RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any of the Companies Act, 2013, M/s. Dhirubhai Shah & Co., Chartered Accountants, Firm Registration No. 102511W be and are hereby appointed as Auditors of the Company to hold Office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting on a Remuneration of Rs. 5,39,600/- p.a. plus applicable Goods & Service Tax (GST) and out of pocket expenses as may be incurred by them for the purpose of Audit"

SPECIAL BUSINESS:

- RE-APPOINTMENT OF SHRI BHARATBHAI PATEL AS CHAIRMAN & MANAGING DIRECTOR AND FIX THE REMUNERATION W.E.F. 1ST APRIL, 2018**

To consider and if thought fit, to pass the following Resolution as "**SPECIAL RESOLUTION**"

"**RESOLVED THAT** pursuant to provision of Section 196, 197 read with Schedule V and Section 203 of the Companies Act, 2013 read with the Companies (Meetings of Board & its powers) Rules, 2014 and other applicable provisions, if any of the Companies Act, 2013, the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Shri Bharatbhai Patel be and is hereby re-appointed as Chairman & Managing Director of the Company for five years from 1st April, 2018 to 31st March, 2023 upon the following revised terms as to remuneration for the period not exceeding three years i.e. from 1st April, 2018 to 31st March, 2021 as set out hereunder in accordance with Schedule V to The Companies Act, 2013 or any amendment thereto subject to the re-consideration of the remuneration by the Nomination, Remuneration & Compensation Committee, the Board of Directors and Shareholders of the Company.

Remuneration Period: 1st April, 2018 to 31st March, 2021

- Basic Salary: Rs.4,60,000/- per month
- Allowances & Perquisites:
 - 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.
 - Use of Company's Car(s) with driver and telephone at his residence shall not be included in the computation of the above ceiling of allowances & perquisites, use of car(s) for private purpose and personal long distance calls on telephone shall be billed by the Company to the Chairman & Managing Director.



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- iii) Company's contribution to provident fund and superannuation fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of tenure of the Chairman & Managing Director shall not be included in the computation of the aforesaid limits of the remuneration.

RESOLVED FURTHER THAT the draft Agreement to be entered into with Shri Bharatbhai Patel, containing various terms & conditions of his re-appointment and remuneration as placed before the meeting duly initialed by the Chairman for the purpose of identification be and is hereby approved and the same be executed under the Common Seal of the Company pursuant to the provisions of Articles of Association of the Company."

6. PAYMENT OF THE REMUNERATION TO SHRI NIMISHBHAI PATEL, MANAGING DIRECTOR OF THE COMPANY FROM 1ST APRIL, 2018 TO 13TH JANUARY, 2020

To consider and if thought fit, to pass the following Resolution as "SPECIAL RESOLUTION"

"RESOLVED THAT pursuant to provision of Section 197 read with Schedule V of the Companies Act, 2013 read with the Companies (Meetings of Board & its powers) Rules, 2014 and other applicable provisions, if any of the Companies Act, 2013, the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and in partial modification of earlier Resolutions passed, the Company hereby approves the payment of the managerial remuneration on the revised terms & conditions to Shri Nimishbhai Patel, Managing Director who is also rendering honorary services as Chairman & Managing Director of the subsidiary company viz. Dinesh Remedies Ltd., in accordance with the provisions of the Companies Act, 2013 alongwith relevant Schedules thereto for the unexpired period of his unexpired tenure from 1st April, 2018 to 13th January, 2020 as set out in the draft Deed of Variation in accordance with Schedule V to The Companies Act, 2013 or any amendment thereto subject to the re-consideration of the remuneration by the Nomination, Remuneration & Compensation Committee, the Board of Directors and Shareholders of the Company.

RESOLVED FURTHER THAT the draft Deed of Variation to be entered into with Shri Nimishbhai Patel, containing various terms & conditions of his revised remuneration as placed before the meeting duly initialed by the Chairman for the purpose of identification be and is hereby approved and the same be executed under the Common Seal of the Company pursuant to the provisions of Articles of Association of the Company."

Regd. Office :
P.O. Box No. 2501,
Padra Road,
Vadodara - 390 020.
Dated : 28th May, 2018

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.**
- 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)
- The Explanatory statement as required under section 102 of the Companies Act, 2013 is annexed hereto in respect of item No.5.and 6.(Annexure: B)
- The Register of Members and Share Transfer Books will remain closed from Saturday,15th September, 2018 to Saturday, 22ndSeptember, 2018. (Both days inclusive)
- The Company has already transferred unclaimed dividend to the Investor Education & Protection Fund for the Financial Year ended 31st March, 2010. The Company has also transferred 55,110 equity shares of Rs.10/- each to the Demat Account of the IEPF Authority pursuant to the provisions of IEPF (Accounting, Audit, Transfer& Refund) Rules, 2016.Shareholders are requested to contact the Company for the equity shares & dividend which are already transferred to the IEPF Authority.

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
76	15-09-2011	2010-2011	21-10-2018
77	11-09-2012	2011-2012	17-10-2019
78	31-08-2013	2012-2013	06-10-2020
79	30-09-2014	2013-2014	26-10-2021
80	30-09-2015	2014-2015	26-10-2022
81	27-09-2016	2015-2016	23-10-2023
82	27-09-2017	2016-2017	23-10-2024

6. The Company will have to transfer Dividend No.76 for the Financial Year 2010-2011 which remain unclaimed for a period of 7 years to the IEPF Authority. The Company will also have to transfer the equity shares to IEPF Authority on which the dividend is unclaimed for consecutive period of seven years.
7. Dividend as recommended by the Board, if sanctioned by the Members, will be paid by 27th October, 2018 to those shareholders whose names appear on the Register of Members of the Company on 14th September, 2018 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 83rd 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 25th September, 2018 (9:00 am) and ends on 27th September, 2018 (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 21st September, 2018, 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



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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 or sojitra@dineshmills.com with a copy marked to 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 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 21st September, 2018.
- 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. 21st September, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to the Company at 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 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 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 83rd 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 83rdAGM, 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 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
- XVIII. The members holding shares in the physical form can prefix 109084 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.



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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:-

- (1) **Name** : **Shri Bharatbhai U. Patel**
Age : 64 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 : 6,70,088 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
4	Fernway Technologies Ltd.	Chairman	None
5	Fernway Textiles Ltd.	Director	None

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

- (2) **Name** : **Shri Nimishbhai Patel**
Age : 52 Years
Qualification : B.B.A., M.B.A. (Finance), (U.S.A)
Expertise : Valuable contribution in the overall management of the Company.
Tenure : Director of the Company since 14/01/1995
Shareholding in the Company : 6,43,852 equity shares of Rs.10/- each
Other Directorship:

<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.	Chairman & Managing Director	None
2	Ultramarine & Pigments Ltd	Director	Member-Audit Committee
3	Transpek Industry Ltd.	Director	Member - Audit Committee Member - Nomination & Remuneration Committee Chairman - Stakeholders Relationship Committee
4	Pankakamlini Investment Pvt. Ltd.	Chairman	None
5	Fernway Technologies Ltd.	Director	None
6	Fernway Textiles Ltd.	Chairman	None

Inter Relationship: He is related to Shri Bharatbhai Patel, Chairman & Managing Director of the Company.

ANNEXURE: B**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (ITEM No. 5)****ITEM No.5 RE-APPOINTMENT OF SHRI BHARATBHAI PATEL AS CHAIRMAN & MANAGING DIRECTOR AND FIX THE REMUNERATION W.E.F. 1ST APRIL, 2018**

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.4,00,000/- per month and the Allowances & Perquisites not exceeding the Basic Salary to him since 1st April, 2017.

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 30th January, 2018 reappointed Shri Bharatbhai Patel, as Chairman & Managing Director for a further period of five years w.e.f. 1st April, 2018 with the revised remuneration as detailed hereunder for the period of three years i.e. from 1st April, 2018 to 31st March, 2021 as given in the draft Agreement subject to the approval of the shareholders of the Company.

Remuneration Period: 1st April, 2018 to 31st March, 2021

1. Basic Salary: Rs.4,60,000/- per month
2. Allowances & Perquisites:
 - i) The Chairman & Managing Director shall also be entitled to allowances & perquisites viz. House Rent Allowance @ 60% of the Salary, Furnishing Allowance @ 20% of the salary, Education Allowance @ 10% of the salary, reimbursement of Medical-cum-Leave travel expenses, club fees, insurance premium, electricity bills, gas bills etc. subject to the overall ceiling of his Annual salary.
 - ii) Use of Company's Car(s) with driver and telephone at his residence shall not be included in the computation of the above ceiling of allowances & perquisites, use of car(s) 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.



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

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	2017-2018	2016-2017
1	Revenue from Operations	7814	8441
2	Operating Profit (PBDIT)	209	1149
3	Interest	150	207
4	Net Profit	(565)	280
5	Dividend (%)	15*	15
6	Net Worth	9837	10410
7	Book Value per Share of Rs.10/- each	193	205
8	E.P.S. (Rs.)	(11.13)	5.51

* proposed

- (4) Foreign investments or collaborators, if any : None

II Information about the appointee:

- (1) Background details: As given hereinabove.
- (2) Past remuneration: Rs.4,00,000/- 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 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. Due to sluggish domestic & international markets and intense competition on prices, cheaper imports from China and preference to the readymade garments, the revenue from Operations has been adversely affected and as a result thereof, our Company has incurred losses also due to implementation of VRS during the year 2017-2018.
- (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 of Industrial Fabrics but the profitability would remain under pressure.

The draft Agreement to be executed between the Company and Shri Bharatbhai Patel is available for inspection by members of the Company at the Registered Office between 11.00 a.m. to 1.00 p.m. on

any working day before the date of the ensuing 83rd 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.

ITEM No. 6 PAYMENT OF THE REMUNERATION TO SHRI NIMISHBHAI PATEL, MANAGING DIRECTOR OF THE COMPANY FROM 1ST APRIL, 2018 TO 13TH JANUARY, 2020

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 12 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.4,00,000/- per month and the Allowances & Perquisites not exceeding the Basic Salary to him since 1st April, 2017.

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 30th January, 2018 approved the revision in the remuneration of Shri Nimishbhai Patel, Managing Director of the Company for his unexpired period from 1st April, 2018 to 13th January, 2020 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.

Remuneration Period: 1st April, 2018 to 13th January, 2020

1. Basic Salary: Rs.4,60,000/- 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 Car(s) with driver and telephone at his residence shall not be included in the computation of the above ceiling of allowances & perquisites, use of car(s) 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.



SHRI DINESH MILLS LTD.

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

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	2017-2018	2016-2017
1	Revenue from Operations	7814	8441
2	Operating Profit (PBDIT)	209	1149
3	Interest	150	207
4	Net Profit / (Loss)	(565)	280
5	Dividend (%)	15*	15
6	Net Worth	9837	10410
7	Book Value per Share of Rs.10/- each	193	205
8	E.P.S. (Rs.)	(11.13)	5.51

* proposed

- (4) Foreign investments or collaborators, if any : None

II. Information about the appointee:

- (1) Background details: As given hereinabove.
- (2) Past remuneration: Rs.4,00,000/- 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 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. Due to sluggish domestic & international markets and intense competition on prices, cheaper imports from China and preference to the readymade garments, the revenue from Operations has been adversely affected and as a result thereof, our Company has incurred losses also due to implementation of VRS during the year 2017-2018.
- (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 of Industrial Fabrics but the profitability would remain under pressure.

The draft Deed of Variation to be executed between the Company and Shri Nimishbhai Patel is available for inspection by members of the Company at the Registered Office between 11.00 a.m. to 1.00 p.m. on any working



SHRI DINESH MILLS LTD.

day before the date of the ensuing 83rd Annual General Meeting.

The Board recommends the Special Resolution set out at Item No. 6 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. 6 of the Notice.

Regd. Office :
P.O. Box No. 2501,
Padra Road,
Vadodara - 390 020.
Dated : 28th May, 2018

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

J. B. SOJITRA
COMPANY SECRETARY



SHRI DINESH MILLS LTD.

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, 2018

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

PARTICULARS	2017-2018	2016-2017
Revenue from Operations	7814	8441
Profit before Depreciation, Interest & Tax (PBDIT)	209	1149
Net Profit / (Loss)	(565)	280

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/- subject to approval of shareholders of the Company at their ensuing 83rd Annual General Meeting.

3. TRANSFER OF UNCLAIMED DIVIDEND & EQUITY SHARES TO INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY (IEPF AUTHORITY)

The Company has already transferred unclaimed dividend upto financial year 2009- 2010 to IEPF during the year under review. The Dividend for the financial year 2010-2011 will be transferred to IEPF in the current financial year i.e. 2018-2019 on due date as mentioned in the Note No. 5 of the ensuing 83rd AGM Notice. During the year under review, the Company has also transferred 55,110 equity shares of Rs.10/- each to the Demat Account of the IEPF Authority pursuant to the provisions of IEPF (Accounting, Audit, Transfer & Refund) Rules, 2016.

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). 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. Due to sluggish domestic & international markets and intense competition on prices, cheaper imports from China and preference to the readymade garments, the revenue from Operations has been adversely affected and as a result thereof, our Company has incurred losses also due to implementation of VRS during the year under review.

In view of the above, during the year under review, the revenue from Operations has been reduced from Rs.8441/- Lakhs to Rs.7814/- Lakhs and the Company has incurred losses of Rs.565/- Lakhs as compared to the net profit of Rs. 280/- Lakhs of the previous financial year.

B. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Highlights

(Rs. in Lakhs)

Sr. No.	Particulars	2017 - 2018	2016 - 2017
1	Revenue from Operations	7814	8441
2	Operating profit (PBDIT)	209	1149
3	Depreciation	709	754
4	Interest	150	207
5	Profit before Tax / (Loss)	(650)	188
6	Provision for Taxation	(85)	(92)
7	Net Profit / (Loss)	(565)	280

C. OVERALL OUTLOOK

During the current financial year, the sales turnover of Woolen & Worsted fabrics would continue to be adversely affected due to substantial reduction in the ordering quantities, cut-throat competition in prices and supply of fabrics from China at very low prices. However, the sales turnover of the Industrial fabrics (i.e. Paper Makers Felt) is likely to be increased. The employment benefit cost would reduce due to implementation of VRS, and thereby, losses are expected to be reduced during the current financial year.

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, 2018, there were 676 employees in the Company. During the year under review, the Company has implemented the Voluntary Retirement Scheme (VRS) and as a result thereof, the number of employees has been substantially reduced.

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, 2018 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. CONTRACTS / ARRANGEMENT WITH THE RELATED PARTIES

During the year under review, no contracts / arrangements are entered with the Related Parties pursuant to Section 188 of the Companies Act, 2013. However, the transactions with Related Parties are given in Note No. 42 attached to the Annual Financial Statement as Good Corporate Governance practice.

11. AUDITORS REPORTS

The Auditors' Report issued by M/s. Dhirubhai Shah & Co. 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 There were no



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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 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 2017 - 2018.

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. COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with the Secretarial Standard 1 (SS-1) relating to the meetings of the Board of Directors and Secretarial Standard 2 (SS-2) relating to the General meetings issued by the Institute of Company Secretaries of India and approved by the Central Government which are effective from 1st October, 2017.

16. THE MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, seven meetings of Board of Directors of the Company were held on 30/05/2017, 14/08/2017, 27/09/2017, 14/11/2017, 30/01/2018, 14/02/2018 and 28/03/2018.

17. KEY MANAGERIAL PERSONNEL (KMP) AND REMUNERATION

Shri Bharatbhai Patel, Chairman & Managing Director, Shri J B Sojitra, Company Secretary and Shri Apurva Shah, 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 Sudip Ray resigned as Chief Financial Officer (CFO) of the Company w.e.f 01/08/2017 and Shri Apurva Shah has been appointed as CFO w.e.f. 30th January, 2018.

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: 80:1
 - (2) Name: Shri Nimishbhai Patel (Managing Director)
Ratio: 80:1
- 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 : 14%
 - (2) Shri Nimishbhai Patel - Managing Director : 14%
 - (3) Shri Apurva Shah - Chief Financial Officer (w.e.f 30/01/2018): NIL%
 - (4) Shri J. B. Sojitra - Company Secretary : 5%
- c) The percentage increase in the median remuneration of employees in the financial year: 5%
- d) There are 676 permanent employees on the Roll of the Company.
- e) The explanation on the relationship between average increases in Remuneration and Company performance: The Company has incurred the losses due to implementation of VRS but to retain the employees and considering the inflation, normal increments are given.
- f) Comparison of the Remuneration of the Key Managerial Personnel (KMP) against the performance of the company: Due to sluggish domestic & international markets and intense competition on prices, cheaper

imports from China and preference to the readymade garments, the revenue from Operations has been adversely affected and as a result thereof, our Company has incurred losses also due to implementation of VRS during the year under review. However, considering the qualifications, experience, long association, untiring efforts and their contribution to the Company, the remuneration are paid within the permissible limits under Schedule V to the Companies Act, 2013.

18. CORPORATE GOVERNANCE

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

19. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has 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.

During the year under review, the Company has incorporated two subsidiary companies viz. Fernway Technologies Ltd. and Fernway Textiles Ltd. on 30th October, 2017 and 6th November, 2017 respectively. There are no other Joint Ventures and Associate companies.

The financial statements of the above referred subsidiary companies are consolidated and the separate statements containing the salient features of the financial statement of these subsidiary companies have also been attached to the financial statement of the Company pursuant to the provisions of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (i.e. Ind AS).

20. 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 2017 - 2018.

21. DIRECTORS

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 Nimishbhai Patel, 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 83rd Annual General Meeting of the members of the Company.

22. 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.

23. 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 28th March, 2018 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 28th March, 2018 to consider the following agenda:

- a) Review the performance of Non-Independent Directors and the Board as a whole including Committees thereof.
- 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 28th March, 2018 and they considered the above referred agenda.

24. STATUTORY AUDITORS

The tenure of M/s. Dhirubhai Shah & Co., Chartered Accountants, Ahmedabad would expire on the conclusion of the ensuing 83rd Annual General Meeting. The Company has received a letter dated 28th April, 2018 from the above referred Auditors to the effect that, if they are reappointed, it would be in accordance with the provisions



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of Section 141 of the Companies Act, 2013. The continuance of appointment and payment of remuneration to M/s. Dhirubhai Shah & Co., Chartered Accountants are proposed to be approved in the ensuing 83rd Annual General Meeting.

25. COMPOSITION OF AUDIT COMMITTEE AND VIGIL MECHANISM

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

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 in "Investors" Section.

26. 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 (ESOP):** The Board of Directors of the Company have allotted 16,200 equity shares of Rs.10/- each to the employees of the Company as per the terms & conditions of the ESOP-2016 Scheme of the Company based on the decision taken by the Nomination, Remuneration & Compensation Committee of the Directors of the Company. As a result of the allotment of 16,200 equity shares of Rs.10/- each under ESOP, the paid up equity share capital of the Company has been increased to Rs. 510.06 Lakhs w.e.f. 28th May, 2018.

27. 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.

28. INSURANCE:

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

29. DIRECTORS RESPONSIBILITY STATEMENT:

Your Directors confirm that:

- (a) in the preparation of the Annual Accounts for the financial year 2017-2018, 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.

30. 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 : 28th May, 2018

BHARAT PATEL
CHAIRMAN

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

(a) The steps taken or impact on Conservation of Energy:

(1) During the year under review, 350 LED Tube Lights of 18W had been replaced in place of 36W Fluorescent tube lights in the Worsted department of the Company.

(2) Replacement of existing on-off starter by AC drive on 30hp motor for smooth start /stop and E saving on working of Hydro extractor of mill finish section

(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
2017 - 2018	758.75	1703.03

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. 26.56 Lakhs

Place : Vadodara
Date : 28th May, 2018

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, 2018)

[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, 2018 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, 2018, 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;

- 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.

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 27.09.2017:

- (a) For revision in managerial remuneration of Mr. Bharabhai Patel, Chairman & Managing Director and Mr. Nimishbhai Patel, Managing Director from 01.04.2017 to 31.03.2018.

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

Place: Vadodara
Date: May 11, 2018

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.



SHRI DINESH MILLS LTD.

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 11, 2018

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

as at the Financial Year ended on 31st March, 2018

[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. 1st Floor, Neelam Apartmet, 88, Sampatrao Colony, Above Chappanbhog 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	38
2	Paper Makers' Felt	13999	62

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)
2	Fernway Technologies Limited Post Box No. 2501, Padra Road, Vadodara - 390020	U17301GJ2017PLC099607	Subsidiary	100%	Section 2(46)
3	Fernway Textiles Limited Post Box No. 2501, Padra Road, Vadodara - 390020	U17200GJ2017PLC099677	Subsidiary	100%	Section 2(46)



SHRI DINESH MILLS LTD.

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, 2017)				No. of Shares held at the end of the year (31st March, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A Promoters									
(1) Indian									
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
f) Any other	0	0	0	0	0	0	0	0	NIL
Sub Total (A) (1):-	2288372	0	2288372	45.01	2288372	0	2288372	45.01	NIL
(2) Foreign									
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
Sub Total (B)(2):-	0	0	0	0	0	0	0	0	NIL
Total shareholding of Promoter (A)=									
(A)(1)+(A)(2)	2288372	0	2288372	45.01	2288372	0	2288372	45.01	NIL
B. Public Shareholding									
1. Institutions									
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
Sub-total (B)(1):-	2770	1000	3770	0.07	2770	1000	3770	0.07	NIL
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	102734	6870	109604	2.16	94274	6020	100294	1.97	(0.19)
ii) Overseas	0	0	0	0	0	0	0	0	NIL
b) Individuals :									
i) Individual shareholders holding nominal share capital upto Rs. 2/- Lakhs.	1451136	327000	1778136	34.97	1384461	260250	1644711	32.35	(2.62)

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, 2017)				No. of Shares held at the end of the year (31st March, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs. 2/- Lakhs.	805792	0	805792	15.85	873728	0	873728	17.18	1.33
c) Others, (specify)									
Non Resident Indians	98378	330	98708	1.94	118047	350	118397	2.33	0.39
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	NIL
Foreign Nationals	0	0	0	0	0	0	0	0	NIL
Clearing Members	0	0	0	0	0	0	0	0	NIL
Trusts	0	0	0	0	0	0	0	0	NIL
Foreign Bodies-DR	0	0	0	0	0	0	0	0	NIL
IEPF	0	0	0	0	55110	0	55110	1.08	1.08
Sub-total (B)(2):-	2458040	334200	2792240	54.92	2525620	266620	2792220	54.91	(0.91)
Total Public Shareholding (B)= (B)(1)+ (B)(2)	2460810	335200	2796010	54.99	2528390	267620	2796010	54.99	NIL
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	NIL
Grand Total (A+B+C)	4749182	335200	5084382	100	4816762	335200	5084382	100	NIL

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (i.e. 1st April, 2017)			Shareholding at the end of the year (i.e. 31st March, 2018)			% 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 UpendrabhaiMaganbhai Patel	531655	10.46	NIL	NIL	NIL	NIL	(10.46)
2	Shri BharatbhaiUpendrabhai Patel	491710	9.67	NIL	670088	13.18	NIL	3.51
3	Shri NimishbhaiUpendrabhai Patel	573388	11.28	NIL	643852	12.66	NIL	1.38
4	Smt. MirabenUpendrabhai Patel	181856	3.58	NIL	NIL	NIL	NIL	(3.58)
5	Ms. JemikaBharatbhai Patel	21160	0.42	NIL	21160	0.42	NIL	NIL
6	Shri Aditya B. Patel	214479	4.22	NIL	367443	7.23	NIL	3.01
7	Smt. RoopabenBharatbhai Patel	29140	0.57	NIL	54554	1.07	NIL	0.50
8	Smt. ArushabenNimishbhai Patel	58085	1.14	NIL	83085	1.64	NIL	0.50
9	Smt. MinalShekhar Desai	34640	0.68	NIL	34640	0.68	NIL	NIL
10	Smt. RanakKamleshLashkari	34060	0.67	NIL	34060	0.67	NIL	NIL
11	Shri Nishank Nimishbhai Patel	118199	2.32	NIL	379490	7.46	NIL	5.14



SHRI DINESH MILLS LTD.

