

Shri Dinesh Mills Limited, Vadodara.



BOARD OF DIRECTORS

Shri Upendrabhai M. Patel	(Chairman Emeritus)
Shri Bharatbhai U. Patel	(Chairman & Managing Director)
Shri Nimishbhai U. Patel	(Managing Director)
Shri Atulbhai G. Shroff	(Upto 15th January, 2014)
Shri Jal R. Patel	
Shri H. N. Elavia	
Shri Ambubhai T. Patel	
Shri Tanujbhai M. Patel	
Shri Sudhir Mankad	(Upto 31st July, 2013)
Shri Rakesh Agrawal	
Shri J. B. Sojitra	

COMPANY SECRETARY

Shri J. B. Sojitra

BANKERS

Bank of Baroda
Central Bank of India
Indian Overseas Bank

AUDITORS

M/s. Dhirubhai Shah & Doshi
Chartered Accountants
Ahmedabad

REGISTERED OFFICE

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

NOTICE

NOTICE is hereby given that 79th 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 Tuesday, 30th September, 2014 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend for the year 2013-2014.
3. To appoint a Director in place of Shri Bharatbhai U. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Dhirubhai Shah & Doshi, Chartered Accountants, Ahmedabad as Auditors and fix their remuneration.

SPECIAL BUSINESS:

5. **PAYMENT OF REMUNERATION TO SHRI NIMISHBHAI U. PATEL, MANAGING DIRECTOR FROM 1ST APRIL, 2014 TO 13TH JANUARY, 2015**

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

"**RESOLVED THAT** in partial modification of earlier Resolutions passed by members of the Company and subject to the approval of the Central Government, if required, the Company hereby approves the payment of the managerial remuneration on the existing terms & conditions to Shri Nimishbhai U. 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 Section 196 and 197 of the Companies Act, 2013 read with schedule "V" thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the unexpired period of his tenure from 1st April, 2014 to 13th January, 2015 as set out in the draft Deed of Variation, copy whereof placed before the meeting and initialed by the Chairman for the purpose of identification with liberty to the Board to increase/reduce the remuneration, alter and vary such terms and conditions in accordance with the provisions of the Companies Act, 2013 read with the Rules made there under and the Schedule V to the Companies Act, 2013 as may be agreed by Shri Nimishbhai U. Patel.

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

6. **APPOINTMENT OF SHRI H. N. ELAVIA AS AN INDEPENDENT DIRECTOR**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri H. N. Elavia (DIN - 01013388), who is Non Executive Independent Director of the Company be and is hereby appointed as an Independent Director of the Company to hold Office for five consecutive years for a term upto the conclusion of 84th Annual General Meeting of the Company to be held for the year 2018-2019."

7. **APPOINTMENT OF SHRI JAL R. PATEL AS AN INDEPENDENT DIRECTOR**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Jal R. Patel (DIN - 00065021), who is Non Executive Independent Director of the Company be and is hereby appointed as an Independent Director of the Company



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to hold Office for five consecutive years for a term upto the conclusion of 84th Annual General Meeting of the Company to be held for the year 2018-2019."

8. APPOINTMENT OF SHRI A. T. PATEL AS AN INDEPENDENT DIRECTOR

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri A. T. Patel (DIN - 00752059), who is Non Executive Independent Director of the Company be and is hereby appointed as an Independent Director of the Company to hold Office for five consecutive years for a term upto the conclusion of 84th Annual General Meeting of the Company to be held for the year 2018-2019."

9. APPOINTMENT OF SHRI T. M. PATEL AS AN INDEPENDENT DIRECTOR

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri T. M. Patel (DIN - 00016788), who is Non Executive Independent Director of the Company be and is hereby appointed as an Independent Director of the Company to hold Office for five consecutive years for a term upto the conclusion of 84th Annual General Meeting of the Company to be held for the year 2018-2019."

10. APPOINTMENT OF SHRI RAKESH AGRAWAL AS AN INDEPENDENT DIRECTOR

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Rakesh Agrawal (DIN - 00057955), who is Non Executive Independent Director of the Company be and is hereby appointed as an Independent Director of the Company to hold Office for five consecutive years for a term upto the conclusion of 84th Annual General Meeting of the Company to be held for the year 2018-2019."

11. ADOPTION OF NEW ARTICLES OF ASSOCIATION OF THE COMPANY

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

"**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the draft Regulation contained in the Articles of Association submitted to this meeting, be and are hereby approved and adopted in substitution and to the entire exclusion, of the Regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and to take such steps as may be necessary, proper and expedient to give effect to this Resolution."

12. BORROWING POWERS

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

"**RESOLVED THAT** the consent of the members of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013, be and is hereby accorded to the borrowings by the Board of Directors of the Company from time to time, of all moneys deemed by them to be requisite or proper for the purpose of carrying on the business of the Company on such terms & conditions as the Board may deem fit notwithstanding that the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the Paid up share Capital of the Company and its Free Reserves, that is to say, Reserves not set apart for any specific

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purpose, provided that the total borrowing shall not exceed Rs.125/- Crores. (Rupees One Hundred Twenty Five Crores only)"

Regd. Office :
P.O. Box No. 2501,
Padra Road,
Vadodara - 390 020
Dated : 30th May, 2014

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

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

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The information as per Clause - 49 of the Listing Agreement with BSE Ltd. is annexed hereto in respect of item No. 3, 5, 6, 7, 8, 9 & 10. (Annexure : A)
3. The Explanatory statement as required under section 102 of the Companies Act, 2013 is annexed hereto in respect of item No.5 to 12.(Annexure: B)
4. The Register of Members and Share Transfer Books will remain closed from Saturday, 9th August, 2014 to Saturday, 16th August, 2014. (Both days inclusive)
5. The Company has already transferred unclaimed dividend to the Investor Education & Protection Fund for the Financial Year ended 31st March, 2006 pursuant to Section 205A of the Companies Act, 1956.

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

Dividend No.	Date of Declaration	For the year	Due for transfer on
72	29-9-2007	2006-2007	04-11-2014
73	30-9-2008	2007-2008	05-11-2015
74	04-9-2009	2008-2009	10-10-2016
75	04-9-2010	2009-2010	10-10-2017
76	15-9-2011	2010-2011	21-10-2018
77	11-9-2012	2011-2012	17-10-2019
78	31-8-2013	2012-2013	06-10-2020

6. The Company will have to transfer Dividend No.72 for the Financial Year 2006-2007 which remain unclaimed for a period of 7 years to the Investor Education & Protection Fund of the Central Govt. pursuant to provisions of the Companies Act, 2013. Kindly note that, once the unclaimed dividend is transferred to the Investor Education and Protection Fund, no claim shall lie in respect thereof.
7. Dividend as recommended by the Board, if sanctioned by the Members, will be paid by 29th October, 2014 to those shareholders whose names appear on the Register of Members of the Company on 8th August, 2014 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 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement with BSE Ltd; the Company is pleased to provide members the facility to exercise their right to vote at the 79th AGM by electronic means for the business as per this Notice through e-voting services provided by NSDL:

The instructions for e-voting are as under:

Members whose shareholding is in the dematerialized form and whose email addresses are registered with the Company / Depository participants will receive an email from NSDL informing the User-ID and Password.