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

Sr. No.		Shareholding at the beginning of the year (1st April, 2017)		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, 2017)	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/ sweatequity etc.)	-	-	-	-
3	At the end of the year (31st March, 2018)	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. 01.04.2017)		Shareholding at the Ending of the year (i.e. 31.03.2018)	
		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	204440	4.02
2	Pranav Kumarpal Parekh Sanjeev Vinodchandra Parekh	93054	1.83	93054	1.83
3	Vinodchandra Mansukhlal Parekh Sanjeev Vinodchandra Parekh	90721	1.78	90721	1.78
4	Ashok Kumar Jain	80301	1.58	6886	0.13
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	59537	1.17	74604	1.47
8	JignaKanayalal Shah Sharad Kanayalal Shah Dipak Kanayalal Shah	51336	1.01	51336	1.01
9	VinodchandraMansukhlal Parekh	46328	0.91	46328	0.91
10	Anshul Saigal	43281	0.85	-	-
11	SangitaKumarpal Parekh KumarpalMansukhlal Parekh	41584	0.82	41584	0.82
12	Jitendra Mansukhlal Parekh Sanjeev Vinodchandra Parekh	37530	0.74	37530	0.74
13	Dipak Kanayal Shah	-	-	69000	1.36

(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 (01/04/2017)				
(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)	Shri Sanjiv Shah = NIL				
(7)	Mrs. Tarunaben Patel = NIL				
(8)	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 (31/03/2018)				
(1)	Shri B U Patel (CMD-KMP) = 670088 shares*	1314971	25.86%	-	-
(2)	Shri N U Patel = 643852 shares*				
(3)	Shri J. B. Sojitra = 11shares				
(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)				

* Increase due to inheritance of shares of Late Shri Upendrabhai Patel and Late Mrs. Miraben Patel.



SHRI DINESH MILLS LTD.

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
Indebtedness at the beginning of the financial year (i.e. 01/04/2017)				
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
Total (i + ii + iii)	92339532	0	45000	92384532
Change in Indebtedness during the financial year (2017 - 2018)				
** Addition	0	0	0	
* Reduction	37721174	0	0	37721174
Net Change	(37721174)	0	0	(37721174)
Indebtedness at the end of the financial year (i.e. 31/03/2018)				
i) Principal Amount	54618358	0	45000	5506838
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i + ii + iii)	54618358	0	45000	55406838

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	9600000	9600000	1837005	21037005
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	NIL	NIL	20400	20400
	(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
	Total (A)	9600000	9600000	1857405	21057405
	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.

B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount (Rs.)
		SMS	TMP	RA	TPP	
1	Independent Directors					
	Fee for attending board & committee meetings	151000	149000	159000	95000	554000
	Commission	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (1)	151000	149000	159000	95000	554000
2	Other Non-Executive Directors					
	Fee for attending board & committee meetings	NIL	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	151000	149000	159000	95000	554000
Total Managerial Remuneration (A+B)		Rs. 24286482/-				
Overall Ceiling as per the Act		As per Schedule V to the Companies Act, 2013 & Rules				

SMS: Shri Sanjiv M. Shah, TMP: Shri T. M. Patel, RA: Shri Rakesh Agrawal, TPP: Mrs. Taruna P. Patel

C. Remuneration to Key Managerial Personnel other than MD /Manager / WTD during the financial year 2017 - 2018

Sr. No.	Particulars of Remuneration Key Managerial Personnel	Key Managerial Personnel			Total
		CEO	CS	CFO	
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	157145	157145
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	NIL		2000	2000
(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
	Total	NIL		152387	152387

CEO: Chief Executive Officer, CS: Company Secretary, CFO: Chief Financial Officer w.e.f. 30/01/2018



SHRI DINESH MILLS LTD.

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)
A. COMPANY					
Penalty	N.A.	None	None	None	None
Punishment	N.A.	None	None	None	None
Compounding	N.A.	None	None	None	None
B. DIRECTORS					
Penalty	N.A.	None	None	None	None
Punishment	N.A.	None	None	None	None
Compounding	N.A.	None	None	None	None
C. OTHER OFFICERS IN DEFAULT					
Penalty	N.A.	None	None	None	None
Punishment	N.A.	None	None	None	None
Compounding	N.A.	None	None	None	None

Place : Vadodara
Date : 28th May, 2018

For and on behalf of the Board
BHARAT PATEL
CHAIRMAN

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

The Directors present the Company's Report on Corporate Governance for the financial year 2017-2018.

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, 2018, 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.	4	NIL	NIL	NIL
Shri N. U. Patel	M.D.	5	1	3	1
Shri T. M. Patel	I.D.	1	NIL	2	NIL
Shri Rakesh Agrawal	I.D.	4	1	4	1
Shri Sanjiv M. Shah	I.D.	2	NIL	2	NIL
Mrs. Taruna Patel	I.D.	1	NIL	NIL	NIL
Shri J.B. Sojitra	E.D.	NIL	NIL	NIL	NIL

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.



SHRI DINESH MILLS LTD.

- (iii) Board Meetings held during the year & attendance of Directors: During the financial year ended 31st March 2018, Seven Board Meetings were held on 30/05/2017, 14/08/2017, 27/09/2017, 14/11/2017, 30/01/2018, 14/02/2018 and 28/03/2018 and the attendance of Directors are as under:

Name of Director	No. of Board Meetings attended	Attendance at the last AGM held on 27/09/2017.
Shri B. U. Patel	06	Yes
Shri N. U. Patel	07	Yes
Shri T. M. Patel	05	No
Shri Rakesh Agrawal	06	Yes
Shri Sanjiv M. Shah	07	Yes
Mrs. Taruna Patel	05	Yes
Shri J. B. Sojitra	07	Yes

- (iv) Particulars of Director retiring by rotation and seeking re-appointment have been given in the Notice convening the 83rd 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 four 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 Sanjiv M. Shah	Member
4	Mrs. Tarunaben Patel *	Member

*Appointed w.e.f. 14th August, 2017.

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, 2018, five meetings of the Audit Committee were held on 30/05/2017, 14/08/2017, 14/11/2017, 30/01/2018 and 14/02/2018 and the attendances of the Members are as follows:

Sr.	Name of member	No. of Meetings attended
1	Shri Rakesh Agrawal	04
2	Shri T. M. Patel	04
3	Shri Sanjiv M. Shah	05
4	Mrs. Tarunaben Patel *	02

*Appointed w.e.f. 14th August, 2017

M/s. Dhirubhai Shah & Co., 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 Rakesh Agrawal, Chairman of the Audit Committee remained present at the Annual General Meeting to answer the shareholders queries.

❖ **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

(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, 2018, three meetings of the Nomination, Remuneration & Compensation Committee were held on 30/05/2017, 30/01/2018 and 28/03/2018 and the attendances of the Members are as follows:

Sr.	Name of member	No. of Meetings attended
1	Shri T. M. Patel	03
2	Shri Sanjiv Shah	03
3	Shri Rakesh Agrawal	03

(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 in the "Investors" Section.

(e) Remuneration paid to the Directors during the financial year ended 31st March, 2018:

(Amount in Rs.)

Name of Director	Salary	Perks	Sitting Fees	Total
Shri B. U. Patel	96,00,000/-	NIL	NIL	96,00,000/-
Shri N. U. Patel	96,00,000/-	NIL	NIL	96,00,000/-
Shri T. M. Patel	NIL	NIL	1,49,000/-	1,49,000/-
Shri Rakesh Agrawal	NIL	NIL	1,59,000/-	1,59,000/-
Shri Sanjiv M. Shah	NIL	NIL	1,51,000/-	1,51,000/-
Mrs. Taruna Patel	NIL	NIL	95,000/-	95,000/-
Shri J.B. Sojitra	18,37,005/-	20,400/-	NIL	18,57,405/-

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, 2018 is as follows:



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Name of Director	Designation	No. of Equity Shares	% of shareholding
Shri B. U. Patel	Chairman & Managing Director	6,70,088	13.18
Shri N. U. Patel	Managing Director	6,43,852	12.66
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	Executive Director (Corporate Affairs)	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, 2018, 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	Mrs. Tarunaben Patel	Member

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, 2018, four meetings of the Stakeholders Relationship Committee were held on 30/05/2017, 14/08/2017, 14/11/2017 and 14/02/2018 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	Mrs. Tarunaben Patel	3

(d) Status of Transfers: During the year ended 31st March, 2018, 4540 equity shares in physical form were transferred and as on 31st March, 2018, no share transfer was pending.

(e) Complaints: During the year ended 31st March, 2018, the Company had received 04 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 28th March, 2018 to consider the following agenda:

- Review the performance of Non-Independent directors and the Board as a whole including Committees thereof.
- 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 28th March, 2018 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 28th March, 2018 as per the Performance Evaluation Policy of the Company.

(D) SUBSIDIARY COMPANY:

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, 2018. DRL is engaged in manufacturing of Empty Hard Gelatin Capsules shells at its factory situated at Village Mahuvad, Taluka Padra, District Vadodara.

During the year, the Company has incorporated two subsidiary companies viz. Fernway Technologies Ltd. and Fernway Textiles Ltd. on 30th October, 2017 and 6th November, 2017 respectively.

The requirements relating to subsidiary companies pursuant to Regulation 24 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are complied with during the financial year 2017-2018.

(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
81st	31/03/2016	Registered Office at Padra Road, Vadodara	Tuesday, 27th September, 2016 At 11.00 A.M.	03
82nd	31/03/2017	Registered Office at Padra Road, Vadodara	Wednesday, 27th September, 2017 At 11.00 A.M.	01
83rd	31/03/2018	Registered Office at Padra Road, Vadodara	Friday, 28th, September, 2018 At 11.00 A.M.	02

During the financial year 2017-2018, 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 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 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 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 2017-2018.



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- h. 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 2017-2018 pursuant to Regulation 17(5) read with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as Annexure-"A".
- 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 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 were also placed on the website of the Company and same can be viewed at 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 in "Investors" Section.

(I) CMD /CFO CERTIFICATION:

The Certificate duly signed by the Chairman & Managing Director (CMD) and the Chief Finance Officer (CFO) for the financial year ended 31st March, 2018 pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as Annexure-"B".

(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). 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 83rd Annual General Meeting will be held at 11.00 A.M. on 28th September, 2018, at Registered Office of the Company situated at Padra Road, Vadodara - 390 020.

2. Financial Calendar for the financial year 2018-2019:

First quarterly results	By 14th August, 2018
Half Yearly results	By 14th November, 2018
Dividend payment, if any	By 27th October, 2018
Third quarterly results	By 14th February, 2019
Fourth quarterly results alongwith Audited	By 30th May, 2019
Annual Results for the year 2018-2019	
Annual General Meeting for the year 2018-19	By 30th September, 2019

3. Book Closure Dates:
The period for Book Closure is from 15th September, 2018 to 22nd September, 2018 (both days inclusive).
4. Dividend Payment Date:
Dividend, if any will be paid on or before 27th October, 2018.
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 2018-2019 to BSE Ltd.
6. Annual Custody Fees to Depositories
The Annual Custody Fees for the year 2018-2019 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, 2017 to March, 2018 are given hereunder.

Month & Year	Price (Rs.)		Traded Quantity	Sensex	
	High	Low		High	Low
April, 2017	164.00	131.20	128597	30184.22	29241.48
May, 2017	156.95	129.55	50681	31255.28	29804.12
June, 2017	157.00	123.20	42808	31522.87	30680.66
July, 2017	147.95	128.00	37420	32672.66	31017.11
August, 2017	140.00	126.30	14557	32686.48	31128.02
September, 2017	138.50	122.00	24276	32524.11	31081.83
October, 2017	146.00	120.00	56136	33340.17	31440.48
November, 2017	142.00	124.00	74716	33865.95	32683.59
December, 2017	256.00	137.50	460162	34137.97	32565.16
January, 2018	224.90	190.40	43861	36443.98	33703.37
February, 2018	197.40	163.50	25912	36256.83	33482.81
March, 2018	202.95	152.00	17430	34278.63	32483.84

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: 1st Floor, Neelam Apartment, 88, Sampatrao Colony, Above Chhapanbhog, Alkapuri, Vadodara - 390 007
Email: mcsitdbaroda@gmail.com | Phone No.: (0265) 2350490, 2314757
Fax No. (0265) 2341639 | Website: www.mcsregistrars.com
10. Investor Grievances:
The Company has designated an exclusive E-mail ID viz. 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.



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12. Shareholding Pattern:

Shareholding Pattern as on 31st March, 2018 is as under:

Category	No. of Equity Shares As at 31/03/2018	%
Directors & Relatives (Promoters Group)	22,88,372	45.01
Mutual Funds (UTI)	10	0.00
Banks	3,760	0.07
Financial Institutions	NIL	NIL
Foreign Institutional Investors	NIL	NIL
Non-resident Indians	1,18,397	2.33
Bodies Corporate	1,00,294	1.97
Others (Public)	25,73,549	50.62
Total	5084382	100.00

13. Distribution of Shareholding:

Distribution of shareholding as on 31st March, 2018 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	8870	94.36	7219660.00	14.20
2	5001-10,000	261	2.78	2055410.00	4.04
3	10,001-20,000	133	1.41	1891520.00	3.72
4	20,001-30,000	37	0.39	919500.00	1.81
5	30,001-40,000	22	0.23	763450.00	1.50
6	40,001-50,000	9	0.09	386230.00	0.76
7	50,001-1,00,000	27	0.29	2022400.00	3.98
8	1,00,001-500000	26	0.29	6763400.00	13.30
9	500001-1000000	10	0.11	7126800.00	14.02
10	1000001 & Above	5	0.05	21695450.00	42.67
Total		9400	100	5,08,43,820	100

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, 2018 and 31st March, 2017 are as under:

Particulars	As at 31st March, 2017		As at 31st March, 2018	
	No. of Shares	%	No. of Shares	%
No. of Demat Shares				
- NSDL	2182826	42.93	2011334	39.56
- CDSL	2566356	50.48	2805428	55.18
No. of Physical Shares	335200	6.59	267620	5.26
Total	5084382	100	5084382	100

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 28th May, 2018 issued by M/s. Dhirubhai Shah & Co, Statutory Auditors of the Company regarding compliance of the conditions of the Corporate Governance by the Company during the year 2017 - 2018 is attached as Annexure - "E".

Place : Vadodara
Date : 28th May, 2018

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



SHRI DINESH MILLS LTD.

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 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 31st March, 2018.

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: 9th May, 2018

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

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) 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, 2018 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 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)

For Shri Dinesh Mills Limited
Apurva Shah
Chief Financial Officer (CFO)

Place: Vadodara
Date: 18th May, 2018

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, 2018, 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 statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 read with Uniform Listing Agreement executed by the Company with BSE Limited.

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

For
Dhirubhai Shah & Co.
Chartered Accountants
Firm Registration Number: 102511W

Harish B. Patel
Partner
Membership No. 014427

Place : Vadodara
Date : 28th May, 2018



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, 2018 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	64	Chairman & Managing Director	96/-	B.Text, M.B.A. (USA) (44)	12-05-1973	First Employment
2.	Shri Nimishbhai U. Patel	52	Managing Director	96/-	B.B.A., M.B.A. (Finance) (U.S.A) (26)	01-12-1990	- Do -

Notes:

1. Remuneration includes Salary, Allowances and Perquisites as per the terms of their appointments read with the 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 2017-2018 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.

Independent Auditor's Report

To the Members of Shri Dinesh Mills Limited

Report on the Standalone Ind As Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Shri Dinesh Mills Limited ('the Company'), which comprise the balance sheet as at 31 March 2018, the Statement of Profit and Loss (including other comprehensive income), and the Statement of Cash flows and the Statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind As 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, 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 standalone Ind AS 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 Ind AS 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 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 standalone Ind AS financial statements.

we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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



SHRI DINESH MILLS LTD.

generally accepted in India, of the state of affairs of the Company as at 31 March, 2018, and its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 the paragraph 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 purposes of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as 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 Indian 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 as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 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, wherever necessary, of pending litigations on its financial position in its financial statements;
 - ii. the Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, 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 Company.

For,

Dhirubhai Shah & Co.

Chartered Accountants

Firm's Registration Number: 102511W

Harish B Patel

Partner

Membership Number: 014427

Place : Vadodara

Date: 28th May 2018

ANNEXURE - A TO THE AUDITOR'S REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March 2018, 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, 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) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits covered by the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- (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, Goods and Service Tax and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us, in our opinion no undisputed amounts payable in respect of statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Value Added Tax, Central Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, Goods and Service Tax and other statutory dues applicable to it were in arrears as at the balance sheet date 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, 2018 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	Income Tax Appellate Tribunal, Ahmedabad	146.72
A.Y. 2015-2016	Income Tax Act, 1961	Disallowance under Business Income	Income Tax Appellate Tribunal, Ahmedabad	109.99
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



SHRI DINESH MILLS LTD.

Financial period to which it relates	Act	Nature of Dues	Forum where dispute is pending	Amount (Rs.In Lakhs)
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

- (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 explanation given to us, the term loans were applied for the purposes for which loans were raised.
- (x) Based upon the audit procedures performed and according to the information and explanations given by the management, we report that no fraud on or by the Company 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 Ind AS.
- (xiv) According to the information and explanations give 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 & Co.
Chartered Accountants
Firm's Registration Number: 102511W

Harish B Patel
Partner
Membership No. 014427

Place : Vadodara
Date : 28th May 2018

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 31st March 2018 in conjunction with our audit of the standalone Ind AS 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 standalone Ind AS 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



SHRI DINESH MILLS LTD.

with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the 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 2018, 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 & Co.

Chartered Accountants

Firm's Registration Number: 102511W

Harish B Patel

Partner

Membership Number: 014427

Place : Vadodara

Date: 28th May 2018

STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2018

	Note No.	As at 31-03-2018 Rs. In Lakhs	As at 31-03-2017 Rs. In Lakhs	As at 01-04-2016 Rs. In Lakhs
ASSETS				
NON-CURRENT ASSETS				
(a) Property, Plant and Equipment	4	3,667.15	4,256.02	4,914.60
(b) Capital Work in Progress	4	5.60	-	-
(c) Financial Assets				
(i) Investments	5	1,351.55	1,341.55	1,341.00
(ii) Loans	6	100.51	96.22	92.44
(iii) Others	7	17.05	17.60	18.25
(d) Other Non Current Assets	8	3.15	6.32	9.50
		<u>5,145.01</u>	<u>5,717.71</u>	<u>6,375.79</u>
CURRENT ASSETS				
(a) Inventories	9	2,853.82	3,521.53	3,238.79
(b) Financial Assets				
(i) Investments	10	3,502.79	3,368.61	-
(ii) Trade Receivables	11	905.18	970.52	1,126.19
(iii) Cash and Cash Equivalents	12	308.34	362.46	3,206.02
(iv) Bank balances				
other than above (ii)	13	20.30	20.08	20.76
(vi) Others	14	34.54	125.74	137.72
(c) Other Current Assets	15	190.86	189.15	239.14
		<u>7,815.83</u>	<u>8,558.09</u>	<u>7,968.62</u>
TOTAL ASSETS		<u>12,960.84</u>	<u>14,275.80</u>	<u>14,344.41</u>
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	16	508.44	508.44	508.44
(b) Other Equity	17	9,328.31	9,902.00	9,741.83
		<u>9,836.75</u>	<u>10,410.44</u>	<u>10,250.27</u>
LIABILITIES				
NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	18	198.63	547.00	1,018.40
(ii) Others	19	245.34	249.01	240.35
(b) Provisions	20	378.51	293.68	245.60
(c) Deferred Tax Liabilities (Net)	21	250.65	335.54	427.69
(d) Other Non Current Liabilities	22	64.78	65.28	65.77
		<u>1,137.91</u>	<u>1,490.51</u>	<u>1,997.81</u>
CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	23	(101.56)	(22.30)	(25.51)
(ii) Trade Payables	24	262.73	309.30	181.87
(iii) Other Financial Liabilities	25	466.58	490.94	396.92
(b) Other Current Liabilities	26	1,269.63	1,465.57	1,460.26
(c) Provisions	27	88.80	131.34	82.79
		<u>1,986.18</u>	<u>2,374.85</u>	<u>2,096.33</u>
TOTAL EQUITY & LIABILITIES		<u>12,960.84</u>	<u>14,275.80</u>	<u>14,344.41</u>
Corporate Information, Basis of Preparation & Significant Accounting Policies	1-3			
The accompanying notes 1 to 47 are an integral part of the Standalone Financial Statements				
As per our Report of even date		For and on behalf of the Board of Directors		
For Dhirubhai Shah & Co.		N. U. Patel	B. U. Patel	
Chartered Accountants		Managing Director	Chairman & Managing Director & CEO	
Firm's Registration Number: 102511W				
Harish B Patel		Apurva Shah	J. B. Sojitra	
Partner		Chief Financial Officer	Company Secretary	
Membership No.: 014427				
Vadodara, 28th May, 2018		Vadodara, 28th May, 2018		



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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

	Note No.	2017-18 Rs. In Lakhs	2016-17 Rs. In Lakhs
INCOME			
Revenue from operations	28	7,814.43	8,440.94
Other income	29	408.03	388.80
TOTAL INCOME		8,222.46	8,829.74
EXPENSES			
Cost of Materials Consumed	30	2,069.12	2,362.19
Purchase of Stock-in-trade	31	176.32	117.88
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	32	446.42	(121.37)
Excise Duty		127.84	512.00
Employee benefits expense	33	2,820.98	2,829.45
Finance Costs	34	150.11	206.62
Depreciation and amortization expenses	4	709.42	754.36
Other expenses	35	1,856.11	1,980.74
TOTAL EXPENSES		8,356.32	8,641.87
Profit/(Loss) before exceptional items and tax		(133.86)	187.87
Exceptional items (net)	36	516.77	-
Profit/(Loss) before tax		(650.63)	187.87
Tax items			
Current tax		-	-
Earlier years tax provisions (written back)		-	-
Deferred tax (asset) / liability		(84.84)	(92.15)
Total tax items		(84.84)	(92.15)
Profit/(Loss) for the year		(565.79)	280.02
Other Comprehensive Income			
Items that will not be re-classified to Profit or Loss			
Re-measurement gains/ (losses) on post employment benefit plans		46.71	(28.61)
Fair valuation of investment in equity shares		-	0.55
Other Comprehensive Income/ (Loss) for the year		46.71	(28.06)
Total Comprehensive Income/ (Loss) for the year		(519.08)	251.96
Earnings Per Equity Share (Basic and Diluted)	37	(11.13)	5.51

Corporate Information, Basis of Preparation & Significant Accounting Policies

The accompanying notes 1 to 47 are an integral part of the Standalone Financial Statements

As per our Report of even date
For **Dhirubhai Shah & Co.**
Chartered Accountants
Firm's Registration Number: 102511W
Harish B Patel
Partner
Membership No.: 014427
Vadodara, 28th May, 2018

For and on behalf of the Board of Directors
N. U. Patel
Managing Director
Apurva Shah
Chief Financial Officer
Vadodara, 28th May, 2018

B. U. Patel
Chairman & Managing Director & CEO
J. B. Sojitra
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	2017-18	(Rs. In lacs) 2016-17
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (loss) Before Tax	(650.63)	187.87
Adjustments for:		
Depreciation and amortization	709.42	754.36
Interest and finance charges	150.11	206.62
Interest income	(22.86)	(46.81)
Dividend Income	(196.94)	(187.37)
Sundry Balances Written Back	(42.54)	-
Employee Benefits	(46.71)	(28.61)
Fair Valuation of Employee Stock Options	37.18	-
Operating Profit before Working Capital Changes	(62.97)	886.06
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables	65.34	155.67
(Increase)/decrease in other assets	90.50	62.57
(Increase)/decrease in inventories	667.71	(282.74)
(Increase)/decrease in Trade Payables	(4.03)	127.43
(Increase)/decrease in Other Current Liabilities	(182.18)	204.13
Cash Generated from Operations	574.37	1,153.12
Net Cashflow from Operating Activities	574.37	1,153.12
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(120.55)	(95.78)
Additions in capital work in progress	(5.60)	-
Purchase of Investments	(144.40)	(3,368.48)
Dividend Income	196.94	187.37
Interest received	22.86	46.81
Net Cashflow from Investing Activities	(50.75)	(3,230.08)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings		
Payments	(335.84)	(468.19)
Dividend Paid	(91.79)	(91.79)
Interest and finance charges	(150.11)	(206.62)
Net Cashflow from Financing Activities	(577.74)	(766.60)
Net Increase/(Decrease) in Cash and Cash Equivalents	(54.12)	(2,843.56)
Cash and bank balances at the beginning of the year	362.46	3,206.02
Cash and bank balances at the end of the year	308.34	362.46

Note:

- 1) The above cash flow statement has been prepared as per the "Indirect method" set out in the Indian Accounting Standard (Ind AS) - 7 Statement of Cash Flows
- 2) Figures in bracket indicate cash outflow.
- 3) Previous year figures have been regrouped and recast wherever necessary to confirm to current year's classification.