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1. Open email and open PDF file viz.; "Shri Dinesh Mills Ltd evoting.pdf" with your Client ID or Folio No. as Password. The said PDF file contains your User ID and Password for E-voting. Please note that the password is an initial password.
 2. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
 3. Click on Shareholder - Login
 4. Put User ID and password as initial password noted in step (i) above. Click Login.
 5. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidentially.
 6. Home page of e-voting opens. Click on e-voting: Active Voting Cycles.
 7. Select "EVEN" (Electronic Voting Event Number) of Shri Dinesh Mills Ltd
 8. Now you are ready for e-voting as cast vote page opens.
 9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 10. Upon confirmation, the message "Vote Cast Successfully" will be displayed.
 11. Once you have voted on the Resolution, you will not be allowed to modify your vote.
 12. Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPEG Format) of the relevant Board Resolution / Authority Letter etc. together with attested specimen Signature of the duly authorised signatory(ies) who are authorised to vote, to the scrutinizer at the e-mail ID: scrutinizershridineshmills@gmail.com or sojitra@dineshmills.com with a copy marked to evoting@nsdl.co.in.
- II. In case of any queries, you may refer the frequently asked question (FAQs) for members and e-voting user manual for members available at the download section of www.evoting.nsdl.com.
- III. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event you will need to go through "Forgot Password" option available on the site to reset the password.
- IV. If you are already registered with NSDL for e-voting, you can use your existing User ID and Password for casting your vote.
- V. 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).
- VI. The e-voting period commences from September 24, 2014(9.00 A.M.) to September 26, 2014 (6.00 P.M.). During this period, members of the Company holding shares either in physical form or in dematerialized form, as on the relevant date (i.e. Record date) 8th August, 2014 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a Resolution is cast by the member, the member shall not be allowed to change it subsequently.
- VII. The voting rights of the members shall be in proportion to their share of the paid up equity share capital of the Company as on relevant date (i.e. record Date) 8th August, 2014.
- VIII. M/s. Kashyap Shah & Co., Practicing Company Secretaries is appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- IX. The scrutinizer shall within a period not exceeding Three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least Two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- X. The results shall be declared on or after the AGM of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's Website www.dineshmills.com and on the website of NSDL within Two (2) days of passing of the Resolutions at the AGM of the Company and the same would be communicated BSE Ltd.
- The Notice of this AGM and the copies of Audited Financial Statements, Directors' Report, Auditors' Report etc. will be placed on the website www.dineshmills.com of the Company.
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.
10. Shareholders are requested :
- (a) not to bring their guests, relatives and children to the meeting as the entry is strictly restricted to the members and proxies only.
 - (b) to bring their copy of the Annual Report as the same will not be distributed at the time of the meeting.

ANNEXURE TO THE NOTICE ANNEXURE : A

THE INFORMATION AS PER CLAUSE 49 OF THE LISTING AGREEMENT WITH BSE LTD.

(ITEM No. 3, 5, 6, 7, 8, 9 &10)

The details as required pursuant to Clause 49 of the Listing Agreement with BSE Ltd., are as under:-

- (1) **Name** : **Shri Bharatbhai U. Patel**
 Age : 60 years
 Qualifications : B.Text., M.B.A. (USA)
 Expertise : Wide expertise in the overall management of Textile Company.
 Tenure : Director of the Company since 12-05-1973.
 Shareholding in the Company : 4,91,710 Equity shares of Rs.10/- each.
 Other Directorships :
- | <u>Sr. No.</u> | <u>Name of the Company</u> | <u>Position Held</u> | <u>Member/Chairman of Committee of the Company</u> |
|----------------|---|----------------------|--|
| 1. | Dinesh Remedies Ltd. | : Director | None |
| 2. | Parikamma Investments Pvt. Ltd. | : Director | None |
| 3. | Gujarat Sheep & Wool Development Corporation Ltd. | : Director | None |
- Inter Relationship : He is related to Shri Upendrabhai Patel & Shri Nimishbhai Patel.
- (2) **Name** : **Shri Nimishbhai U. Patel**
 Age : 48 years
 Qualifications : B.B.A., M.B.A. (USA)
 Expertise : Valuable contribution in the overall management of the Company.
 Tenure : Director of the Company since 14-01-1995
 Shareholding in the Company : 6,43,998 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. | : Chairman & Managing Director | None |
| 2. | Ultramarine & Pigments Ltd. | : Director | Member-Audit Committee |
| 3. | Transpek Industry Ltd. | : Director | Member-Audit Committee |
| 4. | Pankakamlini Investment Pvt. Ltd. | : Director | None |
- Inter Relationship : He is related to Shri Upendrabhai Patel & Shri Bharatbhai Patel.
- (3) **Name** : **Shri H. N. Elavia**
 Age : 77 years
 Qualifications : B. Com., LL.B., AICWA
 Expertise : Overall experience of 44 years in the field of Costing, Project Financing and General Administration.
 Tenure : Director of the Company since 28-09-2004
 Shareholding in the Company : 410 Equity Shares of Rs. 10/- each.
 Other Directorships : None
- | <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 Limited | : Director | Member - Audit Committee |
- Inter Relationship : He is not related to any Director or Key Managerial Personnel of the Company.



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(4) Name	:	Shri Jal R. Patel	
Age	:	76 years	
Qualifications	:	B.Com, A.C.A., A.C.S.,	
Expertise	:	In finance and overall Management of the Companies.	
Tenure	:	Director of the Company since 28-09-2004.	
Shareholding in the Company	:	Nil	
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	Coronet Products Private Limited	: Director	None
2	Jewel Consumer Care Pvt. Ltd.	: Whole-time Director	None
3	Gujarat Gas Co. Ltd.	: Director	Chairman - Audit Committee Member - Shareholder Grievance Committee
4	ABC Bearing Ltd.	: Director	Chairman - Audit Committee
5	Styrolution ABS India Ltd.	: Director	Member - Audit Committee Member - Shareholder Grievance Committee
6	Munjal Auto Industries Ltd.	: Director	None
7	Elecon Engineering Co. Ltd.	: Directors	Chairman- Audit Committee
Inter Relationship	:	He is not related to any Director or Key Managerial Personnel of the Company.	
(5) Name	:	Shri A. T. Patel	
Age	:	84 years	
Qualifications	:	M.S., F.R.C.S.	
Expertise	:	Valuable Contribution to the Board in the overall management of the Company.	
Tenure	:	Director of the Company since 29-12-1979	
Shareholding in the Company	:	Nil	
Other Directorships	:	Nil	
Inter Relationship	:	He is not related to any Director or Key Managerial Personnel of the Company.	
(6) Name	:	Shri T. M. Patel	
Age	:	60 years	
Qualifications	:	B.S (USA)	
Expertise	:	Wide expertise in Bearing Industry.	
Tenure	:	Director of the Company since 26-12-1984	
Shareholding in the Company	:	1020 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	ABC Bearing Ltd.	: Executive Director	Member - Investor Grievance Committee
2	Mipco Investments Pvt. Ltd.	: Director	None
3.	Emsons Leasing Company Pvt. Ltd.	: Director	None

4	Taveta Properties Pvt. Ltd.	:	Director	None
5	Maple Investments Co. Pvt. Ltd.	:	Director	None
6	Manoway Investments Pvt. Ltd.	:	Director	None
7	Saturn Holdings&Properties Pvt. Ltd.	:	Director	None
8	Arta Broch Ceramics Pvt. Ltd.	:	Director	None
9	Nsk-Abc Bearing Ltd.	:	Director	None
	Inter Relationship	:	He is not related to any Director or Key Managerial Personnel of the Company.	