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Cash and cash equivalents at the end of the year consist of cash on hand, cheques, draft on hand and balance with banks as follows:

DETAIL OF CASH AND CASH EQUIVALENTS	As at 31-03-2018 Rs. In Lakhs	As at 31-03-2017 Rs. In Lakhs
Balances with banks		
In current accounts	304.91	356.41
Fixed Deposits	0.64	3.94
Cash on hand	2.79	2.11
	308.34	362.46

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

Harish B Patel
Partner
Membership No.: 014427
Vadodara, 28th May, 2018

N. U. Patel
Managing Director

Apurva Shah
Chief Financial Officer
Vadodara, 28th May, 2018

For and on behalf of the Board of Directors

B. U. Patel
Chairman & Managing Director & CEO

J. B. Sojitra
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2018
(A) EQUITY SHARE CAPITAL
For the year ended 31st March, 2018

(Rs. In Lakhs)

Balance as at 1st April, 2017	Changes during the year	Balance as at 31st March, 2018
508.44	-	508.44

For the year ended 31st March, 2017 (Rs. In Lakhs)

Balance as at 1st April, 2016	Changes during the year	Balance as at 31st March, 2017
508.44	-	508.44

(A) OTHER EQUITY
For the year ended 31st March, 2018

Particulars	Capital Redemption	General Reserve	ESOP Outstanding Reserve	Retained Earnings	FVOCI Reserve	Total Equity
Balance as at 1st April, 2017	19.31	9,258.56	4.09	654.35	(34.31)	9,902.00
Profit/(Loss) for the year	-	-	-	(565.79)	-	(565.79)
Addition during the year	-	-	37.18	-	-	37.18
Adjustments on account of proposed dividends	-	-	-	(91.79)	-	(91.79)
Transfer to / from Retained Earnings	-	(700.00)	-	700.00	-	-
Fair Valuation Gains on Investments in Equity Instruments	-	-	-	-	-	-
Remeasurements gain/(loss) on defined benefit plans	-	-	-	-	46.71	46.71
Balance as at 31st March, 2018	19.31	8,558.56	41.27	696.77	12.40	9,328.31
For the year ended 31st March, 2017						
Balance as at 1st April, 2016	19.31	9,258.56	-	470.21	(6.25)	9,741.83
Profit/(Loss) for the year	-	-	-	280.02	-	280.02
Transfer from Retained Earnings to ESOP Outstanding	-	-	4.09	(4.09)	-	-
Adjustment on account of proposed dividends	-	-	-	(91.79)	-	(91.79)
Fair Valuation Gains on Investments in Equity Instruments	-	-	-	-	0.55	0.55
Remeasurements gain/(loss) on defined benefit plans	-	-	-	-	(28.61)	(28.61)
Balance as at 31st March, 2017	19.31	9,258.56	4.09	654.35	(34.31)	9,902.00

As per our Report of even date

For and on behalf of the Board of Directors

For **Dhirubhai Shah & Co.**
Chartered Accountants
Firm's Registration Number: 102511W

N. U. Patel
Managing Director

B. U. Patel
Chairman & Managing Director & CEO

Harish B Patel
Partner
Membership No.: 014427
Vadodara, 28th May, 2018

Apurva Shah
Chief Financial Officer
Vadodara, 28th May, 2018

J. B. Sojitra
Company Secretary

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

4 - PROPERTY, PLANT AND EQUIPMENT

(Rs. In Lakhs)

	TANGIBLE ASSETS								INTANGIBLE ASSETS			
	Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Dead Stock	Vehicles	Electrical Installations	Tubewell and Water Works	Total	Softwares	CAPITAL WORK IN PROGRESS	Total
Cost:												
As at 1st April, 2016	321.25	5.73	580.22	18,399.74	303.22	380.37	97.92	11.72	20,100.17	9.78	-	9.78
Additions	-	-	45.73	24.99	15.31	8.27	-	1.98	96.28	-	-	-
Disposals / transfers	-	-	-	-	3.52	13.46	-	-	16.98	-	-	-
As at 31st March, 2017	321.25	5.73	625.95	18,424.73	315.01	375.18	97.92	13.70	20,179.47	9.78	-	9.78
Additions	-	-	-	30.10	21.66	42.26	-	0.75	94.77	27.83	5.60	33.43
Disposals / transfers	-	-	-	-	-	26.35	-	-	26.35	-	-	-
As at 31st March, 2018	321.25	5.73	625.95	18,454.83	336.67	391.09	97.92	14.45	20,247.89	37.61	5.60	43.21
Accumulated depreciation:												
As at 1st April, 2016	-	-	447.80	14,095.74	276.33	263.13	92.16	10.41	15,185.57	9.78	-	9.78
Depreciation charged during the year	-	0.09	17.24	689.89	9.29	36.90	0.30	0.65	754.36	-	-	-
Disposals / transfers	-	-	-	-	3.34	13.14	-	-	16.48	-	-	-
As at 31st March, 2017	-	0.09	465.04	14,785.63	282.28	286.89	92.46	11.06	15,923.45	9.78	-	9.78
Depreciation charged during the year	-	0.09	18.92	643.44	12.17	29.32	0.21	1.08	709.42	4.19	-	4.19
Disposals / transfers	-	-	-	-	-	24.30	-	-	24.30	-	-	-
As at 31st March, 2018	-	0.18	483.96	15,429.07	294.45	291.91	92.67	12.14	16,604.38	13.97	-	13.97
Net book value												
As at 1st April, 2016	321.25	5.73	132.42	4,304.00	26.89	117.24	5.76	1.31	4,914.60	-	-	-
As at 31st March, 2017	321.25	5.64	160.91	3,639.10	32.73	88.29	5.46	2.64	4,256.02	-	-	-
As at 31st March, 2018	321.25	5.55	141.99	3,025.76	42.22	99.18	5.25	2.31	3,643.51	23.64	5.60	29.24

Note: 4.1 Gross Block is carried at cost except Leasehold Land which is at cost less amounts written off.

Note: 4.2 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.



**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018**

(Rs. In Lakhs)

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
5 - NON - CURRENT FINANCIAL ASSETS - INVESTMENTS			
Investments (Unquoted)			
(A) Investments at Cost			
(a) Investments in Equity Shares			
- Investment in Subsidiaries	1,319.81	1,309.81	1,309.81
- Others	0.05	0.05	0.05
	<u>1,319.86</u>	<u>1,309.86</u>	<u>1,309.86</u>
(b) Investments in Bonds	18.76	18.76	18.76
	<u>18.76</u>	<u>18.76</u>	<u>18.76</u>
	<u>1,338.62</u>	<u>1,328.62</u>	<u>1,328.62</u>
(B) Fair Value through Other Comprehensive Income			
(a) Investments in Equity Shares	12.93	12.93	12.38
	<u>12.93</u>	<u>12.93</u>	<u>12.38</u>
	<u>1,351.55</u>	<u>1,341.55</u>	<u>1,341.00</u>

Details of Investments

(Rs. In Lakhs)

	Face value per unit in Rs. unless otherwise specified	No. of shares/ units	Value		
			As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Unquoted Investments:					
Investment in equity instruments					
Investment in subsidiary company (At cost)					
Dinesh Remedies Limited	Rs. 10	1,30,98,095	1,309.81	1,309.81	1,309.81
Fernway Technologies Limited	Rs. 10	50,000	5.00	-	-
Fernway Textiles Limited	Rs. 10	50,000	5.00	-	-
Others (At cost)					
Gujarat Sheep & Wool Development Corporation Limited	Rs. 100	50	0.05	0.05	0.05
Others (At FVOCI)					
Narmada Cleantech Limited	Rs. 10	1,86,265	12.93	12.93	12.38
			<u>1,332.79</u>	<u>1,322.79</u>	<u>1,322.24</u>
Investment in bonds					
GOI Secutities-2019-Coupon Rate 6.90%			18.76	18.76	18.76
Total			<u>1,351.55</u>	<u>1,341.55</u>	<u>1,341.00</u>



SHRI DINESH MILLS LTD.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Lakhs)

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
6 - NON - CURRENT FINANCIAL ASSETS - LOANS			
Unsecured, considered good, unless otherwise stated			
Security deposits	100.51	96.22	92.44
	<u>100.51</u>	<u>96.22</u>	<u>92.44</u>
Allowance for Doubtful Loans			
Company has analysed any allowance for doubtful loans based on the 12 months expected credit loss model. - Refer Note - 44			
7 - NON - CURRENT FINANCIAL ASSETS - OTHERS			
Fixed Deposit Account (having maturity period of more than 12 months) *	17.05	17.60	18.25
	<u>17.05</u>	<u>17.60</u>	<u>18.25</u>
* Includes margin deposit	15.00	15.00	15.00
8 - NON - CURRENT ASSETS - OTHERS			
Deferred Balance - Security Deposits	3.15	6.32	9.50
	<u>3.15</u>	<u>6.32</u>	<u>9.50</u>
9 - INVENTORIES			
(valued at lower of cost and net realizable value)			
Raw Material	616.51	850.20	684.81
Work in Progress	1,014.11	1,041.84	1,051.12
Finished Goods	767.38	1,186.07	1,046.76
Consumable Stores and Spares	455.82	443.42	456.10
	<u>2,853.82</u>	<u>3,521.53</u>	<u>3,238.79</u>
- As per inventory taken and valued by the Management			
9.1 - DETAILS OF RAW MATERIAL			
Imported:			
Wool	68.34	339.29	123.91
Yarn	209.38	183.43	197.80
Fibre	181.97	125.33	205.50
Miscellaneous	0.10	3.18	0.21
Indigeneous:			
Wool	-	-	1.66
Yarn	119.06	116.93	118.68
Fibre	37.48	81.86	36.87
Miscellaneous	0.18	0.18	0.18
	<u>616.51</u>	<u>850.20</u>	<u>684.81</u>

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Lakhs)

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
9.2 - DETAILS OF WORK-IN-PROGRESS			
Woolen worsted	671.62	627.35	627.54
Felt	342.49	414.49	423.58
	<u>1,014.11</u>	<u>1,041.84</u>	<u>1,051.12</u>

9.3 - DETAILS OF FINISHED GOODS

Woolen worsted fabrics	433.48	632.00	473.55
Felt	329.39	548.18	572.70
Readymade garments	4.51	5.89	0.51
	<u>767.38</u>	<u>1,186.07</u>	<u>1,046.76</u>

10 - CURRENT FINANCIAL ASSETS - INVESTMENTS

Quoted investments

A. Fair Value through Profit and Loss			
a. Investment in Mutual Funds	3,502.79	3,368.61	-
	<u>3,502.79</u>	<u>3,368.61</u>	<u>-</u>

a. Details of Current Investments

Name of Funds	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	No. of Units	(Rs. In Lakhs)	No. of Units	(Rs. In Lakhs)	No. of Units	(Rs. In Lakhs)
Reliance Money Manager Fund	48,837.54	492.31	22,894.23	230.66	-	-
ICICI Prudential Equity Arbitrage Fund	85,83,900.61	1,170.85	82,37,687.05	1,132.01	-	-
IDFC Arbitrage Fund	32,371.99	4.10	30,625.76	3.87	-	-
Kotak Equity Arbitrage Fund	55,16,198.65	589.84	79,04,985.10	849.56	-	-
Reliance Arbitrage Advantage Fund	46,41,108.59	491.03	43,65,085.98	462.47	-	-
HDFC Arbitrage Fund	-	-	65,62,475.70	690.04	-	-
HDFC Balance Fund	87,790.34	26.68	-	-	-	-
Birla Sunlife Mutual Fund	1,97,941.41	25.59	-	-	-	-
HDFC Arbitrage Fund - WS Normal	33,78,853.11	702.39	-	-	-	-
Total		3,502.79		3,368.61		



SHRI DINESH MILLS LTD.

**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018**

(Rs. In Lakhs)

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
11 - TRADE RECEIVABLES			
Unsecured			
Considered good	905.18	970.52	1,126.19
Considered doubtful	-	-	-
	<u>905.18</u>	<u>970.52</u>	<u>1,126.19</u>
Less: Provision for doubtful debts	-	-	-
	<u>905.18</u>	<u>970.52</u>	<u>1,126.19</u>
Allowance for Doubtful Debts			
Company has analysed any allowance for doubtful debts based on the lifetime expected credit loss model. - Refer Note - 44			
12 - CASH AND CASH EQUIVALENTS			
A) Balances with Banks			
- In Current Accounts	304.91	356.41	74.81
- In Fixed Deposits having a maturity period of less than 3 months	0.64	3.94	3,127.65
	<u>305.55</u>	<u>360.35</u>	<u>3,202.46</u>
B) Cash on Hand	2.79	2.11	3.56
	<u>2.79</u>	<u>2.11</u>	<u>3.56</u>
	<u>308.34</u>	<u>362.46</u>	<u>3,206.02</u>
13 - BANK BALANCES OTHER THAN ABOVE			
A) Balances with Banks			
- Unpaid Dividend	20.30	20.08	20.76
	<u>20.30</u>	<u>20.08</u>	<u>20.76</u>
14 - CURRENT - OTHER FINANCIAL ASSETS			
Interest and Dividend receivable on Investments	5.12	0.33	5.78
Government Incentives receivable *	29.42	125.41	131.94
	<u>34.54</u>	<u>125.74</u>	<u>137.72</u>
* After ascertaining recoverability, the Company has written off certain government subsidies during the current financial year.			
15 - CURRENT ASSETS - OTHERS			
Unsecured, considered good, unless otherwise stated			
Advances other than Capital Advances			
Other Loans and Advances	2.02	21.14	21.46
Statutory Dues (net)	33.47	23.82	91.28
Advance to Suppliers	138.06	142.23	117.32
Prepaid Expenses	17.31	1.96	9.08
	<u>190.86</u>	<u>189.15</u>	<u>239.14</u>

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Lakhs)

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
16 - SHARE CAPITAL			
Authorised:			
95,00,000 (March 31, 2017: 95,00,000 and April 01, 2016: 95,00,000) Equity Shares of Rs. 10 each	950.00	950.00	950.00
50,000 (March 31, 2017: 50,000 and April 01, 2016: 50,000) unclassified shares of Rs. 100 each	50.00	50.00	50.00
Issued, Subscribed and paid-up:			
5,084,382 (March 31, 2017: 5,084,382 and April 01, 2016: 5,084,382) Equity Shares of Rs. 10 each fully paid up	508.44	508.44	508.44
	<u>508.44</u>	<u>508.44</u>	<u>508.44</u>

16.1. Reconciliation of shares outstanding at the beginning and at the end of the Reporting year

Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	No. of Shares	(Rs. In Lakhs)	No. of Shares	(Rs. In Lakhs)	No. of Shares	(Rs. In Lakhs)
At the beginning of the year	50,84,382	5,08,43,820	50,84,382	5,08,43,820	50,84,382	5,08,43,820
Add: Shares issued during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	50,84,382	5,08,43,820	50,84,382	5,08,43,820	50,84,382	5,08,43,820

Note:

During the F.Y. 2013-14, Company had bought back 1,93,118 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.

16.2. Terms/Rights attached to the equity shares

The Company has one class of shares referred to as equity shares having a par value of Rs. 10 each. Each shareholder is entitled to one vote per share held. 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 to their shareholding.

16.3. Number of Shares held by each shareholder holding more than 5% Shares in the company

Name of Share Holder	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Shri U. M. Patel	-	-	5,31,655	10.46	5,31,655	10.46
Shri B. U. Patel	6,70,088	13.18	4,91,710	9.67	4,91,710	9.67
Shri N. U. Patel	6,43,852	12.66	5,73,388	11.28	5,73,388	11.28
Shri N. N. Patel	3,79,490	7.46	-	-	-	-
Shri A. B. Patel	3,67,443	7.23	-	-	-	-



SHRI DINESH MILLS LTD.

**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018**

(Rs. In Lakhs)

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
17 - OTHER EQUITY			
Capital Redemption Reserve			
Opening balance	19.31	19.31	19.31
Add: Addition during the year	-	-	-
Less: Written back during the year	-	-	-
Closing balance	<u>19.31</u>	<u>19.31</u>	<u>19.31</u>
General Reserve			
Opening balance	9,258.56	9,258.56	9,258.56
Add: Addition during the year	-	-	-
Less: Transfer to Retained Earnings	(700.00)	-	-
Closing balance	<u>8,558.56</u>	<u>9,258.56</u>	<u>9,258.56</u>
Retained Earnings			
Opening balance	654.35	470.21	183.11
Add: Net Profit/(Net Loss) For the current year	(565.79)	280.02	290.43
Add/(Less): Adjustments on account of Ind-AS			
- Transfer from General Reserves	700.00	-	-
- Fair Valuation of Financial Liabilities	-	-	0.06
- Fair Valuation of Financial Assets	-	-	(3.39)
- Effect on account of Employee Stock Options	-	(4.09)	-
- Proposed Dividend paid during the year	(91.79)	(91.79)	-
Closing Balance	<u>696.77</u>	<u>654.35</u>	<u>470.21</u>
Share Options Outstanding Account *			
Opening Balance	4.09	-	-
Add: Addition during the year	37.18	4.09	-
Less: Written back during the year	-	-	-
Closing balance	<u>41.27</u>	<u>4.09</u>	<u>-</u>
Fair Value through Other Comprehensive Income [FVTOCI] Reserve			
Opening balance	(34.31)	(6.25)	-
Adjusted from surplus in statement of profit and loss			
- Re-measurement gains / (losses) on employee benefits	46.71	(28.61)	-
- Fair valuation of equity investments	-	0.55	(6.25)
	<u>12.40</u>	<u>(34.31)</u>	<u>(6.25)</u>
Total of other equity - as at 31st March, 2018	<u><u>9,328.31</u></u>	<u><u>9,902.00</u></u>	<u><u>9,741.83</u></u>

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Lakhs)

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
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***17.1 Share Option Outstanding Account**

"The company during FY 2017-18, after taking requisite approvals of the governing body and shareholders, approved grant of up to 54,000 options to eligible employees of the Company. In terms of the said approval, the eligible employees are entitled against each option to subscribe for one equity share of face value of Rs. 10 each at a price of Rs. 10 per share. Market value per share of the company as on grant date is Rs. 134.70 against which the eligible employees shall subscribe each share at a price of Rs. 10 per share. "The holders of the Employee Stock Options are entitled to exercise the option within a period of three years from the date of first vesting, failing which they stand cancelled. In the case of termination of employment by the Company, all options, vested or not, stand cancelled immediately. In case of voluntary resignation, all un-vested options stand cancelled. Please refer below table for details on vesting period. There are no other vesting conditions, apart from service condition."

Particulars	Part-I (30%)	Part-II (30%)	Part-III (40%)
Grant Date	21-02-2017	21-02-2017	21-02-2017
Vesting Period (years)	1	2	3
Vesting Date	20-02-2018	20-02-2019	20-02-2020
No. of Options to be vested	16,200	16,200	21,600
Value considered as on Grant Date	₹ 134.70	₹ 134.70	₹ 134.70
Exercise Price	₹ 10.00	₹ 10.00	₹ 10.00

The stock options granted during the period has been measured using the Black-Scholes option pricing model at the date of the grant. The Black-Scholes option pricing model considers assumptions regarding dividend yields, expected volatility, expected terms and risk free interest rates. The key inputs and assumptions used are as follows:

Share price: The closing price on stock exchange as on the date of grant has been considered for valuing the options granted.

Exercise Price: Exercise Price is the price as determined by the Committee of the Directors

Risk free interest rate: The risk free interest rate on the date of grant considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the yield curve for Government bonds.



SHRI DINESH MILLS LTD.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Lakhs)

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016		
18 - NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS					
Secured					
a. Term Loans					
From banks					
- Rupee Term Loans	198.63	547.00	1,018.40		
	<u>198.63</u>	<u>547.00</u>	<u>1,018.40</u>		
a. Nature of Security					
Term loan under Technology Upgradation Fund Scheme is secured by way of hypothecation of machineries purchased therefrom.					
b. Rate of Interest and Terms of Repayment					
	Repayment Schedule				
Name of Institution	Instruments	Frequency	No. of Installments	Rate of Interest	First Installment due
South Indian Bank - II	Term Loan	Quarterly	24	9.80%	April 2013
South Indian Bank - III	Term Loan	Quarterly	24	9.80%	May 2014
			<u>As at 31-03-2018</u>	<u>As at 31-03-2017</u>	<u>As at 01-04-2016</u>
19 - NON - CURRENT FINANCIAL LIABILITIES - OTHERS					
Unsecured					
Trade Deposits	245.34	249.01	240.35		
	<u>245.34</u>	<u>249.01</u>	<u>240.35</u>		
20 - NON - CURRENT PROVISIONS					
Provision for Employee Benefits					
Gratuity	42.88	38.88	35.38		
Leave Encashment	156.14	127.83	114.87		
Provisions for Medical/LTA/allowances, etc.	53.24	49.54	52.88		
	<u>252.26</u>	<u>216.25</u>	<u>203.13</u>		
Other Provisions					
Provision for Tax (net of advance tax, TDS, self asst. tax)	126.25	77.43	42.47		
	<u>378.51</u>	<u>293.68</u>	<u>245.60</u>		

**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018**

(Rs. In Lakhs)

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
21 - DEFERRED TAX LIABILITIES (NET)			
Deferred Tax Liability on account of:			
(i) Depreciation			
Opening Deferred Tax Liability	424.85	503.64	559.31
Add/(Less): Charge or Credit during the year	(78.55)	(78.79)	(55.67)
Closing Deferred Tax Liability	346.30	424.85	503.64
Total Deferred Tax Liabilities	346.30	424.85	503.64
Deferred Tax Assets on account of:			
(i) Expenses allowable for tax purposes when paid (Octroi)			
Opening Deferred Tax Asset	15.60	15.60	15.31
Add/(Less): Charge or Credit during the year	-	-	0.29
Closing Deferred Tax Asset	15.60	15.60	15.60
(ii) Unencashed Leave (Employee or Director)			
Opening Deferred Tax Asset	60.86	48.65	50.76
Add/(Less): Charge or Credit during the year	5.02	12.21	(2.11)
Closing Deferred Tax Asset	65.88	60.86	48.65
(ii) Gratuity			
Opening Deferred Tax Asset	12.85	11.70	10.34
Add/(Less): Charge or Credit during the year	1.32	1.15	1.36
Closing Deferred Tax Asset	14.17	12.85	11.70
Total Deferred Tax Assets	95.65	89.31	75.95
Net Deferred Tax (Assets) / Liabilities	250.65	335.54	427.69
22 - OTHER NON CURRENT LIABILITIES			
Others			
Octroi Liability	63.49	63.49	63.49
Deferred balance - Security Deposits	1.29	1.79	2.28
	64.78	65.28	65.77
23 - CURRENT FINANCIAL LIABILITIES - BORROWINGS			
Secured			
a. Loans repayable on demand			
From banks			
- Cash Credits	(101.56)	(22.30)	(25.51)
	(101.56)	(22.30)	(25.51)
a. Nature of Security			
Cash credits from Banks, against hypothecation of Raw materials, Stores, Spare parts, Finished goods, Work-in-progress and receivable			



SHRI DINESH MILLS LTD.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Lakhs)

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
24 - CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES			
Due to micro and small enterprises (MSME)	-	-	-
Due to other than micro and small enterprises	<u>262.73</u>	<u>309.30</u>	<u>181.87</u>
	262.73	309.30	181.87

a. Disclosure under Section 22 of Micro, Small and Medium Enterprise Development (MSMED) Act, 2006

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 regarding:

	As at 31-03-2018	As at 31-03-2017
(a) Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;	-	-
(b) Interest paid during the year	-	-
(c) Amount of payment made to the supplier beyond the appointed day during accounting year;	-	-
(d) Interest due and payable for the period of delay in making payment;	-	-
(e) Interest accrued and unpaid at the end of the accounting year; and	-	-
(f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise;	-	-

25 - CURRENT - OTHER FINANCIAL LIABILITIES

Current Maturities of Long Term Debts	347.56	376.40	282.30
Interest accrued on deposits	84.28	79.63	78.21
Unpaid Dividends	17.79	18.50	19.52
Unclaimed matured deposits and interest thereon	0.45	0.79	1.18
Due to Directors	<u>16.50</u>	<u>15.62</u>	<u>15.71</u>
	466.58	490.94	396.92

- a. There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as on March 31, 2018 (March 31, 2017: Nil, April 1, 2016: Nil).