(6) Name : **Shri Rakesh Agrawal**

Age	:	67 years
Qualifications	:	M.E. (Chemical), (USA)
Expertise	:	Expert knowledge in overall Corporate Management.
Tenure	:	Director of the Company since 10-02-2011.
Shareholding in the Company	:	Nil
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>
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1	Tash Investment Pvt. Ltd.	Director	None
2	Geetganga Investment Pvt. Ltd.	Director	None
3	Control Print Ltd.	Director	Member- Audit Committee Member-Remuneration Committee
4	Ankshree Investments & Trading Co. Ltd.	Director	None
5	Shiva Pharmachem Ltd.	Chairman/Director	None
6	Jaspur Properties Pvt. Ltd.	Director	None
7	Monet Properties Pvt. Ltd.	Director	None
8	Shiva Performance Materials Pvt. Ltd.	Director	None

Inter Relationship : He is not related to any Director or Key Managerial Personnel of the Company.



ANNEXURE: B
EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE
COMPANIES ACT, 2013

ITEM No. 5: PAYMENT OF REMUNERATION TO SHRI NIMISHBHAI U. PATEL, MANAGING DIRECTOR FROM 1ST APRIL, 2014 TO 13TH JANUARY 2015.

Shri Nimishbhai U. Patel, after completing his B.B.A. and M.B.A. (USA), is rendering his valuable services to the Company since 1990. He has very rich experience of more than 20 years in the textile, chemical industry and more than nine years in Pharma industry. He is also rendering honorary services as Chairman & Managing Director of the subsidiary company viz. Dinesh Remedies Ltd. He has made significant contribution to the progress of these Companies. In consideration of the valuable services rendered by him, he was elevated as the Managing Director of the Company w.e.f. 1st April, 2010.

The Company is paying the remuneration to Shri N. U. Patel as per Schedule XIII to the Companies Act, 1956 read with Section 198 and 309 of the Companies Act, 1956 as per the approval of the Central Government for the period not exceeding 3 (three) years from 1st April, 2011 to 31st March, 2014. In order to enable the Company to continue to get the benefit of wide and varied knowledge and experience of Shri Nimishbhai U. Patel, the members of the Remuneration Committee and Board of Directors at their meetings held on 13th February, 2014 decided to pay the remuneration for the unexpired period of office on the existing terms & conditions to him as minimum remuneration in case of losses/inadequacy in profits for the period from 1st April, 2014 to 13th January, 2015 as detailed hereunder which is well within the limit prescribed in Section 11(A) of part II of Schedule 'V' to the Companies Act, 2013.

1. Basic Salary: Rs.3,50,000/-
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 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.

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

General Information:

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

(Rs. in Lacs)

Sr. No	Particulars	2013-2014	2012-2013	% Change
1	Sales Turnover (Net)	8610	8633	- 00.26 %
2	Operating profit (PBDIT)	1921	1756	+ 09.40 %
3	Depreciation	1030	975	+ 05.64 %
4	Interest	326	371	- 12.13 %
5	Profit before Tax	565	410	+ 37.80 %
6	Tax	132	101	+ 30.70 %
7	Net Profit	433	309	+ 40.13 %
8	Earning Per Share	8.51	5.86	+68.68 %

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

II Information about the appointee:

- (1) Background details: As given hereinabove and Annexure 'A' to this AGM Notice.
- (2) Past remuneration: Rs.3,50,000/- basic salary p.m. plus Perquisites & Allowances subject to ceiling of his Annual Basic Salary.
- (3) Recognition or awards: As given hereinabove.
- (4) Job profile and his suitability: General administration and management of the overall business and affairs of the Company subject to the direction, supervision and control of the Board of Directors of the Company. The justification for his suitability is given hereinabove.
- (5) Remuneration proposed: As per the details given hereinabove on the existing terms & conditions.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: Members are aware that our Company is a unique Composite Textile sector Company manufacturing suiting and Machine Clothing, managerial remuneration being paid by other Companies are not comparable and therefore, the remuneration proposed hereinabove is justifiable and the same be paid even as minimum remuneration in case the Company has no profits or has inadequate profits as per the relevant provisions of the Companies Act, 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 and Shri Upendrabhai M. Patel, Chairman-Emeritus of the Company.