26 - OTHER CURRENT LIABILITIES

Advances received from Customers	556.41	553.63	559.05
Statutory liabilities	19.38	136.18	151.09
Provision for Expenses	530.23	568.24	540.73
Outstanding Expenses	162.16	205.39	205.39
Other Liabilities	<u>1.45</u>	<u>2.13</u>	<u>4.00</u>
	1,269.63	1,465.57	1,460.26

**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018**

(Rs. In Lakhs)

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
27 - SHORT TERM PROVISIONS			
Provision for employee benefit			
Gratuity	45.70	75.10	50.50
Leave Encashment	43.10	56.24	32.29
	<u>88.80</u>	<u>131.34</u>	<u>82.79</u>
28 - REVENUE FROM OPERATIONS			
Sale of Products	7,814.43	8,440.94	
	<u>7,814.43</u>	<u>8,440.94</u>	
<p>On account of Ind AS requirement, the company has disclosed revenue from operations including excise duty till 30th June, 2017. Post implementation of Goods and Services Tax (GST), w.e.f 1st July, 2017, sales/income from operation has been disclosed net off GST hence the same is not comparable with previous year.</p>			
29 - OTHER INCOME			
Interest Received/Receivable			
From banks	6.13	6.09	
From others	16.73	40.72	
Dividend Income	196.94	187.37	
Miscellaneous Income	145.69	147.60	
Sundry balances written back	42.54	-	
Gains on Fair Valuation of Financial Instruments (Net)	-	7.02	
	<u>408.03</u>	<u>388.80</u>	
30 - COST OF MATERIALS CONSUMED			
Wool	719.47	810	
Synthetic Fibre	661.15	881.02	
Yarn	674.56	651.03	
Others	13.94	20.15	
	<u>2,069.12</u>	<u>2,362.19</u>	
30.1 - BIFURCATION OF COST OF MATERIALS CONSUMED			
	Value	In %	2016-17
Imported	1,544.98	74.67%	Value 1,676.76 70.98%
Indigenous	524.14	25.33%	685.43 29.02%
	<u>2,069.12</u>	<u>100.00</u>	<u>2,362.19</u> <u>100.00</u>
31 - PURCHASES OF STOCK IN TRADE			
Ready-made Garments	176.32	117.88	
	<u>176.32</u>	<u>117.88</u>	



SHRI DINESH MILLS LTD.

**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018**

(Rs. In Lakhs)

	As at 31-03-2018	As at 31-03-2017
32 - CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK IN PROGRESS		
Inventories (at close):		
Work - in - Progress	1,014.11	1,041.84
Finished Goods	767.38	1,186.07
	<u>1,781.49</u>	<u>2,227.91</u>
Inventories (at commencement):		
Work - in - Progress	1,041.84	1,051.12
Finished Goods	1,186.07	1,046.76
	<u>2,227.91</u>	<u>2,097.88</u>
	446.42	(130.03)
Excise duty variations on opening/closing stocks	-	8.66
	<u>446.42</u>	<u>(121.37)</u>
*With effect from 1st July, 2017, excise laws have subsumed into The Central Goods and Service Tax Act (GST) wherein no duty provisioning is required on production of the finished goods.		
33 - EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages	2,470.89	2,515.66
Contributions to -		
- Provident fund, Superannuation scheme & Other funds	264.32	263.96
- Employees' State Insurance Scheme	37.21	39.46
Fair valuation of Employee Stock Options *	37.18	-
Staff Welfare Expense	11.38	10.37
	<u>2,820.98</u>	<u>2,829.45</u>
*Refer Note 17.1 for detailed information related to Employee Stock Options		
34 - FINANCE COSTS		
Interest expenses	140.56	185.03
Other borrowing costs	9.55	21.59
	<u>150.11</u>	<u>206.62</u>

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Lakhs)

	As at 31-03-2018	As at 31-03-2017
35 - OTHER EXPENSES OPERATING, ADMINISTRATION AND GENERAL EXPENSES		
Stores Consumed	310.07	321.68
Electricity, Power and Fuel	218.05	229.97
Rent	4.87	4.77
Commission	116.72	128.21
Cash Discount	150.01	175.93
Repairs*	334.78	344.07
Insurance	18.95	21.22
Rates and Taxes	32.26	33.77
Payments to Auditors**	12.69	11.06
Advertisement and Publicity	18.13	14.30
Legal & Professional Fees	163.48	131.09
Travelling and Conveyance	183.80	204.07
Miscellaneous Expenses	278.23	360.60
Loss on Fair Valuation of Financial Instruments (Net)	14.07	-
	<u>1,856.11</u>	<u>1,980.74</u>
* includes:		
Repairs to buildings	11.87	16.17
Repairs to machinery	294.70	312.12
Other Repairs	28.21	15.78
**Payments to the auditors for		
- Statutory audit	5.40	4.92
-For taxation matters	5.07	5.62
- Others	2.22	0.52
	<u>12.69</u>	<u>11.06</u>
36 - EXCEPTIONAL ITEMS		
Payment on account of Voluntary Retirement Scheme (VRS) *	516.77	-
	<u>516.77</u>	<u>-</u>
*The Company has announced VRS scheme on account of which payments have been made to workers during the FY 2017-18		
37 - EARNINGS PER EQUITY SHARE		
Profit/(loss) available for equity shareholders	(565.79)	280.02
Weighted average numbers of equity shares outstanding	50,84,382	50,84,382
Nominal value per equity share (in Rupees)	10.00	10.00
Earnings /(loss) Per Equity Share- Basic and Diluted (in Rupees)	(11.13)	5.51
38 - CONTINGENT LIABILITIES AND COMMITMENTS - NOT PROVIDED FOR CONTINGENT LIABILITIES		
(a) Workers' demand - matter under appeal	42.93	228.34
(b) Additional Bonus liability owing to amendment introduced in The Payment of Bonus Act, 1965, the matter at this juncture is at adjudicated stage with the various High Courts for the year 2014-15	28.48	28.48
(c) Income tax Demands / outstanding- matters under appeal	682.86	572.87
(d) Excise matters under appeal	214.08	217.81
Notes:		
(a) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters stated above, pending resolution of the proceedings.		
COMMITMENTS		
NIL		



SHRI DINESH MILLS LTD.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

39 - SEGMENT REPORTING

- (a) Primary segment - Business Segment
The Company has only one business segment : "Textile".
- (b) Secondary segment - Geographical Segment
Information of geographical segment:

Particulars	Year	(Rs. In Lakhs)		
		In India	Outside India	Total
Segment Revenue	2017-18	7,042.31	772.12	7,814.43
	2016-17	7,111.55	817.39	7,928.94
Carrying cost of Assets by location of Assets	2017-18	12,960.84	-	12,960.84
	2016-17	14,275.80	-	14,275.80
Additions to Assets and Intangible (Net)	2017-18	68.42	-	68.42
	2016-17	79.30	-	79.30

40 - DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS

The Company has classified the various benefits provided to employees as under:-

- (a) Defined contribution plans

- Provident fund

The Company has recognized the following amounts in the statement of profit and loss:

Employers' contribution to provident fund :- Current Year Rs. 97.02 Lakhs (Previous Year Rs. 97.75 Lakhs)

- (b) Defined benefit plans

- Gratuity

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plans based on the following assumptions-

Economic Assumptions

The discount rate and salary increases assumed are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

Discount Rate

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefits/obligations works out to zero years. For the current valuation a discount rate of 7.27% p.a. (Previous Year 7.86% p.a.) compound has been used.

Salary Escalation Rate

The salary escalation rate usually consists of at least three components, viz. regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account. Again a long-term view as to trend in salary increase rates has to be taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Lakhs)

	As at 31-03-2018	As at 31-03-2017
The assumptions used are summarized in the following table:		
Change in present value of the defined benefit obligation during the year <u>Gratuity (Funded)</u>		
Present value of obligation as at the beginning of the year	1,014.82	993.17
Interest Cost	73.78	78.06
Current Service Cost	46.37	42.46
Past Service Cost	40.59	-
Benefits Paid	(290.58)	(108.45)
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(19.57)	32.20
Actuarial (Gain)/Loss on arising from Experience Adjustment	(39.21)	(22.63)
Present value of obligation as at the end of the year	826.19	1,014.82
Change in fair value of plan assets during the year		
Fair Value of plan assets at the beginning of the year	939.79	942.69
Interest Income	68.32	74.10
Contributions by the employer	75.10	50.50
Benefits paid	(290.58)	(108.45)
Return on plan assets	(12.07)	(19.04)
Fair Value of plan assets at the end of the year	780.56	939.79
Net Asset/ (Liability) recorded in the Balance Sheet		
Present value of obligation as at the end of the year	826.19	1,014.82
Fund Balance	780.49	939.72
Net Asset/ (Liability)-Current	45.70	75.10
Net Asset/ (Liability)-Non-Current	-	-
Expenses recorded in the Statement of Profit & Loss during the year		
Interest Cost	5.45	3.97
Current Service Cost	46.37	42.46
Past Service Cost	40.59	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	-	-
Actuarial (Gain)/Loss on arising from Experience Adjustment	-	-
Total expenses included in employee benefit expenses	92.41	46.43
Recognized in Other Comprehensive Income during the year		
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(46.71)	28.61
Maturity analysis of the benefit payments from the fund		
1st following year	199.40	202.11
2nd following year	111.66	59.71
3rd following year	115.00	166.11
4th following year	76.27	87.17
5th year and thereafter	942.83	1,229.63
Quantitative sensitivity analysis for significant assumption is as below:		
Increase/ (decrease) on present value of defined benefit obligation at the end of the year	826.19	1,014.82
1 percentage point increase in discount rate	(38.64)	(53.16)
1 percentage point decrease in discount rate	44.19	60.84
1 percentage point increase in salary increase rate	44.62	61.62
1 percentage point decrease in salary increase rate	(39.76)	(54.72)
1 percentage point increase in employee turnover	9.10	9.85
1 percentage point decrease in employee turnover	(10.24)	(11.14)



SHRI DINESH MILLS LTD.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

	As at 31-03-2018 Foreign Currency (Rs. In Lakhs)	As at 31-03-2017 Foreign Currency (Rs. In Lakhs)	As at 31-03-2016 Foreign Currency (Rs. In Lakhs)
--	-----------------------------------------------------------	-----------------------------------------------------------	-----------------------------------------------------------

41 - HEDGED AND UNHEDGED DERIVATIVE INSTRUMENTS

- (a) The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise as at 31st March, 2018, 31st March, 2017 and 1st April, 2016 are as under:

Payables

Advance received from Customers (in USD)	23,335.20	15.18	59,135.70	38.33
(in EURO)	4,300	3.46	-	-

42 - RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24

(a) Related Parties	Description of relationship
i) <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
ii) <u>Key Managerial Personnel</u>	
Name	Relationship/Designation
Mr. B.U.Patel	Chairman & Managing Director
Mr. N.U.Patel	Managing Director
Mr. M. B. Thummar	Chief Financial Officer
Mr. J. B. Sojitra	Company Secretary
Mr. T M Patel	Independent Director
Mr. Rakesh Agrawal	Independent Director
Mr. Sanjiv M. Shah	Independent Director
Mr. Apurva Shah	Chief Financial Officer
Mrs. Taruna Patel	Independent Director
iii) <u>Relatives Of Key Management Personnel</u>	
Name	Relationship/Designation
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 parties:

(Rs. In Lakhs)

	Amount 2017-18	Amount 2016-17	Outstanding 2017-18	Balance 2016-17
Remuneration paid to CMD - Shri B U Patel	109.38	95.83	8.75	7.72
Remuneration paid to MD - Shri N U Patel	109.38	95.83	7.75	7.90
Remuneration paid to relative of Key Managerial Personnel	27.15	26.74	0.77	0.73
Director's Sitting fees paid to Mr. A T Patel	-	0.37	-	-
Director's Sitting fees paid to Mr. T M Patel	1.49	1.30	-	-
Director's Sitting fees paid to Mr. Sanjiv Shah	1.51	1.41	-	-
Director's Sitting fees paid to Mr. Rakesh Agrawal	1.59	1.30	-	-
Director's Sitting fees paid to Mrs. Tarunaben Patel	0.95	0.48	-	-
Remuneration paid to Chief Financial Officer (Mr. Apurva Shah joined w.e.f. 30/01/2018)	1.59	10.82	0.59	0.59
Remuneration paid to Company Secretary	18.57	17.68	0.63	0.65

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

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

43. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Other techniques for which all inputs which have a significant effects on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effects on the recorded fair value that are not based on observable market data.

I. Figures as at April 01, 2016

Financial Instrument	Note No.	Carrying Amount				Fair value				
		FVTPL	FVOCI	Total Fair Value	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non Current Assets										
Financial Assets										
(i) Investments		-	12.38	12.38	1,328.62	1,341.00	-	-	12.38	12.38
(ii) Loans		-	-	-	92.44	92.44	-	-	92.44	92.44
(iii) Others		-	-	-	18.25	18.25	-	-	-	-
Current Assets										
Financial Assets										
(i) Investments		-	-	-	-	-	-	-	-	-
(ii) Trade Receivables		-	-	-	1,126.19	1,126.19	-	-	-	-
(iii) Cash and Cash Equivalents		-	-	-	3,206.02	3,206.02	-	-	-	-
(iv) Bank balances other than above (ii)		-	-	-	20.76	20.76	-	-	-	-
(v) Others		-	-	-	137.72	137.72	-	-	-	-
		-	12.38	12.38	5,930.00	5,942.38	-	-	104.82	104.82
Non Current Liabilities										
Financial Liabilities										
(i) Borrowings		-	-	-	1,018.40	1,018.40	-	-	-	-
(ii) Others		-	-	-	240.35	240.35	-	-	240.35	240.35
Current Liabilities										
Financial Liabilities										
(i) Borrowings		-	-	-	(25.51)	(25.51)	-	-	-	-
(ii) Trade Payables		-	-	-	181.87	181.87	-	-	-	-
(iii) Other Financial Liabilities		-	-	-	396.92	396.92	-	-	-	-
		-	-	-	1,812.03	1,812.03	-	-	240.35	240.35



SHRI DINESH MILLS LTD.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

II. Figures as at March 31, 2017

Financial Instrument	Note No.	Carrying Amount				Fair value				
		FVTPL	FVOCI	Total Fair Value	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non Current Assets										
Financial Assets										
(i) Investments		-	12.93	12.93	1,328.62	1,341.55	-	-	12.93	12.93
(ii) Loans		-	-	-	96.22	96.22	-	-	96.22	96.22
(iii) Others		-	-	-	17.60	17.60	-	-	-	-
Current Assets										
Financial Assets										
(i) Investments		3,368.61	-	3,368.61	-	3,368.61	3,368.61	-	-	3,368.61
(ii) Trade Receivables		-	-	970.52	970.52	-	-	-	-	-
(iii) Cash and Cash Equivalents		-	-	-	362.46	362.46	-	-	-	-
(iv) Bank balances other than above (ii)		-	-	-	20.08	20.08	-	-	-	-
(v) Others		-	-	-	125.74	125.74	-	-	-	-
		3,368.61	12.93	3,381.54	2,921.24	6,302.78	3,368.61	-	109.15	3,477.76
Non Current Liabilities										
Financial Liabilities										
i) Borrowings		-	-	-	547.00	547.00	-	-	-	-
(ii) Others		-	-	-	249.01	249.01	-	-	249.01	249.01
Current Liabilities										
Financial Liabilities										
(i) Borrowings		-	-	-	(22.30)	(22.30)	-	-	-	-
(ii) Trade Payables -		-	-	309.30	309.30	-	-	-	-	-
(iii) Other Financial Liabilities		-	-	-	490.94	490.94	-	-	-	-
		-	-	-	1,573.95	1,573.95	-	-	249.01	249.01

FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS (Contd.)

III. Figures as at March 31, 2018

Financial Instrument	Note No.	Carrying Amount				Fair value				
		FVTPL	FVOCI	Total Fair Value	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non Current Assets										
Financial Assets										
(i) Investments		-	12.93	12.93	1,338.62	1,351.55	-	-	12.93	12.93
(ii) Loans		-	-	-	100.51	100.51	-	-	100.51	100.51
(iii) Others		-	-	-	17.05	17.05	-	-	-	-
Current Assets										
Financial Assets										
(i) Investments		3,502.79	-	3,502.79	-	3,502.79	3,502.79	-	-	3,502.79
(ii) Trade Receivables		-	-	-	905.18	905.18	-	-	-	-
(iii) Cash and Cash Equivalents		-	-	-	308.34	308.34	-	-	-	-
(iv) Bank balances other than above (ii)		-	-	-	20.30	20.30	-	-	-	-
(v) Others		-	-	-	34.54	34.54	-	-	-	-
		3,502.79	12.93	3,515.72	2,724.54	6,240.26	3,502.79	-	113.44	3,616.23
Non Current Liabilities										
Financial Liabilities										
(i) Borrowings		-	-	-	198.63	198.63	-	-	-	-
(ii) Others		-	-	-	245.34	245.34	-	-	245.34	245.34
Current Liabilities										
Financial Liabilities										
(i) Borrowings		-	-	-	(101.56)	(101.56)	-	-	-	-
(ii) Trade Payables		-	-	-	262.73	262.73	-	-	-	-
(iii) Other Financial Liabilities		-	-	-	466.58	466.58	-	-	-	-
		-	-	-	1,071.72	1,071.72	-	-	245.34	245.34

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise of borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include Investments, loans given, trade and other receivables and cash & short-term deposits that derive directly from its operations

The Company's risk management is carried out based on the policies approved by the Board of directors. Based on that policy, company identifies and evaluates financial risks in close co-operation with the Company's operating unit. The board overviews policy related to overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and non-derivative financial instruments along with investment of excess liquidity.

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity and mutual fund prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loan borrowings.

The Company is manufacturing woolen & worsted fabrics and felts. The environment in which the Company operates has changed significantly over the past decade, predominantly as a result of introduction of new competitive markets, globalization and changes in the Laws. This, in turn, has resulted in to considerable changes in internal operations, including our risk profile. As the company's operating environment continues to be transformed, embedding risk management principles and practices into strategy development and day to day business processes is critical to achieve robust and proactive commercial outcomes – a balance between mitigation threats and exploiting opportunity; creating and protecting value. Overall, the company expects to strengthen its current position in coming years.

Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the company's position with regards to the interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

The company is not exposed to significant interest rate risk as at the specified reporting date on account absence of any instruments whose interest rate is dependent on foreign exchange fluctuation. Refer Notes to account for interest rate profile of the Company's interest-bearing financial instrument at the reporting date.

Foreign currency risk

The Company operates in domestic as well as international market, however, the nature of its operations requires it to transact in several currencies and consequently the Company is exposed to foreign exchange risk in certain categories of foreign currencies. In current year, about 10 % of the Company's revenue is from export. The Company has laid down certain procedures to de-risk itself against currency volatility. It also out sources expert advice whenever required.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies.

I. Foreign Currency Exposure

Refer Note 41 for foreign currency exposure as at March 31, 2018, March 31, 2017 and April 01, 2016 respectively.

II. Foreign Currency Sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on the profit before tax

Currency	2017-18		2016-17	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	0.15	(0.15)	0.32	(0.32)
EURO	0.03	(0.03)	-	-
Total	0.19	(0.19)	0.32	(0.32)



SHRI DINESH MILLS LTD.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is significant increase in credit risk the company compares the risk of a default occurring on the asset at the reporting date with the risk of default as the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- (i) Actual or expected significant adverse changes in business,
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation,
- (iv) Significant increase in credit risk on other financial instruments of the same counterparty.
- (v) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than reasonable period of time decided by the Management. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

I.	Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)	(Rs. In lakhs)	
	Particulars	As at 31-03-2018	As at 31-03-2017
	Non-current financial assets - Loans	100.51	96.22
	Total (A)	100.51	96.22
II.	Financial assets for which loss allowance is measured using 12 months Life Time Expected Credit Losses (ECL)		
	Trade Receivables	905.18	970.52
	Total (A)	905.18	970.52
	Grand Total (A+B)	100.51	96.22

Balances with banks are subject to low credit risks due to good credit ratings assigned to these banks.

III.	The ageing analysis of these receivables (gross of provision) has been considered from the date the invoice falls due		
	Up to 6 months	689.28	767.07
	More than 6 months	215.90	203.45
	Total	905.18	970.52

- IV. Provision for expected credit losses again "II" and "III" above

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence based on historic default rates, the Company believes that, no impairment allowance is necessary in respect of above mentioned financial assets.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
Liquidity Risk

Liquidity Risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at reasonable price. The company is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecast on the basis of expected cash flows.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars	As at 31-03-2018			As at 31-03-2017		
	Less than 1 year	1 to 5 years	Total	Less than 1 year	1 to 5 years	Total
Non-current financial liabilities - Borrowings	-	198.63	198.63	-	547.00	547.00
Non-current financial liabilities - Others	-	245.34	245.34	-	249.01	249.01
Current financial liabilities - Borrowings	(101.56)	-	(101.56)	(22.30)	-	(22.30)
Current financial liabilities - Trade Payables	262.73	-	262.73	309.30	-	309.30
Current financial liabilities - Others	466.58	-	466.58	490.94	-	490.94
Total	627.75	443.97	1,071.72	777.94	796.01	1,573.95

Capital management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirement of the financial covenants.

The company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

Particulars	(Rs. In lakhs)	
	As at 31-03-2018	As at 31-03-2017
Total Debt	198.63	547.00
Equity	9,836.75	10,410.44
Capital and net debt	<u>10,035.38</u>	<u>10,957.44</u>
Gearing ratio	1.98%	4.99%

45 - FIRST TIME ADOPTION OF IND AS
First-time Adoption of Ind AS

The company has prepared its first Financial Statements in accordance with Ind AS for the year ended March 31, 2018. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The effective date for Company's Ind AS Opening Balance Sheet is 1 April 2016 (the date of transition to Ind AS).

The accounting policies have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet at April 01, 2016 (the Company's date of transition). According to Ind AS 101, the first Ind AS Financial Statements must use recognition and measurement principles that are based on standards and interpretations that are effective at March 31, 2018, the date of first-time preparation of Financial Statements according to Ind AS. These accounting principles and measurement principles must be applied retrospectively to the date of transition to Ind AS and for all periods presented within the first Ind AS Financial Statements.

Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of April 01, 2016 compared with those presented in the Indian GAAP Balance Sheet as of March 31, 2016, were recognized in



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NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

equity under retained earnings within the Ind AS Balance Sheet.

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following notes and reconciliations.

I. Exemptions and exceptions availed:

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Indian GAAP to Ind AS.

A) Deemed cost:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Indian GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their Indian GAAP carrying values.

B) Leases:

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such contracts/arrangements.

C) Designation of previously recognised financial instruments:

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity investments.

D) Estimates:

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP [after adjustments to reflect any difference in accounting policies], unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

- i. Investment in equity instruments carried at FVPL or FVOCI;
- ii. Investment in debt instruments carried at FVPL; and
- iii. Impairment of financial assets based on expected credit loss model.

E) Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

F) De-recognition of financial assets and liabilities:

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 101: FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS (Contd.)

II. Reconciliation of equity as at 1st April,2016

	Reference	Indian GAAP	Adjustments	Ind AS
ASSETS				
1. NON-CURRENT ASSETS				
(a) Property, Plant and Equipment		4,914.60	-	4,914.60
(b) Capital Work in Progress		-	-	-
(c) Financial Assets				
(i) Investments	**	1,347.25	(6.25)	1,341.00
(ii) Loans	#	105.33	(12.89)	92.44
(iii) Others		18.25	-	18.25
(d) Other Non Current Assets	#	-	9.50	9.50
TOTAL NON-CURRENT ASSETS		6,385.43	(9.64)	6,375.79
2. CURRENT ASSETS				
(a) Inventories		3,238.79	-	3,238.79
(b) Financial Assets				
(i) Investments		-	-	-
(ii) Trade Receivables		1,126.19	-	1,126.19
(iii) Cash and Cash Equivalents		3,206.02	-	3,206.02
(iv) Bank balances other than above (ii)		20.76	-	20.76
(vi) Others		137.72	-	137.72
(c) Other Current Assets		239.14	-	239.14
TOTAL CURRENT ASSETS		7,968.62	-	7,968.62
TOTAL ASSETS		14,354.05	(9.64)	14,344.41
EQUITY AND LIABILITIES				
EQUITY:				
(a) Equity share capital		508.44	-	508.44
(b) Other equity	** , # , &	9,659.62	82.21	9,741.83
TOTAL EQUITY		10,168.06	82.21	10,250.27
LIABILITIES				
1. NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings		1,018.40	-	1,018.40
(ii) Others	#	242.69	(2.34)	240.35
(b) Provisions		245.60	-	245.60
(a) Deferred Tax Liabilities (Net)		427.69	-	427.69
(c) Other Non Current Liabilities	#	63.49	2.28	65.77
TOTAL NON-CURRENT LIABILITIES		1,997.87	(0.06)	1,997.81
2. CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings		(25.51)	-	(25.51)
(ii) Trade Payables		181.87	-	181.87
(iii) Other Financial Liabilities		396.92	-	396.92
(b) Other Current Liabilities		1,460.26	-	1,460.26
(c) Provisions	&	174.58	(91.79)	82.79
TOTAL CURRENT LIABILITIES		2,188.12	(91.79)	2,096.33
TOTAL LIABILITIES		4,185.99	(91.85)	4,094.14
TOTAL EQUITY AND LIABILITIES		14,354.05	(9.64)	14,344.41



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NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

**** Fair Valuation adjustments for Investments:**

- Under IGAAP, no adjustment was required in order to carry the mutual funds and investment in equity instruments at their market value. Under Ind AS provisions, the same is required to be fair valued and adjusted with their market price or any other valuation method wherein no market price is available. The resultant gain / loss is recorded through OCI or Profit and loss account based on the holding pattern along with the intention of the company.

Fair Valuation adjustments for financial assets and financial liabilities:

- Under IGAAP, security deposits given and taken were required to be carried at book value. Under Ind AS, the said concept has shifted from book value to fair value hence the same has been adjusted after considering FVTPL

& Adjustment of Dividend and its tax thereon

- Under Ind AS, Dividend and its tax thereon is required to be recognised in the books of account as and when payment is made by the company and not at the of proposing the same.

% Actuarial loss on defined benefit plan:

Both under IGAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under IGAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, re-measurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

~ Others:

Sale of goods:

Under the IGAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses.

Other comprehensive income:

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' include remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments and corresponding tax impact thereon. The concept of other comprehensive income did not exist under previous GAAP.

Statement of cash flows:

The transition from IGAAP to Ind AS has not had a material impact on the statement of cash flows.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
III. Reconciliation of equity as at 31st March, 2017

	Reference	Indian GAAP	Adjustments	IND AS
ASSETS				
1. NON-CURRENT ASSETS				
(a) Property, Plant and Equipment		4,256.02	-	4,256.02
(b) Capital Work in Progress		-	-	-
(c) Financial Assets				
(i) Investments	**	1,347.25	(5.70)	1,341.55
(ii) Loans	#	105.25	(9.03)	96.22
(iii) Others		17.60	-	17.60
(d) Other Non Current Assets	#	-	6.32	6.32
TOTAL NON-CURRENT ASSETS		5,726.12	(8.41)	5,717.71
2. CURRENT ASSETS				
(a) Inventories		3,521.53	-	3,521.53
(b) Financial Assets				
(i) Investments	**	3,362.35	6.26	3,368.61
(ii) Trade Receivables		970.51	0.01	970.52
(iii) Cash and Cash Equivalents		362.46	-	362.46
(iv) Bank balances other than above (ii)		20.08	-	20.08
(vi) Others		125.74	-	125.74
(c) Other Current Assets		189.15	-	189.15
TOTAL CURRENT ASSETS		8,551.82	6.27	8,558.09
TOTAL ASSETS		14,277.94	(2.14)	14,275.80
EQUITY AND LIABILITIES				
EQUITY:				
(a) Equity share capital		508.44	-	508.44
(b) Other equity	** , #	9,904.01	(2.01)	9,902.00
TOTAL EQUITY		10,412.45	(2.01)	10,410.44
LIABILITIES				
1. NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings		547.00	-	547.00
(ii) Others	#	250.93	(1.92)	249.01
(b) Provisions		293.68	-	293.68
(c) Deferred Tax Liabilities (Net)		335.54	-	335.54
(d) Other Non Current Liabilities	#	63.49	1.79	65.28
TOTAL NON-CURRENT LIABILITIES		1,490.64	(0.13)	1,490.51
2. CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings		(22.30)	-	(22.30)
(ii) Trade Payables		309.30	-	309.30
(iii) Other Financial Liabilities		490.94	-	490.94
(b) Other Current Liabilities		1465.57	-	1465.57
(c) Provisions		131.34	-	131.34
TOTAL CURRENT LIABILITIES		2,374.85	-	2,374.85
TOTAL LIABILITIES		3,865.49	(0.13)	3,865.36
TOTAL EQUITY AND LIABILITIES		14,277.94	(2.14)	14,275.80



SHRI DINESH MILLS LTD.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Summary of reconciliation of equity between previous Indian GAAP and Ind AS

Particulars	Rs. In lakhs	
	As at 31/03/2017	As at 01/04/2016
Equity under previous GAAP	9,904.02	9,659.63
Adjustment as per Ind AS		
Fair Valuation of Financial Instruments	3.68	(3.34)
Adjustment on account of proposed dividends	-	91.79
Fair Valuation of investment in equity shares	(5.70)	(6.25)
Equity under Ind AS	<u>9,902.00</u>	<u>9,741.83</u>

Note: 46

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 2017-18.

Note: 47

Figures of the earlier year have been regrouped or reclassified to conform to Ind AS presentation requirements. The accompanying notes are an integral part of the financial statements.

As per our Report of even date	For and on behalf of the Board of Directors	
For Dhirubhai Shah & Co.	N. U. Patel	B. U. Patel
Chartered Accountants	Managing Director	Chairman & Managing Director & CEO
Firm's Registration Number: 102511W		
Harish B Patel	Apurva Shah	J. B. Sojitra
Partner	Chief Financial Officer	Company Secretary
Membership No.: 014427		
Vadodara, 28th May, 2018	Vadodara, 28th May, 2018	

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
Reconciliation of total comprehensive income for the year ended 31st March, 2017

	Reference	Indian GAAP	Adjustments	IND AS
REVENUES				
Revenue from operations	~	7,928.94	512.00	8,440.94
Other income	** , #	381.78	7.02	388.80
Total REVENUE		8,310.72	519.02	8,829.74
EXPENSES				
Cost of Materials Consumed		2,362.19	-	2,362.19
Purchases of Stock in Trade		117.88	-	117.88
Excise Duty	~	-	512.00	512.00
Changes in inventories of finished goods, Stock-in-Trade and work-inprogress		(121.37)	-	(121.37)
Employee benefits expense	%	2,858.06	(28.61)	2,829.45
Finance Costs		206.62	-	206.62
Depreciation and amortization expenses		754.36	-	754.36
Other expenses		1,980.74	-	1,980.74
TOTAL EXPENSES		8,158.48	483.39	8,641.87
PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		152.24	35.63	187.87
Exceptional items(net)		-	-	-
PROFIT BEFORE TAX		152.24	35.63	187.87
TAX EXPENSES				
Current tax		-	-	-
Deferred tax(credit)		(92.15)	-	(92.15)
PROFIT FOR THE YEAR		244.39	35.63	280.02
OTHER COMPREHENSIVE INCOME:				
(A) (i) Items that will not be classified to profit or loss				
- Re-measurement gains/ (losses) on post employment defined benefit plans	%	-	(28.61)	(28.61)
- Fair valuation of investment in equity shares	**	-	0.55	0.55
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		-	(28.06)	(28.06)
TOTAL COMPREHENSIVE INCOME /(LOSS) FOR THE YEAR		244.39	(28.06)	251.96

Summary of reconciliation of net profit between previous Indian GAAP and Ind AS

Particulars	As at 31/03/2017 Rs. In lakhs
Net profit under previous GAAP	244.39
<u>Adjustment as per Ind AS</u>	
Actuarial loss on employee defined benefit plan transferred to OCI	28.61
Fair Valuation of Financial Assets	7.02
Net profit as per Ind AS	280.02
Actuarial loss on employee defined benefit plan - through OCI	(28.61)
Fair valuation of investment in equity shares	0.55
Total comprehensive income	251.96



SHRI DINESH MILLS LTD.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

1. CORPORATE INFORMATION

Shri Dinesh Mills Limited (SDML) is a company having composite textile mill with a very strong presence in the textile industry for more than 60 years; manufacturing worsted fabrics (menswear), paper makers felts and industrial textiles. For International market, it has been manufacturing and exporting worsted fabrics to various overseas markets since last 30 Years. It maintains the highest standards of quality to meet the requirements of its discerning customers.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017. The transition from previous GAAP to Ind AS has been accounted for in accordance with the Ind AS 101 "First Time Adoption of Indian Accounting Standards", with April 1, 2016 being the transition date. In accordance with the Ind AS 101 "First time adoption of Indian Accounting Standard", the Company has presented a reconciliation [from the presentation of financial statements under accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS] of total equity as at April 1, 2016, March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017.

b) Functional and presentation currency

These financial statements are presented in Indian rupee, which is the Company's functional currency. All amounts have been rounded to the nearest lakh, unless otherwise indicated.

c) Basis of measurement

The financial statements have been prepared on historical cost basis, except certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments), defined benefits plans - plan assets and contingent consideration. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purposes of current / non-current classification of assets and liabilities.

Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

2A. USE OF ESTIMATES

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be adjusted due to estimates and assumptions turning out to be different from those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgments

The areas involving critical estimates or judgments are:

- a) Estimation of current tax expense and payable - Refer accounting policies - 3.9
- b) Estimated useful life of property, plant & equipment and intangible assets - Refer accounting policies - 3.1
- c) Estimation of defined benefit obligation - Refer accounting policies - 3.8
- d) Estimation of fair values of contingent liabilities - Refer accounting policies - 3.12
- e) Recognition of revenue - Refer accounting policies - 3.4
- f) Recognition of deferred tax assets for carried forward tax losses - Refer accounting policies - 3.9
- g) Impairment of financial assets - Refer accounting policies - 3.2 & 3.5

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment:

Property, plant and equipment are stated at original cost (including any revaluation in previous years) net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Costs include financing costs of borrowed funds attributable to acquisition or construction of fixed assets, up to the date the assets are put-to-use.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognized separately as independent items and are depreciated over their estimated economic useful lives.

All other repair and maintenance costs are recognized in the statement of profit and loss as incurred unless they meet the recognition criteria for capitalization under Property, Plant and Equipment

Tangible Fixed Assets:

- (a) Premium on leasehold land is being amortized over the period of lease.
- (b) Depreciation on all other fixed asset is 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. Depreciation on additions to the assets during the year is being provided on pro-rata basis with reference to the month of acquisition /installation. 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.

Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses (if any).

An item of intangible asset initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is



SHRI DINESH MILLS LTD.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

included in the income statement when the asset is derecognized. Intangible fixed assets are amortized on straight line basis over their estimated useful economic life.

Capital Work- in- progress

Capital work- in- progress represents directly attributable costs of construction to be capitalized. All other expenses including interest incurred during construction period are capitalized as a part of the construction cost to the extent to which these expenditures are attributable to the construction as per Ind AS-23 "Borrowing Costs". Interest income earned on temporary investment of funds brought in for the project during construction period are set off from the interest expense accounted for as expenditure during the construction period.

3.2 Impairment of non-financial 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 is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company measures it on the basis of discounted cash flows for the remaining year's (remaining useful life) projections estimated based on current prices. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

3.3 Foreign Currency Transactions

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are measured in terms of historical costs denominated in foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements including receivables and payables which are likely to be settled in foreseeable future, are recognized as income or as expenses in the year in which they arise. All other exchange differences are recognized as income or as expenses in the period in which they arise.

Transactions covered under forward contracts are accounted for at the contracted rate. All export proceeds have been accounted for at a fixed rate of exchange at the time of raising invoices. Foreign exchange fluctuations as a result of the export sales have been adjusted in the statement of profit and loss account and export proceeds not realized at the balance sheet date are restated at the rate prevailing as at the balance sheet date.

3.4 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Specifically,

- (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.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

- (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

3.5 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial Assets

a. Initial recognition and measurement:

All financial assets are recognized initially at fair value (FVOCI / amortized cost / FVTPL). Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place [regular way trades] are recognized on the settlement date, trade date, i.e., the date that the Company commits to purchase or sell the asset.

b. Subsequent measurement:

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

i. Debt instruments at amortized cost:

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

- The asset is held with an objective of collecting contractual cash flows
- Contractual terms of the asset give rise on specified dates to cash flows that are "solely payments of principal and interest" [SPPI] on the principal amount outstanding.

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

ii. Debt instruments at fair value through other comprehensive income [FVTOCI]:

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

- The asset is held with objective of both - for collecting contractual cash flows and selling the financial assets
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income [OCI]. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to Statement of Profit and Loss.

iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss [FVTPL]:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

iv. Equity instruments measured at fair value through other comprehensive income [FVTOCI]:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company has made



SHRI DINESH MILLS LTD.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

c. Derecognition:

A financial asset is primarily derecognized when:

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

B. Financial liabilities:

a. Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as over the counter derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b. Subsequent measurement:

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

i. Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes over the counter derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

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

ii. Loans and borrowings:

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

c. Derecognition:

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

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**C. Reclassification of financial assets:**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses [including impairment gains or losses] or interest.

D. Offsetting of financial instruments:

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

3.6 Fair Value Measurement

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

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

The principal or the most advantageous market must be accessible by the Company. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 - Quoted [unadjusted] market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

3.7 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.
- 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.

3.8 Retirement benefits

Retirement benefit costs for the year are determined on the following basis:

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.



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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 as per Ind AS 19. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Re-measurements are not classified to the statement of profit and loss in subsequent periods.

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 as give in (ii) above.

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

v. Compensation and gratuity paid on account of Voluntary Retirement Scheme (VRS) is treated as revenue expenditure as and when the scheme is announced by the company which is in line with the provisions related to constructive obligations as stated in Ind AS 37.

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

3.9 Taxes on Income

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 and tax laws prevailing in the respective tax jurisdictions where the Company operates. Current tax items are recognized in correlation to the underlying transaction either in P&L, OCI or directly in equity.

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized on the basis of reasonable certainty that the company will be having sufficient future taxable profits and based on the same the DTA has been recognized in the books.

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

Deferred tax assets and liabilities are measured at the tax rates [and tax laws] that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

3.10 Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing costs which are not specifically attributable to the acquisition, construction or production of a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

weighted average capitalization rate. The weighted average rate is taken of the borrowing costs applicable to the outstanding borrowings of the company during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized cannot exceed the amount of borrowing costs incurred during that period.

3.11 Earnings per equity share

Basic earnings per share is calculated by dividing the net profit or loss from continuing operation and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

3.12 Provisions, Contingent Liabilities and Contingent Assets:

Provision is recognized when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made.

A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognized in the financial statements. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are renewed at each balance sheet date.

3.13 Cash and Cash Equivalents

Cash and cash equivalent comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.14 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

3.15 Government Subsidies

The Company recognizes government subsidies / grant as per the criteria given under Ind AS 20.

- i. Government subsidies are recognized when there is reasonable assurance that the same will be received.
- ii. Revenue subsidies (for expenses that are already incurred) are reduced from the respective expenditure presented in the profit and loss account.
- iii. Capital subsidies relating to specific fixed assets are recognized in statement of profit and loss on a systematic basis over the useful life of the assets.

3.16 Exceptional items

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



SHRI DINESH MILLS LTD.

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of Shri Dinesh Mills Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Shri Dinesh Mills Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated balance sheet as at 31st March 2018, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows, and consolidated changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 including Ind AS, of the consolidated state of affairs of the Company, as at 31st March 2018, and their consolidated loss including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 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 Ind AS financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated statement of cash flows and consolidated statement of changes in equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - d. In our opinion, the aforesaid consolidated Ind AS 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 Holding Company and its Subsidiaries as on 31st March 2018, none of the directors are disqualified as on 31st March, 2018 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. 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 consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 38 to the consolidated Ind AS financial statements;
 - ii. The Group has made provision, as required under applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contract; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and subsidiary companies.

For

Dhirubhai Shah & Co.

Chartered Accountants

Firm's Registration Number: 102511W

Harish B Patel

Partner

Membership No. 014427

Place : Vadodara

Date : 28th, May 2018



SHRI DINESH MILLS LTD.

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 Ind AS financial statements of the Group as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of Shri Dinesh Mills Limited ("the Holding Company") and its subsidiary companies as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the 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") issued by ICAI 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 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 accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition,

use, or disposition of the company's assets that could have a material effect on the 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 2018, 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

Place : Vadodara
Date : 28th, May 2018

For
Dhirubhai Shah & Co.
Chartered Accountants
Firm's Registration Number: 102511W
Harish B Patel
Partner
Membership No. 014427



SHRI DINESH MILLS LTD.

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2018

	Note No.	As at 31-03-2018 Rs. In Lakhs	As at 31-03-2017 Rs. In Lakhs	As at 01-04-2016 Rs. In Lakhs
ASSETS				
NON-CURRENT ASSETS				
(a) Property, Plant and Equipment	4	5,832.28	6,569.84	7,376.78
(b) Capital Work in Progress	4	9.70	-	-
(c) Financial Assets				
(i) Investments	5	31.74	31.74	31.19
(ii) Loans	6	138.07	133.78	124.07
(iii) Others	7	17.05	17.60	18.25
(d) Other Non Current Assets	8	13.73	17.92	18.48
		6,042.57		7,568.77
CURRENT ASSETS				
(a) Inventories	9	3,001.96	3,684.32	3,407.66
(b) Financial Assets				
(i) Investments	10	3,502.79	3,408.16	-
(ii) Trade Receivables	11	1,566.96	1,396.42	1,807.25
(iii) Cash and Cash Equivalents	12	333.87	365.88	3,218.62
(iv) Bank balances other than above (ii)	13	20.30	20.08	20.76
(vi) Others	14	34.54	125.74	137.72
(c) Other Current Assets	15	213.62	215.67	260.71
		8,674.04	9,216.27	8,852.72
TOTAL ASSETS		14,716.61	15,987.15	16,421.49
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	16	508.44	508.44	508.44
(b) Other Equity	17	9,054.35	9,691.23	9,562.08
Equity attributable to equity holders of the Parent		9,562.79	10,199.67	10,070.52
Non - Controlling Interest		830.68	880.49	905.35
LIABILITIES				
NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	18	551.42	959.18	1,592.41
(ii) Others	19	245.34	249.01	240.35
(b) Provisions	20	397.73	313.14	259.66
(c) Deferred Tax Liabilities (Net)	21	250.65	335.54	427.69
(d) Other Non Current Liabilities	22	64.78	65.28	65.77
		1,509.92	1,922.15	2,585.88
CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	23	33.87	53.99	152.87
(ii) Trade Payables	24	677.93	588.69	513.89
(iii) Other Financial Liabilities	25	721.76	730.18	635.77
(b) Other Current Liabilities	26	1,287.20	1,477.19	1,469.41
(c) Provisions	27	92.46	134.79	87.80
		2,813.22	2,984.84	2,859.74
TOTAL EQUITY & LIABILITIES		14,716.61	15,987.15	16,421.49

Corporate Information, Basis of Preparation & Significant Accounting Policies 1-3

The accompanying notes 1 to 46 are an integral part of the Consolidated Financial Statements

As per our Report of even date	For and on behalf of the Board of Directors	
For Dhirubhai Shah & Co. Chartered Accountants Firm's Registration Number: 102511W	N. U. Patel Managing Director	B. U. Patel Chairman & Managing Director & CEO
Harish B Patel Partner Membership No.: 014427 Vadodara, 28th May, 2018	Apurva Shah Chief Financial Officer Vadodara, 28th May, 2018	J. B. Sojitra Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

	Note No.	2017-18 Rs. In Lakhs	2016-17 Rs. In Lakhs
INCOME			
Revenue from operations	28	9,414.32	10,267.83
Other income	29	439.87	422.24
TOTAL INCOME		9,854.19	10,690.07
EXPENSES			
Cost of Materials Consumed	30	2,728.64	3,092.29
Purchase of Stock-in-trade	31	176.32	117.88
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	32	469.54	(139.87)
Excise Duty		152.08	634.04
Employee benefits expense	33	3,098.32	3,107.31
Finance Costs	34	211.33	290.93
Depreciation and amortization expenses	4	862.49	910.66
Other expenses	35	2,404.25	2,547.91
TOTAL EXPENSES		10,102.97	10,561.15
Profit/(Loss) before exceptional items and tax		(248.78)	128.92
Exceptional items (net)	36	516.77	-
Profit/(Loss) before tax		(765.55)	128.92
Tax items			
Current tax		-	-
Earlier years tax provisions (written back)		-	-
Deferred tax (asset) / liability		(84.84)	(92.15)
Total tax items		(84.84)	(92.15)
Profit/(Loss) for the year		(680.71)	221.07
Other Comprehensive Income			
Items that will not be re-classified to Profit or Loss			
Re-measurement gains/ (losses) on post employment benefit plans		48.61	(25.53)
Fair valuation of investment in equity shares		-	0.55
Other Comprehensive Income/ (Loss) for the year		48.61	(24.98)
Total Comprehensive Income/ (Loss) for the year		(632.10)	196.09
Profit for the year attributable to:			
Equity holders of the parent		(630.05)	246.61
Non-controlling interest		(50.66)	(25.54)
Other Comprehensive Income for the year attributable to:			
Equity holders of the parent		47.77	(25.67)
Non-controlling interest		0.84	0.69
Total Comprehensive Income for the year attributable to:			
Equity holders of the parent		(582.28)	220.94
Non-controlling interest		(49.82)	(24.85)
Earnings Per Equity Share (Basic and Diluted)	37	(13.39)	4.35
Corporate Information, Basis of Preparation & Significant Accounting Policies	1-3		
The accompanying notes 1 to 46 are an integral part of the Consolidated Financial Statements			

As per our Report of even date

For and on behalf of the Board of Directors

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

Chartered Accountants

Managing Director

Chairman & Managing Director & CEO

Firm's Registration Number: 102511W

Harish B Patel
Apurva Shah
J. B. Sojitra

Partner

Chief Financial Officer

Company Secretary

Membership No.: 014427

Vadodara, 28th May, 2018

Vadodara, 28th May, 2018



SHRI DINESH MILLS LTD.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	2017-18	(Rs. In lacs)
		2016-17
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (loss) Before Tax	(765.55)	128.92
Adjustments for:		
Depreciation and amortization	862.49	910.66
Interest and finance charges	209.86	286.48
Interest income	(25.48)	(49.30)
Non-cash adjustment in OCI	(48.61)	(27.07)
Dividend Income	(196.94)	(187.37)
Sundry Balances written back	(42.54)	-
Fair Valuation of Financial Instruments	40.98	-
Operating Profit before Working Capital Changes	34.21	1,062.32
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables	(170.55)	410.81
(Increase)/decrease in other assets	92.78	48.52
(Increase)/decrease in inventories	682.36	(276.65)
(Increase)/decrease in Trade Payables	131.78	74.80
(Increase)/decrease in Other Current Liabilities	(160.40)	206.99
Increase/(decrease) in provisions	2.58	5.92
Cash Generated from Operations	612.77	1,532.71
Income taxes paid	-	-
Net Cashflow from Operating Activities	612.77	1,532.71
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(124.90)	(103.72)
Additions in capital work in progress	(9.70)	-
Purchase of Investments	(144.40)	(3,408.02)
Proceeds from sale of investments	39.55	-
Dividend Income	196.94	187.37
Interest received	25.48	49.30
Net Cashflow from Investing Activities	(17.04)	(3,275.07)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital	10.00	-
Long Term Borrowings		
Payments	(395.23)	(630.02)
Short Term Borrowings		
Receipts	59.14	-
Payments	-	(102.09)
Interest and finance charges	(209.86)	(286.48)
Dividend Paid	(91.79)	(91.79)
Net Cashflow from Financing Activities	(627.74)	(1,110.38)
Net Increase/(Decrease) in Cash and Cash Equivalents	(32.01)	(2,852.74)
Cash and bank balances at the beginning of the year	365.88	3,218.62
Cash and bank balances at the end of the year	333.87	365.88

NOTES:

- 1) The above cash flow statement has been prepared as per the "Indirect method" set out in the Indian Accounting Standard (Ind AS) - 7 Statement of Cash Flows
- 2) Figures in bracket indicate cash outflow.
- 3) Previous year figures have been regrouped and recast wherever necessary to confirm to current year's classification.