III. Other Information:

1. Reason of loss or inadequate profits: As the Company is operating in the organized sector, the Company faces cut throat competition from un-organized sector also and as a result there of, the increase in the raw material price and the overheads are not fully passed on to the consumers.
2. Steps taken or proposed to be taken for improvement: The Company is making every effort to increase the sales turnover with innovative marketing strategies and also taken appropriate steps to control the cost.
3. Expected increase in productivity and profits in measurable terms: Due to the reasons for inadequate profit as stated under para: 1 above and in the steps being taken as per the para: 2 above, productivity and profitability is expected to be improved.

The draft Deed of Variation to be executed between the Company and Shri Nimishbhai U. Patel is available for inspection by members of the Company at the Registered Office between 11.00 a.m. to 1.00 p.m. on any working day before the date of the ensuing 79th 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 Nimishbhai U. Patel, Shri Bharatbhai U. Patel and Shri Upendrabhai M. Patel, no other Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 5 of the Notice.

ITEM No. 6: APPOINTMENT OF SHRI H. N. ELAVIA AS AN INDEPENDENT DIRECTOR

Shri H. N. Elavia has been rendering his services as Director of the Company since 28th September, 2004. Brief Profile of Shri H. N. Elavia is given in the Annexure 'A' to this Notice pursuant to Clause 49 of the Listing Agreement. He is an Independent Non-Executive Director of the Company. He is also a Chairman of Audit Committee of the Board of Directors of the Company. As Shri H. N. Elavia has already served the Company as an Independent Director for more than Five years, he is eligible for one more term of upto five years only pursuant to Clause 49 (IIB) of the Listing Agreement with BSE Ltd.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 read with Clause 49 of the Listing Agreement, Shri H. N. Elavia, being eligible, offers himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto the conclusion of 84th Annual General Meeting of the Company to be held for the year 2018-2019. The Company has received a declaration that he meets the criteria of Independence pursuant to Section 149(6) of the Companies Act, 2013 read with Clause 49 of the Listing Agreement with BSE Ltd.

In the opinion of the Board, Shri H. N. Elavia fulfills the conditions specified in the Companies Act, 2013 and Rules



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made thereunder read with Clause 49 of the Listing Agreement for his appointment as an Independent Director of the Company and accordingly, appointed him as an Independent Director at their meeting held on 30th May, 2014. Copy of the draft letter for appointment of Shri H N Elavia as an Independent Director setting out the terms & conditions is available for inspection by members at the Registered Office of the Company.

The Board considers that, his continued association would be beneficial to the Company and it is desirable to continue to avail services of Shri H. N. Elavia as an Independent Director and accordingly, the Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice.

Except Shri H. N. Elavia, No other Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 6 of the Notice.

ITEM No. 7: APPOINTMENT OF SHRI JAL R. PATEL AS AN INDEPENDENT DIRECTOR

Shri Jal R. Patel has been rendering his services as Director of the Company since 28th September, 2004. Brief Profile of Shri Jal R. Patel is given in the Annexure 'A' to this Notice pursuant to Clause 49 of the Listing Agreement. He is an Independent Non-Executive Director of the Company. He is also a Chairman of Investors Grievance Committee of the Board of Directors of the Company. As Shri Jal R. Patel has already served the Company as an Independent Director for more than five years, he is eligible for one more term of upto five years only pursuant to Clause 49 (IIB) of the Listing Agreement with BSE Ltd.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 read with Clause 49 of the Listing Agreement, Shri Jal R. Patel, being eligible, offers himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto the conclusion of 84th Annual General Meeting of the Company to be held for the year 2018-2019. The Company has received a declaration that he meets the criteria of Independence pursuant to Section 149(6) of the Companies Act, 2013 read with Clause 49 of the Listing Agreement with BSE Ltd.