**SHRI DINESH MILLS LTD.**

Cash and cash equivalents at the end of the year consist of cash on hand, cheques, draft on hand and balance with banks as follows:

DETAIL OF CASH AND CASH EQUIVALENTS

	As at 31-03-2018 Rs. In Lakhs	As at 31-03-2017 Rs. In Lakhs
Balances with banks		
In current accounts	329.64	359.44
In Fixed Deposits having a maturity period of less than 3 months	<u>0.64</u>	<u>3.94</u>
Cash on hand	<u>330.28</u> <u>3.59</u> <u>333.87</u>	<u>363.38</u> <u>2.50</u> <u>365.88</u>

As per our Report of even date

For **Dhirubhai Shah & Co.**
Chartered Accountants
Firm's Registration Number: 102511W

Harish B Patel
Partner
Membership No.: 014427
Vadodara, 28th May, 2018

For and on behalf of the Board of Directors

N. U. Patel
Managing Director

Apurva Shah
Chief Financial Officer
Vadodara, 28th May, 2018

B. U. Patel
Chairman & Managing Director & CEO

J. B. Sojitra
Company Secretary



SHRI DINESH MILLS LTD.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2018

(A) EQUITY SHARE CAPITAL

For the year ended 31st March, 2018

(Rs. In Lakhs)

Balance as at 1st April, 2017	Changes during the year	Balance as at 31st March, 2018
508.44	-	508.44

For the year ended 31st March, 2017

Balance as at 1st April, 2016	Changes during the year	Balance as at 31st March, 2017
508.44	-	508.44

(A) OTHER EQUITY

Particulars	Capital Redemption Reserve	General Reserve	ESOP Outstanding	Retained Earnings	FVOCI Reserve	Total Equity
For the year ended 31st March, 2018						
Balance as at 1st April, 2017	19.31	9,258.56	4.09	441.19	(31.78)	9,691.37
Profit/(Loss) for the year				(630.05)		(630.05)
Addition during the year	-	-	37.18	-	-	37.18
Adjustments on account of proposed dividends	-	-	-	(91.79)	-	(91.79)
Transfer to / from Retained Earnings	-	(700.00)	-	700.00	-	-
Fair Valuation Gains on Investments in Equity Instruments	-	-	-	-	-	-
Remeasurements gain/(loss) on defined benefit plans	-	-	-	-	48.61	48.61
Balance as at 31st March, 2018	19.31	8,558.56	41.27	419.35	16.83	9,055.33
For the year ended 31st March, 2017						
Balance as at 1st April, 2016	19.31	9,258.56	-	290.46	(6.25)	9,562.08
Profit/(Loss) for the year	-	-	-	246.61	-	246.61
Transfer from Retained Earnings to ESOP Outstanding	-	-	4.09	(4.09)	-	-
Adjustment on account of proposed dividends	-	-	-	(91.79)	-	(91.79)
Fair Valuation Gains on Investments in Equity Instruments	-	-	-	-	-	-
Remeasurements gain/(loss) on defined benefit plans	-	-	-	-	(25.53)	(25.53)
Balance as at 31st March, 2017	19.31	9,258.56	4.09	441.19	(31.78)	9,691.37

As per our Report of even date

For and on behalf of the Board of Directors

For **Dhirubhai Shah & Co.**
Chartered Accountants
Firm's Registration Number: 102511W

N. U. Patel
Managing Director

B. U. Patel
Chairman & Managing Director & CEO

Harish B Patel
Partner
Membership No.: 014427
Vadodara, 28th May, 2018

Apurva Shah
Chief Financial Officer
Vadodara, 28th May, 2018

J. B. Sojitra
Company Secretary

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

4 - PROPERTY, PLANT AND EQUIPMENT

(Rs. In Lakhs)

	TANGIBLE ASSETS										INTANGIBLE		
	Land	Lease hold Land	Buildings	Plant and Equipment	Furniture and Dead Stock	Vehicles	Electrical Installations	Tubewell and Water Works	Weighing Scale	Total	Softwares	CAPITAL WORK IN PROGRESS	Total
Cost:													
As at 1st April, 2016	381.15	5.73	1,124.37	21,244.17	349.54	387.27	190.55	13.80	0.95	23,697.53	9.78	-	9.78
Additions	-	-	45.73	31.95	16.29	8.27	-	1.98	-	104.22	-	-	-
Disposals / transfers	-	-	-	-	3.52	13.46	-	-	-	16.98	-	-	-
As at 31st March, 2017	381.15	5.73	1,170.10	21,276.12	362.31	382.08	190.55	15.78	0.95	23,784.77	9.78	-	9.78
Additions	-	-	-	33.99	22.12	42.26	-	0.75	-	99.12	27.83	9.70	37.53
Disposals / transfers	-	-	-	-	-	26.35	-	-	-	26.35	-	-	-
As at 31st March, 2018	381.15	5.73	1,170.10	21,310.11	384.43	397.99	190.55	16.53	0.95	23,857.54	37.61	9.70	47.31
Accumulated depreciation:													
As at 1st April, 2016	-	-	586.00	15,017.49	307.29	266.41	132.29	10.87	0.40	16,320.75	9.78	-	9.78
Depreciation charged during the year	-	0.09	34.04	819.51	13.73	37.84	4.69	0.68	0.08	910.66	-	-	-
Disposals / transfers	-	-	-	-	3.34	13.14	-	-	-	16.48	-	-	-
As at 31st March, 2017	-	0.09	620.04	15,837.00	317.68	291.11	136.98	11.55	0.48	17,214.93	9.78	-	9.78
Depreciation charged during the year	-	0.09	35.74	773.41	13.01	30.26	4.60	1.16	0.03	862.49	4.19	-	4.19
Disposals / transfers	-	-	-	-	-	24.33	-	-	-	24.33	-	-	-
As at 31st March, 2018	-	0.18	655.78	16,610.41	330.69	297.04	141.58	12.71	0.51	18,048.90	13.97	-	13.97
Net book value													
As at 1st April, 2016	381.15	5.73	538.37	6,226.68	42.25	120.86	58.26	2.93	0.55	7,376.78	-	-	-
As at 31st March, 2017	381.15	5.64	550.06	5,439.12	44.63	90.97	53.57	4.23	0.47	6,569.84	-	-	-
As at 31st March, 2018	381.15	5.55	514.32	4,699.70	53.74	100.95	48.97	3.82	0.44	5,808.64	23.64	9.70	33.34



SHRI DINESH MILLS LTD.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Lakhs)

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
5 - NON - CURRENT FINANCIAL ASSETS - INVESTMENTS			
Investments (Unquoted)			
(A) Investments at Cost			
(a) Investments in Equity Shares			
- Others	0.05	0.05	0.05
	<u>0.05</u>	<u>0.05</u>	<u>0.05</u>
(b) Investments in Bonds	18.76	18.76	18.76
	<u>18.76</u>	<u>18.76</u>	<u>18.76</u>
	<u>18.81</u>	18.81	18.81
(B) Fair Value through Other Comprehensive Income			
(a) Investments in Equity Shares	12.93	12.93	12.38
	<u>12.93</u>	<u>12.93</u>	<u>12.38</u>
	<u>31.74</u>	<u>31.74</u>	<u>31.19</u>

Details of Investments

(Rs. In Lakhs)

	Face value per unit in Rs. unless otherwise specified	No. of shares/ units	Value	
			As at 31-03-2018	As at 31-03-2017
Unquoted Investments:				
Investment in equity instruments				
Others (At cost)				
Gujarat Sheep & Wool Development Corporation Limited	Rs. 100	50	0.05	0.05
Others (At FVOCI)				
Narmada Cleantech Limited	Rs. 10	1,86,265	12.93	12.38
			<u>12.98</u>	<u>12.43</u>
Investment in bonds				
GOI Secutities - 2019 - Coupon Rate 6.90%			18.76	18.76
Total			<u>31.74</u>	<u>31.19</u>

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Lakhs)

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
6 - NON - CURRENT FINANCIAL ASSETS - LOANS			
Unsecured, considered good, unless otherwise stated			
Security deposits	138.07	133.78	124.07
	<u>138.07</u>	<u>133.78</u>	<u>124.07</u>
Allowance for Doubtful Loans			
Company has analysed any allowance for doubtful loans based on the 12 months expected credit loss model. - Refer Note - 44			
7 - NON - CURRENT FINANCIAL ASSETS - OTHERS			
Fixed Deposit Account (having maturity period of more than 12 months) *	17.05	17.60	18.25
	<u>17.05</u>	<u>17.60</u>	<u>18.25</u>
* Includes margin deposit	<u>15.00</u>	<u>15.00</u>	<u>15.00</u>
8 - NON - CURRENT ASSETS - OTHERS			
Deferred Balance - Security Deposits	3.15	6.32	9.50
Gratuity Fund	10.58	11.60	8.98
	<u>13.73</u>	<u>17.92</u>	<u>18.48</u>
9 - INVENTORIES			
(valued at lower of cost and net realizable value)			
Raw Material	647.01	876.94	727.41
Work in Progress	1,055.86	1,086.44	1,097.39
Finished Goods	810.21	1,249.17	1,087.08
Consumable Stores and Spares	479.85	459.53	484.78
Others	9.03	12.24	11.00
	<u>3,001.96</u>	<u>3,684.32</u>	<u>3,407.66</u>
- As per inventory taken and valued by the Management			



SHRI DINESH MILLS LTD.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Lakhs)

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
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10 - CURRENT FINANCIAL ASSETS - INVESTMENTS

Quoted investments

A. Fair Value through Profit and Loss

a. Investment in Mutual Funds	3,502.79	3,408.16	-
	<u>3,502.79</u>	<u>3,408.16</u>	<u>-</u>

a. Details of Current Investments

Name of the Fund	As at 31-03-2018		As at 31-03-2017		As at 31-03-2016	
	No. of Units	(Rs. In Lakhs)	No. of Units	(Rs. In Lakhs)	No. of Units	(Rs. In Lakhs)
Reliance Money Manager Fund	48,837.54	492.31	22,894.23	230.66	-	-
ICICI Prudential Equity Arbitrage Fund	85,83,900.61	1,170.85	82,37,687.05	1,132.01	-	-
IDFC Arbitrage Fund	32,371.99	4.10	30,625.76	3.87	-	-
Kotak Equity Arbitrage Fund	55,16,198.65	589.84	79,04,985.10	849.56	-	-
Reliance Arbitrage Advantage Fund	46,41,108.59	491.03	43,65,085.98	462.47	-	-
HDFC Arbitrage Fund	-	-	65,62,475.70	690.04	-	-
HDFC Balance Fund	87,790.34	26.68	-	-	-	-
Birla Sunlife Mutual Fund	1,97,941.41	25.59	-	-	-	-
HDFC Arbitrage Fund - WS Normal	33,78,853.11	702.39	-	-	-	-
ICICI Prudential Savings Fund	-	-	16,170.89	39.55	-	-
Total		3,502.79		3,408.16		

(Rs. In Lakhs)

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
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11 - TRADE RECEIVABLES

Unsecured

Considered good	1,566.96	1,396.42	1,807.25
Considered doubtful	-	-	-
	<u>1,566.96</u>	<u>1,396.42</u>	<u>1,807.25</u>
Less: Provision for doubtful debts	-	-	-
	<u>1,566.96</u>	<u>1,396.42</u>	<u>1,807.25</u>

Allowance for Doubtful Debts

Company has analysed any allowance for doubtful debts based on the lifetime expected credit loss model. - Refer Note - 44

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Lakhs)

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
12 - CASH AND CASH EQUIVALENTS			
A) Balances with Banks			
- In Current Accounts	329.64	359.44	87.15
- In Fixed Deposits having a maturity period of less than 3 months	0.64	3.94	3,127.65
	<u>330.28</u>	<u>363.38</u>	<u>3,214.80</u>
B) Cash on Hand	3.59	2.50	3.82
	<u>3.59</u>	<u>2.50</u>	<u>3.82</u>
	<u><u>333.87</u></u>	<u><u>365.88</u></u>	<u><u>3,218.62</u></u>
13 - BANK BALANCES OTHER THAN ABOVE			
A) Balances with Banks			
- Unpaid Dividend	20.30	20.08	20.76
	<u>20.30</u>	<u>20.08</u>	<u>20.76</u>
14 - CURRENT - OTHER FINANCIAL ASSETS			
Interest and Dividend receivable on Investments	5.12	0.33	5.78
Government Incentives receivable *	29.42	125.41	131.94
	<u>34.54</u>	<u>125.74</u>	<u>137.72</u>
* After ascertaining recoverability, the Company has written off certain government subsidies during the current financial year.			
15 - CURRENT ASSETS - OTHERS			
Unsecured, considered good, unless otherwise stated			
Advances other than Capital Advances			
Other Loans and Advances	4.12	23.35	22.77
Balance with Statutory Authorities	45.78	43.01	106.67
Advance to Suppliers	142.79	143.54	118.54
Prepaid Expenses	20.93	5.77	12.73
	<u>213.62</u>	<u>215.67</u>	<u>260.71</u>
16 - SHARE CAPITAL			
Authorised:			
95,00,000 (March 31, 2017: 95,00,000 and April 01, 2016: 95,00,000) Equity Shares of Rs. 10 each	950.00	950.00	950.00
50,000 (March 31, 2017: 50,000 and April 01, 2016: 50,000) unclassified shares of Rs. 100 each	50.00	50.00	50.00
Issued, Subscribed and paid-up:			
5,084,382 (March 31, 2017: 5,084,382 and April 01, 2016: 5,084,382) Equity Shares of Rs. 10 each fully paid up	508.44	508.44	508.44
	<u>508.44</u>	<u>508.44</u>	<u>508.44</u>



SHRI DINESH MILLS LTD.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Lakhs)

16.1. Reconciliation of shares outstanding at the beginning and at the end of the Reporting year

Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	No. of Shares	(Rs. In Lakhs)	No. of Shares	(Rs. In Lakhs)	No. of Shares	(Rs. In Lakhs)
At the beginning of the year	50,84,382	5,08,43,820	50,84,382	5,08,43,820	50,84,382	5,08,43,820
Add: Shares issued during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	50,84,382	5,08,43,820	50,84,382	5,08,43,820	50,84,382	5,08,43,820

Note:

During the F.Y. 2013-14, Company had bought back 1,93,118 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.

16.2. Terms/Rights attached to the equity shares

The Company has one class of shares referred to as equity shares having a par value of Rs. 10 each. Each shareholder is entitled to one vote per share held. 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 to their shareholding.

16.3. Number of Shares held by each shareholder holding more than 5% Shares in the company

Name of Share Holder	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Shri U. M. Patel	-	-	5,31,655	10.46	5,31,655	10.46
Shri B. U. Patel	6,70,088	13.18	4,91,710	9.67	4,91,710	9.67
Shri N. U. Patel	6,43,852	12.66	5,73,388	11.28	5,73,388	11.28
Shri N. N. Patel	3,79,490	7.46	-	-	-	-
Shri A. B. Patel	3,67,443	7.23	-	-	-	-

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Lakhs)

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
17 - OTHER EQUITY			
Capital Redemption Reserve			
Opening balance	19.31	19.31	19.31
Add: Addition during the year	-	-	-
Less: Written back during the year	-	-	-
Closing balance	<u>19.31</u>	<u>19.31</u>	<u>19.31</u>
General Reserve			
Opening balance	9,258.56	9,258.56	9,258.56
Add: Addition during the year	-	-	-
Less: Transfer to Retained Earnings	(700.00)	-	-
Closing balance	<u>8,558.56</u>	<u>9,258.56</u>	<u>9,258.56</u>
Retained Earnings			
Opening balance	441.19	290.46	(10.12)
Add: Net Profit/(Net Loss) For the current year	(630.05)	246.61	303.92
Add/(Less): Adjustments on account of Ind-AS			
- Transfer from General Reserves	700.00	-	-
- Fair Valuation of Financial Liabilities	-	-	0.06
- Fair Valuation of Financial Assets	-	-	(3.39)
- Effect on account of Employee Stock Options	-	(4.09)	-
- Proposed Dividend paid during the year	(91.79)	(91.79)	-
Closing Balance	<u>419.35</u>	<u>441.19</u>	<u>290.46</u>
Share Options Outstanding Account *			
Opening Balance	4.09	-	-
Add: Addition during the year	37.18	4.09	-
Less: Written back during the year	-	-	-
Closing balance	<u>41.27</u>	<u>4.09</u>	<u>-</u>
Fair Value through Other Comprehensive Income [FVTOCI] Reserve			
Opening balance	(31.92)	(6.25)	-
Adjusted from surplus in statement of profit and loss			
- Re-measurement gains / (losses) on employee benefits	47.77	(25.67)	-
- Fair valuation of equity investments	-	-	(6.25)
	<u>15.85</u>	<u>(31.92)</u>	<u>(6.25)</u>
Total of other equity - as at 31st March, 2018	<u><u>9,054.35</u></u>	<u><u>9,691.23</u></u>	<u><u>9,562.08</u></u>



SHRI DINESH MILLS LTD.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Lakhs)

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
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* 17.1 Share Option Outstanding Account

The Holding company, during FY 2017-18, after taking requisite approvals of the governing body and shareholders, approved grant of up to 54,000 options to eligible employees of the Company. In terms of the said approval, the eligible employees are entitled against each option to subscribe for one equity share of face value of Rs. 10 each at a price of Rs. 10 per share. Market value per share of the company as on grant date is Rs. 134.70 against which the eligible employees shall subscribe each share at a price of Rs. 10 per share. The holders of the Employee Stock Options are entitled to exercise the option within a period of three years from the date of first vesting, failing which they stand cancelled. In the case of termination of employment by the Company, all options, vested or not, stand cancelled immediately. In case of voluntary resignation, all un-vested options stand cancelled. Please refer below table for details on vesting period. There are no other vesting conditions, apart from service condition.

Particulars	Part-I (30%)	Part-II (30%)	Part-III (40%)
Grant Date	21-02-2017	21-02-2017	21-02-2017
Vesting Period (years)	1	2	3
Vesting Date	20-02-2018	20-02-2019	20-02-2020
No. of Options to be vested	16,200	16,200	21,600
Value considered as on Grant Date	₹ 134.70	₹ 134.70	₹ 134.70
Exercise Price	₹ 10.00	₹ 10.00	₹ 10.00

The stock options granted during the period has been measured using the Black-Scholes option pricing model at the date of the grant. The Black-Scholes option pricing model considers assumptions regarding dividend yields, expected volatility, expected terms and risk free interest rates. The key inputs and assumptions used are as follows:

Share price: The closing price on stock exchange as on the date of grant has been considered for valuing the options granted.

Exercise Price: Exercise Price is the price as determined by the Committee of the Directors

Risk free interest rate: The risk free interest rate on the date of grant considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the yield curve for Government bonds.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Lakhs)

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016		
18 - NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS					
Secured					
a. Term Loans					
From banks					
- Rupee Term Loans	551.42	959.18	1,592.41		
	<u>551.42</u>	<u>959.18</u>	<u>1,592.41</u>		
a. Nature of Security					
In case of holding company, term loan under Technology Upgradation Fund Scheme is secured by way of hypothecation of machineries purchased therefrom. In case of Subsidiary company, the loans are secured by exclusive and specific charge created on Fixed Assets					
b. Rate of Interest and Terms of Repayment					
		Repayment Schedule			
Name of Institution	Instruments	Frequency	No. of Installments	Rate of Interest	First Installment due
South Indian Bank - II (of Shri Dinesh Mills Limited)	Term Loan	Quarterly	24	9.80%	April 2013
South Indian Bank - III (of Shri Dinesh Mills Limited)	Term Loan	Quarterly	24	9.80%	May 2014
South Indian Bank Ltd (of Dinesh Remedies Limited)	Term Loan - 541	Quarterly	24	9.80%	March 2014
			<u>As at 31-03-2018</u>	<u>As at 31-03-2017</u>	<u>As at 01-04-2016</u>
19 - NON - CURRENT FINANCIAL LIABILITIES - OTHERS					
Unsecured					
Trade Deposits	245.34	249.01	240.35		
	<u>245.34</u>	<u>249.01</u>	<u>240.35</u>		
20 - NON - CURRENT PROVISIONS					
Provision for Employee Benefits					
Gratuity	56.64	52.77	44.37		
Leave Encashment	161.60	133.40	119.94		
Provisions for Medical/LTA/allowances, etc.	53.24	49.54	52.88		
	<u>271.48</u>	<u>235.71</u>	<u>217.19</u>		
Other Provisions					
Provision for Tax (net of advance tax, TDS, self asst. tax)	126.25	77.43	42.47		
	<u>397.73</u>	<u>313.14</u>	<u>259.66</u>		



SHRI DINESH MILLS LTD.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Lakhs)

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
21 - DEFERRED TAX LIABILITIES (NET)			
Deferred Tax Liability on account of:			
(i) Depreciation			
Opening Deferred Tax Liability	424.85	503.64	559.31
Add/(Less): Charge or Credit during the year	(78.55)	(78.79)	(55.67)
Closing Deferred Tax Liability	346.30	424.85	503.64
Total Deferred Tax Liabilities	346.30	424.85	503.64
Deferred Tax Assets on account of:			
(i) Expenses allowable for tax purposes when paid (Octroi)			
Opening Deferred Tax Asset	15.60	15.60	15.31
Add/(Less): Charge or Credit during the year	-	-	0.29
Closing Deferred Tax Asset	15.60	15.60	15.60
(ii) Unencashed Leave (Employee or Director)			
Opening Deferred Tax Asset	60.86	48.65	50.76
Add/(Less): Charge or Credit during the year	5.02	12.21	(2.11)
Closing Deferred Tax Asset	65.88	60.86	48.65
(iii) Gratuity			
Opening Deferred Tax Asset	12.85	11.70	10.34
Add/(Less): Charge or Credit during the year	1.32	1.15	1.36
Closing Deferred Tax Asset	14.17	12.85	11.70
Total Deferred Tax Assets	95.65	89.31	75.95
Net Deferred Tax (Assets) / Liabilities	250.65	335.54	427.69
22 - OTHER NON CURRENT LIABILITIES			
Others			
Octroi Liability	63.49	63.49	63.49
Deferred balance - Security Deposits	1.29	1.79	2.28
	64.78	65.28	65.77
23 - CURRENT FINANCIAL LIABILITIES - BORROWINGS			
Secured			
a. Loans repayable on demand			
From banks			
- Cash Credits	33.87	53.99	152.87
	33.87	53.99	152.87

a. Nature of Security

In case of Group, cash credits from Banks are secured against hypothecation of Raw materials, Stores, Spare parts, Stock in process, Finished goods, Work-in-progress and book debts. The rate of interest of the captioned loan, in case of holding company is 11.50%, while it is 9.80% in case of subsidiary.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Lakhs)

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
24 - CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES			
Due to micro and small enterprises (MSME)	-	-	-
Due to other than micro and small enterprises	677.93	588.69	513.89
	677.93	588.69	513.89

a. Disclosure under Section 22 of Micro, Small and Medium Enterprise Development (MSMED) Act, 2006

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 regarding:

	As at 31-03-2018	As at 31-03-2017
(a) Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;	-	-
(b) Interest paid during the year	-	-
(c) Amount of payment made to the supplier beyond the appointed day during accounting year;	-	-
(d) Interest due and payable for the period of delay in making payment;	-	-
(e) Interest accrued and unpaid at the end of the accounting year; and	-	-
(f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise;	-	-

25 - CURRENT - OTHER FINANCIAL LIABILITIES

Current Maturities of Long Term Debts	572.46	582.64	488.70
Interest accrued on deposits	84.28	79.63	78.21
Unpaid Dividends	17.79	18.50	19.52
Unclaimed matured deposits and interest thereon	0.45	0.79	1.18
Due to Directors	16.50	15.62	15.71
Other Liabilities #	30.28	33.00	32.45
	721.76	730.18	635.77

- a. There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as on March 31, 2018 (March 31, 2017: Nil, April 1, 2016: Nil).

other liabilities include Staff payable, Bonus and payment to Auditors.

26 - OTHER CURRENT LIABILITIES

Advances received from Customers	562.13	554.28	560.74
Statutory liabilities	32.68	149.28	162.55
Provision for Expenses	530.23	568.24	540.73
Outstanding Expenses	162.16	205.39	205.39
	1,287.20	1,477.19	1,469.41



SHRI DINESH MILLS LTD.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Lakhs)

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
27 - SHORT TERM PROVISIONS			
Provision for employee benefit			
Gratuity	48.20	77.77	54.45
Leave Encashment	44.26	57.02	33.35
	<u>92.46</u>	<u>134.79</u>	<u>87.80</u>
28 - REVENUE FROM OPERATIONS			
Sale of Products	9,414.32	10,267.83	
	<u>9,414.32</u>	<u>10,267.83</u>	
<p>On account of Ind AS requirement, the company has disclosed revenue from operations including excise duty till 30th June, 2017. Post implementation of Goods and Services Tax (GST), w.e.f 1st July, 2017, sales/ income from operation has been disclosed net off GST hence the same is not comparable with previous year.</p>			
29 - OTHER INCOME			
Interest Received/Receivable			
From banks	8.75	8.58	
From others	16.73	40.72	
Dividend Income	197.36	187.37	
Miscellaneous Income	158.39	171.08	
Net gain on foreign currency transaction and translation	7.81	2.92	
Sundry balances written back	50.83	-	
Gains on Fair Valuation of Financial Instruments (Net)	-	11.57	
	<u>439.87</u>	<u>422.24</u>	
30 - COST OF MATERIALS CONSUMED			
Wool	719.47	810.00	
Synthetic Fibre	661.15	881.02	
Yarn	674.56	651.03	
Others	13.94	20.15	
Gelatine & Others	659.52	730.10	
	<u>2,728.64</u>	<u>3,092.29</u>	
30.1 - BIFURCATION OF COST OF MATERIALS CONSUMED			
	2017-18	2016-17	
	Value	Value	In %
Imported	1,544.98	1,676.76	54.22%
Indigenous	1,183.66	1,415.53	45.78%
	<u>2,728.64</u>	<u>3,092.29</u>	<u>100.00</u>
31 - PURCHASES OF STOCK IN TRADE			
Ready-made Garments	176.32	117.88	
	<u>176.32</u>	<u>117.88</u>	

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Lakhs)

	As at 31-03-2018	As at 31-03-2017
32 - CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK IN PROGRESS		
<u>Inventories (at close):</u>		
Work - in - Progress	1,055.86	1,086.44
Finished Goods	810.21	1,249.17
Excise duty on Finished Goods*	-	(8.29)
	<u>1,866.07</u>	<u>2,327.32</u>
<u>Inventories (at commencement):</u>		
Work - in - Progress	1,086.44	1,097.39
Finished Goods	1,249.17	1,087.08
Excise duty on Finished Goods	-	(5.68)
	<u>2,335.61</u>	<u>2,178.79</u>
	469.54	(148.53)
Excise duty variations on opening/closing stocks	-	8.66
	<u>469.54</u>	<u>(139.87)</u>

*With effect from 1st July, 2017, excise laws have subsumed into The Central Goods and Service Tax Act (GST) wherein no duty provisioning is required on production of the finished goods.

33 - EMPLOYEE BENEFITS EXPENSES

Salaries and Wages	2,737.38	2,781.44
Contributions to -		
- Provident fund, Superannuation scheme & Other funds	275.05	276.04
- Employees' State Insurance Scheme	37.21	39.46
Fair valuation of Employee Stock Options *	37.18	-
Staff Welfare Expense	11.50	10.37
	<u>3,098.32</u>	<u>3,107.31</u>

*Refer Note 17.1 for detailed information related to Employee Stock Options

34 - FINANCE COSTS

Interest expenses	200.31	264.89
Other borrowing costs	11.02	26.04
	<u>211.33</u>	<u>290.93</u>



SHRI DINESH MILLS LTD.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Lakhs)

	As at 31-03-2018	As at 31-03-2017
35 - OTHER EXPENSES		
OPERATING, ADMINISTRATION AND GENERAL EXPENSES		
Stores Consumed	381.56	393.66
Electricity, Power and Fuel	513.40	535.10
Rent	4.87	4.77
Commission	136.15	150.34
Cash Discount	150.01	175.93
Repairs & Maintenance	357.74	374.74
Insurance	27.22	30.68
Rates and Taxes	33.20	34.71
Payments to Auditors	13.63	11.94
Freight Outward	42.65	32.93
Advertisement and Publicity	18.13	14.30
Legal & Professional Fees	165.76	135.76
Travelling and Conveyance	183.80	204.07
Miscellaneous Expenses	362.06	448.98
Loss on Fair Valuation of Financial Instruments (Net)	14.07	-
	<u>2,404.25</u>	<u>2,547.91</u>
* includes:		
Repairs to buildings	12.76	16.79
Repairs to machinery	316.49	342.17
Other Repairs	28.49	15.78
**Payments to the auditors for		
- Statutory audit	6.10	5.62
- For taxation matters	5.20	5.75
- Others	2.33	0.57
	<u>13.63</u>	<u>11.94</u>
36 - EXCEPTIONAL ITEMS		
Payment on account of Voluntary Retirement Scheme (VRS) *	516.77	-
	<u>516.77</u>	<u>-</u>
*The Holding company has announced VRS scheme on account of which payments have been made to workers during the FY 2017-18		
37 - EARNINGS PER EQUITY SHARE		
Profit/(loss) available for equity shareholders	(680.71)	221.07
Weighted average numbers of equity shares outstanding	50,84,382	50,84,382
Nominal value per equity share (in Rupees)	10.00	10.00
Earnings /(loss) Per Equity Share- Basic and Diluted (in Rupees)	(13.39)	4.35
38 - CONTINGENT LIABILITIES AND COMMITMENTS - NOT PROVIDED FOR		
CONTINGENT LIABILITIES		
(a) Workers' demand - matter under appeal	42.93	228.34
(b) 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	30.14	30.14
(c) Income tax Demands / outstanding- matters under appeal	682.86	572.87
(d) Excise matters under appeal	214.08	217.81
Notes:		
(a) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters stated above, pending resolution of the proceedings.		
COMMITMENTS		
NIL		

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

39 - SEGMENT REPORTING

In case of Holding Company, the provisions of Ind-AS 108, 'Operating Segments' are applicable. The same is presented as under -

(a) Primary segment - Business Segment

	TEXTILE		PHARMACEUTICALS		CONSOLIDATED	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Revenue						
External Sales	7,686.59	7,928.94	1,575.66	1,704.85	9,262.25	9,633.79
Total Revenue	7,686.59	7,928.94	1,575.66	2,027.23	9,262.25	9,633.79
Segment Results						
Profit before Interest and Tax	(510.07)	372.90	(54.14)	22.44	(564.21)	395.34
Interest Expense (Net)	140.56	185.03	59.75	79.86	200.31	264.89
Other un-allocable income, net of unallocable Expenditure	-	-	-	-	-	-
Profit before tax					(764.52)	130.45
(1) Current tax	-	-	-	-	-	-
(2) Deferred tax	(84.84)	(92.15)	-	-	(84.84)	(92.15)
Profit / (Loss) for the year					(679.68)	222.60
Less: Share of Minority Interest					(50.66)	(25.54)
Other Comprehensive Income for the year					48.61	(26.52)
Less: Share of Minority Interest					0.84	0.69
Total Comprehensive Income for the year					(631.07)	196.08
Less: Share of Minority Interest					(49.82)	(24.85)
Segment Assets	3,667.63	4,256.03	2,165.10	2,313.83	5,832.73	6,569.86
Total Assets						
Segment Liabilities	3,007.92	3,865.36	1,198.94	1,041.64	4,206.86	4,907.00
Total Liabilities						
Capital Expenditure	94.77	96.28	4.35	7.94	99.12	104.22
Depreciation & Amortisation	709.42	754.36	153.07	156.30	862.49	910.66
Non cash Expenses other than depreciation	-	-	-	-	-	-

(b) Secondary segment - Geographical Segment

Information of geographical segment:

Particulars	Year		In India Outside India		Total
	2017-18	2016-17	2017-18	2016-17	
Segment Revenue	8,232.89	8,402.04	1,181.43	1,231.75	9,414.32
Carrying cost of Assets by location of Assets	16,027.31	15,984.74	-	-	16,027.31
Additions to Assets and Intangible (Net)	72.77	104.22	-	-	72.77

Other disclosures:

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.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Lakhs)

As at **As at**
31-03-2018 **31-03-2017**

40 - DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS

The Company has classified the various benefits provided to employees as under:-

(a) Defined contribution plans

- Provident fund

The Company has recognized the following amounts in the statement of profit and loss:

Employers' contribution to provident fund :- Current Year Rs. 97.02 Lakhs (Previous Year Rs. 97.75 Lakhs)

(b) Defined benefit plans

- Gratuity

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plans based on the following assumptions-

Economic Assumptions

The discount rate and salary increases assumed are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

Discount Rate

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefits/obligations works out to zero years. For the current valuation a discount rate of 7.27% p.a. (Previous Year 7.86% p.a.) compound has been used.

Salary Escalation Rate

The salary escalation rate usually consists of at least three components, viz. regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account. Again a long-term view as to trend in salary increase rates has to be taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors.

The assumptions used are summarized in the following table:

Change in present value of the defined benefit obligation during the year

Present value of obligation as at the beginning of the year	1,031.38	1,006.12
Interest Cost	75.02	79.11
Current Service Cost	49.13	45.02
Past Service Cost	40.59	-
Benefits Paid	(292.82)	(108.45)
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(20.13)	32.20
Actuarial (Gain)/Loss on arising from Experience Adjustment	(40.71)	(22.63)
Present value of obligation as at the end of the year	842.45	1,031.37

Change in fair value of plan assets during the year

Fair Value of plan assets at the beginning of the year	953.68	948.79
Interest Income	69.37	74.82
Contributions by the employer	76.33	53.12
Benefits paid	(292.82)	(108.45)
Return on plan assets	(12.23)	(17.49)
Fair Value of plan assets at the end of the year	794.32	950.78

Net Asset/ (Liability) recorded in the Balance Sheet

Present value of obligation as at the end of the year	842.45	1,031.37
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NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Lakhs)

	As at 31-03-2018	As at 31-03-2017
Fund Balance	780.49	939.72
Net Asset/ (Liability)-Current	48.20	77.77
Net Asset/ (Liability)-Non-Current	13.76	13.89
Expenses recorded in the Statement of Profit & Loss during the year		
Interest Cost	6.54	5.01
Current Service Cost	49.13	45.02
Past Service Cost	40.59	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	-	-
Actuarial (Gain)/Loss on arising from Experience Adjustment	-	-
Total expenses included in employee benefit expenses	96.26	50.03
Recognized in Other Comprehensive Income during the year		
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(48.61)	27.07
Maturity analysis of the benefit payments from the fund		
1st following year	200.18	202.84
2nd following year	112.15	61.37
3rd following year	115.54	166.59
4th following year	77.74	87.70
5th year and thereafter	983.82	1,272.85
Quantitative sensitivity analysis for significant assumption is as below:		
Increase/ (decrease) on present value of defined benefit obligation at the end of the year	826.19	1,014.82
1 percentage point increase in discount rate	(40.11)	(54.73)
1 percentage point decrease in discount rate	45.92	62.72
1 percentage point increase in salary increase rate	46.37	63.53
1 percentage point decrease in salary increase rate	(41.28)	(56.35)
1 percentage point increase in employee turnover	9.10	9.85
1 percentage point decrease in employee turnover	(10.24)	(11.14)

In case of the other two subsidiaries, i.e, Fernway Textiles Limited and Fernway Technologies Limited, the said Ind-AS shall not apply as these companies have not yet commenced their business operations as on 31st March, 2018, and the company doesnot have any employess, for which such benefits shall be calculated.

41 - HEDGED AND UNHEDGED DERIVATIVE INSTRUMENTS

- (a) The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise as at 31st March, 2018, 31st March, 2017 and 1st April, 2016 are as under:

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Foreign Currency	(Rs. In Lakhs)	Foreign Currency	(Rs. In Lakhs)	Foreign Currency	(Rs. In Lakhs)
Receivables						
Trade Receivables (in USD)	2,70,731.25	175.60	71,330	46.02	1,15,842.20	76.33
Payables						
Advance received from Customers (in USD)	27,749.20	18.06	59,135.70	38.33	74,296.09	49.30
(in EURO)	4,300	3.46	-	-	-	-



SHRI DINESH MILLS LTD.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Lakhs)

As at
31-03-2018 As at
31-03-2017

42 - RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24

(a) Related Parties	Description of relationship	
i) <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	
ii) <u>Key Managerial Personnel</u>		
Name	Relationship/Designation in Holding Company	Relationship/Designation in Subsidiary Companies
Mr. B.U.Patel	Chairman & Managing Director	Director
Mr. N.U.Patel	Managing Director	Chairman & Managing Director
Mr. M. B. Thummar	Chief Financial Officer	-
Mr. J. B. Sojitra	Company Secretary	-
Mr. T M Patel	Independent Director	-
Mr. Rakesh Agrawal	Independent Director	-
Mr. Sanjiv M. Shah	Independent Director	-
Mr. Apurva Shah	Chief Financial Officer	-
Mrs. Taruna Patel	Independent Director	-
Mr. Bindesh Patel	-	Chief Financial Officer
Mr. Shukla	-	Company Secretary
Shri Pareshbhai Manilal Saraiya	-	Independent Director
Shri Sujitbhai Jaysukhbhai Bhayani	-	Independent Director
Shri Sanjivkumar Mahendralal Shah	-	Independent Director
iii) <u>Relatives Of Key Management Personnel</u>		
Name	Relationship/Designation	
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 parties:

(Rs. In Lakhs)

	Amount		Outstanding Balance	
	2017-18	2016-17	2017-18	2016-17
Remuneration paid to CMD - Shri B U Patel	109.38	95.83	8.75	7.72
Remuneration paid to MD - Shri N U Patel	109.38	95.83	7.75	7.90
Remuneration paid to relative of Key Managerial Personnel	27.15	26.74	0.77	0.73
Director's Sitting fees	6.11	5.49	-	-
Remuneration paid to Chief Financial Officer (Mr. Apurva Shah joined w.e.f. 30/01/2018)	7.09	16.20	0.59	0.59
Remuneration paid to Company Secretary	19.59	18.70	0.63	0.65

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

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

43. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

1. Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.

The group uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Other techniques for which all inputs which have a significant effects on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effects on the recorded fair value that are not based on observable market data.

I. Figures as at April 01, 2016

Financial Instrument	Note No.	Carrying Amount				Fair value				
		FVTPL	FVOCI	Total Fair Value	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non Current Assets										
Financial Assets										
(i) Investments		-	12.38	12.38	18.81	31.19	-	-	12.38	12.38
(ii) Loans		-	-	-	124.07	124.07	-	-	124.07	124.07
(iii) Others		-	-	-	18.25	18.25	-	-	-	-
Current Assets										
Financial Assets										
(i) Investments		-	-	-	-	-	-	-	-	-
(ii) Trade Receivables		-	-	-	1,807.25	1,807.25	-	-	-	-
(iii) Cash and Cash Equivalents		-	-	-	3,218.62	3,218.62	-	-	-	-
(iv) Bank balances other than above (ii)		-	-	-	20.76	20.76	-	-	-	-
(v) Others		-	-	-	137.72	137.72	-	-	-	-
		-	12.38	12.38	5,345.48	5,357.86	-	-	136.45	136.45
Non Current Liabilities										
Financial Liabilities										
(i) Borrowings		-	-	-	1,592.41	1,592.41	-	-	-	-
(ii) Others		-	-	-	240.35	240.35	-	-	240.35	240.35
Current Liabilities										
Financial Liabilities										
(i) Borrowings		-	-	-	152.87	152.87	-	-	-	-
(ii) Trade Payables		-	-	-	513.89	513.89	-	-	-	-
(iii) Other Financial Liabilities		-	-	-	635.77	635.77	-	-	-	-
		-	-	-	3,135.29	3,135.29	-	-	240.35	240.35



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NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

II. Figures as at March 31, 2017

Financial Instrument	Note No.	Carrying Amount				Fair value				
		FVTPL	FVOCI	Total Fair Value	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non Current Assets										
Financial Assets										
(i) Investments		-	12.93	12.93	18.81	31.74	-	-	12.93	12.93
(ii) Loans		-	-	-	133.78	133.78	-	-	133.78	133.78
(iii) Others		-	-	-	17.60	17.60	-	-	-	-
Current Assets										
Financial Assets										
(i) Investments		3,408.16	-	3,408.16	-	3,408.16	3,408.16	-	-	3,408.16
(ii) Trade Receivables		-	-	-	1,396.42	1,396.42	-	-	-	-
(iii) Cash and Cash Equivalents		-	-	-	365.88	365.88	-	-	-	-
(iv) Bank balances other than above (ii)		-	-	-	20.08	20.08	-	-	-	-
(v) Others		-	-	-	125.74	125.74	-	-	-	-
		3,408.16	12.93	3,421.09	2,078.31	5,499.40	3,408.16	-	146.71	3,554.87
Non Current Liabilities										
Financial Liabilities										
(i) Borrowings		-	-	-	959.18	959.18	-	-	-	-
(ii) Others		-	-	-	249.01	249.01	-	-	249.01	249.01
Current Liabilities										
Financial Liabilities										
(i) Borrowings		-	-	-	53.99	53.99	-	-	-	-
(ii) Trade Payables		-	-	-	588.69	588.69	-	-	-	-
(iii) Other Financial Liabilities		-	-	-	730.18	730.18	-	-	-	-
		-	-	-	2,581.05	2,581.05	-	-	249.01	249.01

FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS (Contd.)

III. Figures as at March 31, 2018

Financial Instrument	Note No.	Carrying Amount				Fair value				
		FVTPL	FVOCI	Total Fair Value	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non Current Assets										
Financial Assets										
(i) Investments		-	12.93	12.93	18.81	31.74	-	-	12.93	12.93
(ii) Loans		-	-	-	138.07	138.07	-	-	138.07	138.07
(iii) Others		-	-	-	17.05	17.05	-	-	-	-
Current Assets										
Financial Assets										
(i) Investments		3,502.79	-	3,502.79	-	3,502.79	3,502.79	-	-	3,502.79
(ii) Trade Receivables		-	-	-	1,566.96	1,566.96	-	-	-	-
(iii) Cash and Cash Equivalents		-	-	-	333.87	333.87	-	-	-	-
(iv) Bank balances other than above (ii)		-	-	-	20.30	20.30	-	-	-	-
(v) Others		-	-	-	34.54	34.54	-	-	-	-
		3,502.79	12.93	3,515.72	2,129.60	5,645.32	3,502.79	-	151.00	3,653.79
Non Current Liabilities										
Financial Liabilities										
(i) Borrowings		-	-	-	551.42	551.42	-	-	-	-
(ii) Others		-	-	-	245.34	245.34	-	-	245.34	245.34
Current Liabilities										
Financial Liabilities										
(i) Borrowings		-	-	-	33.87	33.87	-	-	-	-
(ii) Trade Payables		-	-	-	677.93	677.93	-	-	-	-
(iii) Other Financial Liabilities		-	-	-	721.76	721.76	-	-	-	-
		-	-	-	2,230.32	2,230.32	-	-	245.34	245.34

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise of borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's principal financial assets include Investments, loans given, trade and other receivables and cash & short-term deposits that derive directly from its operations

The Group's risk management is carried out based on the policies approved by the Board of directors. Based on that policy, the group identifies and evaluates financial risks in close co-operation with the Group's operating units. The board overviews policy related to overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and non-derivative financial instruments along with investment of excess liquidity.

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity and mutual fund prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loan borrowings.

The Holding company is manufacturing woolen & worsted fabrics and felts. The environment in which the Company operates has changed significantly over the past decade, predominantly as a result of introduction of new competitive markets, globalization and changes in the Laws. This, in turn, has resulted in to considerable changes in internal operations, including our risk profile. As the company's operating environment continues to be transformed, embedding risk management principles and practices into strategy development and day to day business processes is critical to achieve robust and proactive commercial outcomes – a balance between mitigation threats and exploiting opportunity; creating and protecting value. Overall, the company expects to strengthen its current position in coming years. "One of the group's subsidiaries, i.e., Dinesh Remedies Limited, is a company that is expecting to derive a good part of its revenues from outside India. Within India, the Company' have an extensive marketing network and goodwill among the customers. The Company is optimistic that with its quality product and good customer relations will enable it to enhance its presence in its chosen markets. The Company is concentrating on serving a rationalized customer base in the domestic market accompanied by higher satisfaction and retention levels as an effective counter to the new entrant in the business.

Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the group's position with regards to the interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

The group is not exposed to significant interest rate risk as at the specified reporting date on account absence of any instruments whose interest rate is dependent on foreign exchange fluctuation.

Refer Notes to account for interest rate profile of the group's interest-bearing financial instrument at the reporting date.

Foreign currency risk

The group operates in domestic as well as international market, however, the nature of its operations requires it to transact in in several currencies and consequently the group is exposed to foreign exchange risk in certain categories of foreign currencies. In current year, about 15 % of the group's revenue is from export. The group has laid down certain procedures to de-risk itself against currency volatility. It also out sources expert advice whenever required.

The group evaluates exchange rate exposure arising from foreign currency transactions and the group follows established risk management policies.

I. Foreign Currency Exposure

Refer Note 41 for foreign currency exposure as at March 31, 2018, March 31, 2017 and April 01, 2016 respectively.

II. Foreign Currency Sensitivity

1 % increase or decrease in foreign exchange rates will have the following impact on the profit before tax



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Currency	2017-18		2016-17	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	1.87	(1.87)	0.02	(0.02)
EURO	0.03	(0.03)	-	-
Total	1.91	(1.91)	0.02	(0.02)

Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is significant increase in credit risk the group compares the risk of a default occurring on the asset at the reporting date with the risk of default as the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty.
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation,
- Significant increase in credit risk on other financial instruments of the same counterparty.
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the group. The group categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than reasonable period of time decided by the Management. Where loans or receivables have been written off, the group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

I. Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		(Rs. In lakhs)	
Particulars		As at 31-03-2018	As at 31-03-2017
Non-current financial assets - Loans		138.07	133.78
Total (A)		<u>138.07</u>	<u>133.78</u>
II. Financial assets for which loss allowance is measured using 12 months Life Time Expected Credit Losses (ECL)			
Trade Receivables		1,566.96	1,396.42
Total (B)	1,566.96	<u>1,396.42</u>	<u>1,396.42</u>
Grand Total (A+B)		<u>1,566.96</u>	<u>1,396.42</u>
Balances with banks are subject to low credit risks due to good credit ratings assigned to these banks.			
III. The ageing analysis of these receivables (gross of provision) has been considered from the date the invoice falls due			
Up to 6 months		1,326.49	1,171.19
More than 6 months		240.47	225.23
Total		<u>1,566.96</u>	<u>1,396.42</u>

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018
IV. Provision for expected credit losses again "II" and "III" above

The Group has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence based on historic default rates, the Group believes that, no impairment allowance is necessary in respect of above mentioned financial assets.

Liquidity Risk

Liquidity Risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. The Group is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group net liquidity position through rolling forecast on the basis of expected cash flows.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars	As at 31-03-2018			As at 31-03-2017		
	Less than year	1 to 5 years	Total	Less than year	1 to 5 years	Total
Non-current financial liabilities - Borrowings	-	551.42	551.42	-	959.18	959.18
Non-current financial liabilities - Others	-	245.34	245.34	-	249.01	249.01
Current financial liabilities - Borrowings	33.87	-	33.87	53.99	-	53.99
Current financial liabilities - Trade Payables	677.93	-	677.93	588.69	-	588.69
Current financial liabilities - Others	721.76	-	721.76	730.18	-	730.18
Total	1,433.56	796.76	2,230.32	1,372.86	1,208.19	2,581.05

Capital management

For the purposes of the group's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Group's Capital Management is to maximise shareholder value. The group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirement of the financial covenants.

The group monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

Particulars	(Rs. In lakhs)	
	As at 31-03-2018	As at 31-03-2017
Total Debt	551.42	959.18
Equity	9,562.79	10,199.67
Capital and net debt	<u>10,114.21</u>	<u>11,158.85</u>
Gearing ratio	<u>5.45%</u>	<u>8.60%</u>

45 - FIRST TIME ADOPTION OF IND AS
First-time Adoption of Ind AS

The group has prepared its first Financial Statements in accordance with Ind AS for the year ended March 31, 2018. For periods up to and including the year ended 31 March 2017, the group prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The effective date for group's Ind AS Opening Balance Sheet is 1 April 2016 (the date of transition to Ind AS).

The accounting policies have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet at April 01, 2016 (the group's date of transition). According to Ind AS 101, the first Ind AS Financial Statements must use recognition and measurement principles that are based on standards and interpretations that are effective at March 31, 2018, the date of first-time preparation of Financial



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Statements according to Ind AS. These accounting principles and measurement principles must be applied retrospectively to the date of transition to Ind AS and for all periods presented within the first Ind AS Financial Statements.

Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of April 01, 2016 compared with those presented in the Indian GAAP Balance Sheet as of March 31, 2016, were recognized in equity under retained earnings within the Ind AS Balance Sheet.

An explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows is set out in the following notes and reconciliations.

I. Exemptions and exceptions availed:

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Indian GAAP to Ind AS.

A) Deemed cost:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Indian GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the group has elected to measure all of its property, plant and equipment and intangible assets at their Indian GAAP carrying values.

B) Leases:

Appendix C to Ind AS 17 requires a group to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The group has elected to apply this exemption for such contracts/arrangements.

C) Designation of previously recognised financial instruments:

Ind AS 101 allows a group to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The group has elected to apply this exemption for its investment in equity investments.

D) Estimates:

A group's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP [after adjustments to reflect any difference in accounting policies], unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

- i. Investment in equity instruments carried at FVPL or FVOCI;
- ii. Investment in debt instruments carried at FVPL; and
- iii. Impairment of financial assets based on expected credit loss model.

E) Classification and measurement of financial assets:

Ind AS 101 requires a group to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

F) De-recognition of financial assets and liabilities:

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the group's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 101: FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS (Contd.)