In the opinion of the Board, Shri Jal R. Patel fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder read with Clause 49 of the Listing Agreement for his appointment as an Independent Director of the Company and accordingly, appointed him as an Independent Director at their meeting held on 30th May, 2014. Copy of the draft letter for appointment of Shri Jal R. Patel as an Independent Director setting out the terms & conditions is available for inspection by members at the Registered Office of the Company.

The Board considers that, his continued association would be beneficial to the Company and it is desirable to continue to avail services of Shri Jal R. Patel as an Independent Director and accordingly, the Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice.

Except Shri Jal R. Patel, No other Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 7 of the Notice.

ITEM No.8: APPOINTMENT OF SHRI A. T. PATEL AS AN INDEPENDENT DIRECTOR

Shri A. T. Patel has been rendering his services as Director of the Company since 29th December, 1979. Brief Profile of Shri A. T. Patel is given in the Annexure 'A' to this Notice pursuant to Clause 49 of the Listing Agreement. He is an Independent Non-Executive Director of the Company. He is also a member of Audit Committee, Remuneration Committee and Investors Grievance Committee of the Board of Director of the Company. As Shri A. T. Patel has already served the Company as an Independent Director for more than five years, he is eligible for one more term of upto five years only pursuant to Clause 49 (IIB) of the Listing Agreement with BSE Ltd.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 read with Clause 49 of the Listing Agreement, Shri A. T. Patel, being eligible, offers himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto the conclusion of 84th Annual General Meeting of the Company to be held for the year 2018-2019. The Company has received a declaration that he meets the criteria of Independence pursuant to Section 149(6) of the Companies Act, 2013 read with Clause 49 of the Listing Agreement with BSE Ltd.

In the opinion of the Board, Shri A. T. Patel fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder read with Clause 49 of the Listing Agreement for his appointment as an Independent Director of the Company and accordingly, appointed him as an Independent Director at their meeting held on 30th May, 2014. Copy of the draft letter for appointment of Shri A. T. Patel as an Independent Director setting out the terms & conditions is available for inspection by members at the Registered Office of the Company.

The Board considers that, his continued association would be beneficial to the Company and it is desirable to continue to avail services of Shri A. T. Patel as an Independent Director and accordingly, the Board recommends the Ordinary Resolution set out at Item No. 8 of the Notice for the approval by the shareholders of the Company.

Except Shri A. T. Patel, No other Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 8 of the Notice.

ITEM No.9: APPOINTMENT OF SHRI T. M. PATEL AS AN INDEPENDENT DIRECTOR

Shri T. M. Patel has been rendering his services as Director of the Company since 20th September, 1984. Brief Profile of Shri T. M. Patel is given in the Annexure 'A' to this Notice pursuant to Clause 49 of the Listing Agreement. He is an Independent Non-Executive Director of the Company. He is also a member of Audit Committee, Remuneration Committee and Investors Grievance Committee of the Board of Directors of the Company. As Shri T. M. Patel has already served the Company as an Independent Director for more than five years, he is eligible for one more term of upto five years only pursuant to Clause 49 (IB) of the Listing Agreement with BSE Ltd.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 read with Clause 49 of the Listing Agreement, Shri T. M. Patel, being eligible, offers himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto the conclusion of 84th Annual General Meeting of the Company to be held for the year 2018-2019. The Company has received a declaration that he meets the criteria of Independence pursuant to Section 149(6) of the Companies Act, 2013 read with Clause 49 of the Listing Agreement with BSE Ltd.

In the opinion of the Board, Shri T. M. Patel fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder read with Clause 49 of the Listing Agreement for his appointment as an Independent Director of the Company and accordingly, appointed him as an Independent Director at their meeting held on 30th May, 2014. Copy of the draft letter for appointment of Shri T. M. Patel as an Independent Director setting out the terms & conditions is available for inspection by members at the Registered Office of the Company.

The Board considers that his continued association would be beneficial to the Company and it is desirable to continue to avail services of Shri T. M. Patel as an Independent Director and accordingly, the