II. Reconciliation of equity as at 1st April,2016

	Reference	Indian GAAP Adjustments	Ind AS
ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment		7,376.78	-
(b) Capital Work in Progress		-	-
(c) Financial Assets			
(i) Investments	**	37.44	(6.25)
(ii) Loans	#	136.96	(12.89)
(iii) Others		18.25	-
(d) Other Non Current Assets	#	8.98	9.50
TOTAL NON-CURRENT ASSETS		7,578.41	(9.64)
CURRENT ASSETS			
(a) Inventories		3,407.66	-
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables		1,807.24	0.01
(iii) Cash and Cash Equivalents		3,218.62	-
(iv) Bank balances other than above (ii)		20.76	-
(vi) Others		137.72	-
(c) Other Current Assets		260.71	-
TOTAL CURRENT ASSETS		8,852.71	0.01
TOTAL ASSETS		16,431.12	(9.63)
EQUITY			
(a) Equity Share Capital		508.44	-
(b) Other Equity	** , #	9,479.87	82.21
Equity attributable to equity holders of the Parent		9,988.31	82.21
Non - Controlling Interest		905.35	-
TOTAL EQUITY		10,893.66	82.21
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings		1,592.41	-
(ii) Others	#	242.69	(2.34)
(b) Provisions		259.66	-
(c) Deferred Tax Liabilities (Net)		427.69	-
(d) Other Non Current Liabilities	#	63.49	2.28
TOTAL NON-CURRENT LIABILITIES		2,585.94	(0.06)
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings		152.87	-
(ii) Trade Payables		513.89	-
(iii) Other Financial Liabilities		635.77	-
(b) Other Current Liabilities		1,469.41	-
(c) Provisions	&	179.58	(91.78)
TOTAL CURRENT LIABILITIES		2,951.52	(91.78)
TOTAL LIABILITIES		5,537.46	(91.84)
TOTAL EQUITY AND LIABILITIES		16,431.12	(9.63)



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**** Fair Valuation adjustments for financial assets and financial liabilities:**

- Under IGAAP, no adjustment was required in order to carry the mutual funds and investment in equity instruments at their market value. Under Ind AS provisions, the same is required to be fair valued and adjusted with their market price or any other valuation method wherein no market price is available. The resultant gain/loss is recorded through OCI or Profit and Loss account based on the holding pattern along with the intention of the company.

Fair Valuation adjustments for financial assets and financial liabilities:

- Under IGAAP, security deposits given and taken were required to be carried at book value. Under Ind AS, the said concept has shifted from book value to fair value hence the same has been adjusted after considering FVTPL.

& Adjustment of Dividend and its tax thereon

- Under Ind AS, Dividend and its tax thereon is required to be recognised in the books of account as and when payment is made by the company and not at the time of proposing the same.

% Actuarial loss on defined benefit plan:

Both under IGAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under IGAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, re-measurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

~ Others:

Sale of goods:

Under the IGAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses.

Other comprehensive income:

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' include re-measurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments and corresponding tax impact thereon. The concept of other comprehensive income did not exist under previous GAAP.

Statement of cash flows:

The transition from IGAAP to Ind AS has not had a material impact on the statement of cash flows.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018
III. Reconciliation of equity as at 31st March, 2017

	Reference	Indian GAAP Adjustments	Ind AS	
ASSETS				
NON-CURRENT ASSETS				
(a) Property, Plant and Equipment		6,569.84	-	6,569.84
(b) Capital Work in Progress		-	-	-
(c) Financial Assets				
(i) Investments	**	37.44	(5.70)	31.74
(ii) Loans	#	142.81	(9.03)	133.78
(iii) Others		17.60	-	17.60
(d) Other Non Current Assets	#	11.60	6.32	17.92
TOTAL NON-CURRENT ASSETS		6,779.29	(8.41)	6,770.88
CURRENT ASSETS				
(a) Inventories		3,684.32	-	3,684.32
(b) Financial Assets				
(i) Investments	**	3,397.35	10.81	3,408.16
(ii) Trade Receivables		1,396.42	-	1,396.42
(iii) Cash and Cash Equivalents		365.88	-	365.88
(iv) Bank balances other than above (ii)		20.08	-	20.08
(vi) Others		125.74	-	125.74
(c) Other Current Assets		215.67	-	215.67
TOTAL CURRENT ASSETS		9,205.46	10.81	9,216.27
TOTAL ASSETS		15,984.75	2.40	15,987.15
EQUITY				
(a) Equity Share Capital		508.44	-	508.44
(b) Other Equity	**,#	9,688.01	3.22	9,691.23
Equity attributable to equity holders of the Parent		10,196.45	3.22	10,199.67
Non - Controlling Interest		881.16	(0.67)	880.49
TOTAL EQUITY		11,077.61	2.55	11,080.16
LIABILITIES				
NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings		959.18	-	959.18
(ii) Others		250.93	(1.92)	249.01
(b) Provisions		313.14	-	313.14
(c) Deferred Tax Liabilities (Net)		335.54	-	335.54
(d) Other Non Current Liabilities		63.51	1.77	65.28
TOTAL NON-CURRENT LIABILITIES		1,922.28	(0.15)	1,922.15
CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings		53.99	-	53.99
(ii) Trade Payables		588.69	-	588.69
(iii) Other Financial Liabilities		730.18	-	730.18
(b) Other Current Liabilities		1,477.19	-	1,477.19
(c) Provisions		134.79	-	134.79
TOTAL CURRENT LIABILITIES		2,984.84	-	2,984.84
TOTAL LIABILITIES		4,907.14	(0.15)	4,906.99
TOTAL EQUITY AND LIABILITIES		15,984.75	2.40	15,987.15



SHRI DINESH MILLS LTD.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Reconciliation of total comprehensive income for the year ended 31st March, 2017

	Reference	Indian GAAP	Adjustments	IND AS
REVENUES				
Revenue from operations	~	9,633.79	634.04	10,267.83
Other income	** , #	410.66	11.58	422.24
Total REVENUE		10,044.45	645.62	10,690.07
EXPENSES				
Cost of Materials Consumed		3,092.30	-	3,092.29
Purchases of Stock in Trade		117.88	-	117.88
Excise Duty	~	-	634.04	634.04
Changes in inventories of finished goods, Stock-in-Trade and work-inprogress		(139.87)	-	(139.87)
Employee benefits expense	%	3,132.84	(25.53)	3,107.31
Finance Costs		290.93	-	290.93
Depreciation and amortization expenses		910.65	0.01	910.66
Other expenses		2,547.91	-	2,547.91
TOTAL EXPENSES		9,952.64	608.52	10,561.15
PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		91.81	37.10	128.92
Exceptional items(net)		-	-	-
PROFIT BEFORE TAX		91.81	37.10	128.92
TAX EXPENSES				
Current tax		-	-	-
Deferred tax(credit)		(92.15)	-	(92.15)
PROFIT FOR THE YEAR		183.96	37.10	221.07
OTHER COMPREHENSIVE INCOME:				
(A) (i) Items that will not be classified to profit or loss				
- Re-measurement gains/ (losses) on post employment defined benefit plans	%	-	(25.53)	(25.53)
- Fair valuation of investment in equity shares	**	-	0.55	0.55
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		-	(24.98)	(24.98)
TOTAL COMPREHENSIVE INCOME /(LOSS) FOR THE YEAR		183.96	(24.98)	196.09
PROFIT FOR THE YEAR ATTRIBUTABLE TO:				
Equity holders of the parent		210.83	35.78	246.61
Non-controlling interest		(26.88)	1.34	(25.54)
OTHER COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:				
Equity holders of the parent		-	(25.67)	(25.67)
Non-controlling interest		-	0.69	0.69
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:				
Equity holders of the parent		210.83	10.11	220.94
Non-controlling interest		(26.88)	2.03	(24.85)

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Summary of reconciliation of net profit between previous Indian GAAP and Ind AS

Particulars	As at 31/03/2017 Rs. In lakhs
Net profit under previous GAAP	183.96
<u>Adjustment as per Ind AS</u>	
Actuarial loss on employee defined benefit plan transferred to OCI	25.53
Fair Valuation of Financial Assets	11.58
Net profit as per Ind AS	221.07
Actuarial loss on employee defined benefit plan - through OCI	(25.53)
Fair valuation of investment in equity shares	0.55
Total comprehensive income	196.09

Summary of reconciliation of equity between previous Indian GAAP and Ind AS

Particulars	Rs. In lakhs	
	As at 31/03/2017	As at 01/04/2016
Equity under previous GAAP	9,688.01	9,479.87
<u>Adjustment as per Ind AS</u>		
Fair Valuation of Financial Instruments	8.92	(3.34)
Adjustment on account of proposed dividends	-	91.79
Fair Valuation of investment in equity shares	(5.70)	(6.25)
Equity under Ind AS	9,691.23	9,562.07

Note: 46

Figures of the earlier year have been regrouped or reclassified to conform to Ind AS presentation requirements. The accompanying notes are an integral part of the financial statements.

As per our Report of even date	For and on behalf of the Board of Directors	
For Dhirubhai Shah & Co. Chartered Accountants Firm's Registration Number: 102511W	N. U. Patel Managing Director	B. U. Patel Chairman & Managing Director & CEO
Harish B Patel Partner Membership No.: 014427 Vadodara, 28th May, 2018	Apurva Shah Chief Financial Officer Vadodara, 28th May, 2018	J. B. Sojitra Company Secretary



SHRI DINESH MILLS LTD.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

1. CORPORATE INFORMATION

Shri Dinesh Mills Limited (the Holding Company) is a company having composite textile mill with a very strong presence in the textile industry for more than 60 years; manufacturing worsted fabrics (menswear), paper makers felts and industrial textiles. For International market, it has been manufacturing and exporting worsted fabrics to various overseas markets since last 30 Years. It maintains the highest standards of quality to meet the requirements of its discerning customers. The Holding Company has three subsidiaries as on the balance sheet date namely Dinesh Remedies Limited (DRL) which is into manufacturing high quality two-piece hard gelatin capsules for the pharmaceutical and dietary supplement markets; Fernway Technologies Limited which was acquired by the Holding Company on 30th October, 2017 and Fernway Textiles Limited which was acquired by the Holding Company on 6th November, 2017.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017. The transition from previous GAAP to Ind AS has been accounted for in accordance with the Ind AS 101 "First Time Adoption of Indian Accounting Standards", with April 1, 2016 being the transition date (except for the subsidiaries acquired during FY 2017-18). In accordance with the Ind AS 101 "First time adoption of Indian Accounting Standard", the Group has presented a reconciliation [from the presentation of financial statements under accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS] of total equity as at April 1, 2016, March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017 (except for the subsidiaries acquired during FY 2017-18).

b) Functional and presentation currency

These financial statements are presented in Indian rupee, which is the Group's functional currency. All amounts have been rounded to the nearest lakh, unless otherwise indicated.

c) Basis of measurement

The financial statements have been prepared on historical cost basis, except certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments), defined benefits plans - plan assets and contingent consideration. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purposes of current / non-current classification of assets and liabilities.

Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

2A Principles of Consolidation

These consolidated financial statements have been prepared in accordance with Indian Accounting Standard 110 (Ind AS 110) - "Consolidated Financial Statements". These consolidated financial statements comprise the financial statements of the Company and its following subsidiaries: -

Name of the Company	Country of Incorporation	Effective % of holding as at 31st March, 2018	Effective % of holding as at 31st March, 2017
Dinesh Remedies Limited	India	55.52%	55.52%
Fernway Textiles Limited	India	100.00%	100.00%
Fernway Technologies Limited	India	100.00%	100.00%

These consolidated financial statements have been prepared on the following basis:

- (i) the financial statements of the Holding Company and its Indian Subsidiaries have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions, if any, based on the audited financial statements received from the Indian Subsidiaries for the year ended 31st March 2018, in Indian Rupees as per the Ind AS provisions.
- (ii) These consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements.
- (iii) The difference between the cost of investment in the subsidiaries and the Holding Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognized in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.
- (iv) Goodwill arising out of consolidation is tested for impairment at each balance sheet date.
- (v) Non-controlling interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately from liabilities and equity of the Holding Company's shareholders. Non-controlling interest in the net assets of consolidated subsidiaries consists of: -
 - (a) the amount of equity attributable to non-controlling interest at the date on which investment in Subsidiary is made; and
 - (b) the noncontrolling' share of movements in equity since the date the parent - subsidiary relationship came into existence.

Minority interests share of Net Profit / (Loss) of consolidated subsidiaries for the relevant period is identified and adjusted against the profit after tax of the group.

2B. USE OF ESTIMATES

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be adjusted due to estimates and assumptions turning out to be different from those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgments

The areas involving critical estimates or judgments are:

- a) Estimation of current tax expense and payable - Refer accounting policies - 3.9
- b) Estimated useful life of property, plant & equipment and intangible assets - Refer accounting policies - 3.1
- c) Estimation of defined benefit obligation - Refer accounting policies - 3.8
- d) Estimation of fair values of contingent liabilities - Refer accounting policies - 3.12
- e) Recognition of revenue - Refer accounting policies - 3.4
- f) Recognition of deferred tax assets for carried forward tax losses - Refer accounting policies - 3.9
- g) Impairment of financial assets - Refer accounting policies - 3.2 & 3.5

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.



SHRI DINESH MILLS LTD.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment:

Property, plant and equipment are stated at original cost (including any revaluation in previous years) net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Costs include financing costs of borrowed funds attributable to acquisition or construction of fixed assets, up to the date the assets are put-to-use.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognized separately as independent items and are depreciated over their estimated economic useful lives.

All other repair and maintenance costs are recognized in the statement of profit and loss as incurred unless they meet the recognition criteria for capitalization under Property, Plant and Equipment

Tangible Fixed Assets:

- (a) In case of Holding Company, premium on leasehold land is being amortized over the period of lease.
- (b) In case of Holding Company, depreciation on all other fixed asset is 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. Depreciation on additions to the assets during the year is being provided on pro-rata basis with reference to the month of acquisition /installation. 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.
- (c) In case of Subsidiary Company i.e. DRL, Depreciation on all the assets is being provided on straight line method in accordance with the provisions of section 123 of the companies Act, 2013 considering the useful life provided in part "C" of the schedule II. The useful life of Continuous process plants and electrical installations are considered based on the technical assessment by the management (20 years life is considered). Depreciation on additions to the assets during the year is being provided on pro rata basis at their respective rates derived from useful life from the date of such addition or as the case may be as provided in section 123 of the Companies Act, 2013. On transition to Ind AS as on April 1, 2016, the Company has elected to measure its Property, Plant and Equipment at cost as per Ind AS.

Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses (if any).

An item of intangible asset initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the income statement when the asset is derecognized. Intangible fixed assets are amortized on straight line basis over their estimated useful economic life.

Capital Work- in- progress

Capital work- in- progress represents directly attributable costs of construction to be capitalized. All other expenses including interest incurred during construction period are capitalized as a part of the construction cost to the extent to which these expenditures are attributable to the construction as per Ind AS-23 "Borrowing Costs". Interest income earned on temporary investment of funds brought in for the project during construction period are set off from the interest expense accounted for as expenditure during the construction period.

3.2 Impairment of non-financial 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 is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Group measures it on the basis of discounted cash flows for the remaining year's (remaining useful life) projections estimated based on

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

current prices. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

3.3 Foreign Currency Transactions

The Group's financial statements are presented in INR, which is also the Group's functional currency.

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are measured in terms of historical costs denominated in foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Group's monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements including receivables and payables which are likely to be settled in foreseeable future, are recognized as income or as expenses in the year in which they arise. All other exchange differences are recognized as income or as expenses in the period in which they arise.

Transactions covered under forward contracts are accounted for at the contracted rate. All export proceeds have been accounted for at a fixed rate of exchange at the time of raising invoices. Foreign exchange fluctuations as a result of the export sales have been adjusted in the statement of profit and loss account and export proceeds not realized at the balance sheet date are restated at the rate prevailing as at the balance sheet date.

3.4 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Specifically,

- (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
- (vi) Claims receivable on account of Insurance are accounted for to the extent the Group is reasonably certain of their ultimate collection.

3.5 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial Assets

a. Initial recognition and measurement:

All financial assets are recognized initially at fair value (FVOCI / amortized cost / FVTPL). Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place [regular way trades] are recognized on the settlement date, trade date, i.e., the date that the Group commits to purchase or sell the asset.



SHRI DINESH MILLS LTD.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

b. Subsequent measurement:

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

i. Debt instruments at amortized cost:

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

- The asset is held with an objective of collecting contractual cash flows
- Contractual terms of the asset give rise on specified dates to cash flows that are "solely payments of principal and interest" [SPPI] on the principal amount outstanding.

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

ii. Debt instruments at fair value through other comprehensive income [FVTOCI]:

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

- The asset is held with objective of both - for collecting contractual cash flows and selling the financial assets
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income [OCI]. However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to Statement of Profit and Loss.

iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss [FVTPL]:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

iv. Equity instruments measured at fair value through other comprehensive income [FVTOCI]:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group has made such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

c. Derecognition:

A financial asset is primarily derecognized when:

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

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

B. Financial liabilities:

a. Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as over the counter derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b. Subsequent measurement:

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

i. Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes over the counter derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

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

ii. Loans and borrowings:

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

c. Derecognition:

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

C. Reclassification of financial assets:

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses [including impairment gains or losses] or interest.

D. Offsetting of financial instruments:

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

3.6 Fair Value Measurement

The Group measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market



SHRI DINESH MILLS LTD.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Group. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

Level 1 - Quoted [unadjusted] market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

3.7 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.
- 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 Group.

3.8 Retirement benefits

Retirement benefit costs for the year are determined on the following basis:

- i. Defined Contribution Plan:

Group'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 Group's liabilities towards gratuity is determined by independent actuarial valuation using the projected unit credit method as per Ind AS 19. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Re-measurements are not classified to the statement of profit and loss in subsequent periods.

- 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 as give in (ii) above.

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

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

- v. Compensation and gratuity paid on account of Voluntary Retirement Scheme (VRS) is treated as revenue expenditure as and when the scheme is announced by the Group which is in line with the provisions related to constructive obligations as stated in Ind AS 37.

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

3.9 Taxes on Income

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 and tax laws prevailing in the respective tax jurisdictions where the Group operates. Current tax items are recognized in correlation to the underlying transaction either in P&L, OCI or directly in equity.

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized on the basis of reasonable certainty that the Group will be having sufficient future taxable profits and based on the same the DTA has been recognized in the books.

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

Deferred tax assets and liabilities are measured at the tax rates [and tax laws] that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

3.10 Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing costs which are not specifically attributable to the acquisition, construction or production of a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a weighted average capitalization rate. The weighted average rate is taken of the borrowing costs applicable to the outstanding borrowings of the Group during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized cannot exceed the amount of borrowing costs incurred during that period.

3.11 Earnings per equity share

Basic earnings per share is calculated by dividing the net profit or loss from continuing operation and total profit, both attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the period.

3.12 Provisions, Contingent Liabilities and Contingent Assets:

Provision is recognized when the Group has a present obligation (legal or constructive) as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made.

A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognized in the financial statements. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates.



SHRI DINESH MILLS LTD.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are renewed at each balance sheet date.

3.13 Cash and Cash Equivalents

Cash and cash equivalent comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.14 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

3.15 Government Subsidies

The Group recognizes government subsidies / grant as per the criteria given under Ind AS 20.

- i. Government subsidies are recognized when there is reasonable assurance that the same will be received.
- ii. Revenue subsidies (for expenses that are already incurred) are reduced from the respective expenditure presented in the profit and loss account.
- iii. Capital subsidies relating to specific fixed assets are recognized in statement of profit and loss on a systematic basis over the useful life of the assets.

3.16 Exceptional items

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

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 as at 31/03/2018
Part - "A": Subsidiaries

(Rs. in Lakhs)

Sr. No.	Particulars	Amount	Amount	Amount
1	Name of the Subsidiary	Dinesh Remedies Ltd.	Fernway Technologies Ltd.	Fernway Textiles 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	Reporting period is same i.e. 31st March of every year	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	Not Applicable	Not Applicable
4	Share Capital	2359.16	5.00	5.00
5	Reserves & Surplus	(491.62)	(0.51)	(0.51)
6	Total Assets	3066.48	5.00	5.00
7	Total Liabilities	3066.48	5.00	5.00
8	Investments	0.00	0.00	0.00
9	Turnover	1599.89	0.00	0.00
10	Profit Before Tax	(113.89)	(0.51)	(0.51)
11	Provision for Taxation	1.90	0.00	0.00
12	Profit after Tax	(111.99)	(0.51)	(0.51)
13	Proposed Dividend	NIL	NIL	NIL
14	% of shareholding	55.52%	100%	100%

Notes:

- (1) Names of subsidiaries which are yet to commence operations: Fernway Technologies Ltd. and Fernway Textiles Ltd.
- (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

NIMISH PATEL
Managing Director

Vadodara, 28th May, 2018

J. B. SOJITRA
Company Secretary

APURVA SHAH
Chief Financial Officer (CFO)



SHRI DINESH MILLS LTD.

SHRI DINESH MILLS LIMITED

Regd. Office: Post Box No. 2501, Padra Road, Vadodara - 390 020
E-Mail: sojitra@dineshmills.com Contact: 0265-2330060-65 FAX: 0265-2336195
CIN: L17110GJ1935PLC000494

IMPORTANT NOTICE TO SHAREHOLDERS

Sub: MANDATORY DEMATERIALIZATION FOR TRANSFER OF SHARES

Dear Shareholder(s),

This is to inform you that, the SEBI has vide notification dated 08/06/2018 amended the Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 making it mandatory for listed Companies for transfer of shares only in dematerialization form with effect from 5th December, 2018.

As advised by BSE Ltd vide its circular dated 05/07/2018, we request you to transfer equity shares held by you in Physical form to dematerialized form on or before 4th December, 2018 so that, you can trade the same on BSE Ltd. without any inconvenience.

For more details, you may visit the Company's website <http://www.dineshmills.com/>

Thanking you,

Yours Faithfully,
For Shri Dinesh Mills Limited,
J B Sojitra
Company Secretary

SHRI DINESH MILLS LIMITED

Regd. Office: Post Box No. 2501, Padra Road, Vadodara - 390 020
E-Mail: sojitra@dineshmills.com Contact: 0265-2330060-65 FAX: 0265-2336195
CIN: L17110GJ1935PLC000494

IMPORTANT NOTICE TO SHAREHOLDERS

Sub: Mandatory Updation of PAN and Bank details

Dear Shareholder(s),

This is to inform you that, pursuant to SEBI circular dated 20th April, 2018, Shareholder(s) whose ledger folios do not have details with regard to their PAN and Bank details are required to compulsorily send the following details either to our RTA i.e. MCS Share Transfer Agent Ltd or to the Company for updating the data in respective folios so that we can print the Bank details on Dividend Warrants to be issued by the Company.

ACTION REQUIRED FROM Shareholder(s):

You are requested to submit the following documents to update the records immediately on receipt of this letter:

1. Self-attested copy of PAN Card of all the shareholders including joint holders.
2. Cancelled Cheque leaf with pre-printed name thereon (If name is not pre-printed, on cheque, self-attested copy of passbook be given)
3. Address proof (Self attested Aadhar Card, or other proof like Passport, Driving License etc.)

In case if you have any query or need any assistance in this regard, please contact;

<p>The Company Secretary SHRI DINESH MILLS LIMITED Regd. Office: Post Box No. 2501, Padra Road, Vadodara - 390 020 E-Mail: sojitra@dineshmills.com Contact: 0265-2330060-65 Fax: (0265) 2336195 CIN: L17110GJ1935PLC000494</p>	<p>MCS Share Transfer Agent Limited 1st Floor, Neelam Apartment, 88, Sampatrao Colony, Above Chappanbhog Sweet, Alkapuri, Vadodara - 390 007 Tel:(0265) 2314757, 2350490 Fax: (0265) 2341639 CIN NO. U67120WB2011PLC165872</p>
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Please note that, if you have already informed /updated your details relating to PAN & Bank details to the Company / RTA, kindly ignore this communication.

Yours Faithfully,
For Shri Dinesh Mills Limited,
J B Sojitra
Company Secretary

SHRI DINESH MILLS LIMITED

Regd. Office : P.O. Box No. 2501, Padra Road, Vadodara - 390 020 • www.dineshmills.com
(CIN: L17110GJ1935PLC000494)

83rd 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 83rd Annual General Meeting of the Company being held at Registered Office of the Company at Padra Road, Vadodara on Friday, the 28th September, 2018 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 printed below 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.

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 83rd Annual General Meeting of the Company, to be held on Friday, the 28th September, 2018 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
Ordinary Business:			
1	Adoption of Audited Financial Statement		
2	Declaration of Dividend on Equity Shares		
3	Re-appointment of Shri Nimishbhai Patel as Director		
4	Appointment of Statutory Auditors		
Special Business:			
5	Reappointment of Shri Bharatbhai Patel as Chairman & Managing Director (CMD) and fix the Remuneration w.e.f. 1st April, 2018		
6	Payment of the Remuneration to Shri Nimishbhai Patel, Managing Director of the Company from 1st April, 2018 to 13th January, 2020		

Signed this on _____ day of _____ 2018

Signature of Shareholder: _____

Signature of Proxy Holder(s): _____

Notes:

1. 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.

2. For this Resolution and explanatory statement and notes, please refer to the Notice of the 83rd Annual General Meeting.

*3. 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.

4. Please complete all details including details of manner(s) in above box before submission.

Affix 1
Rupee
Revenue
Stamp

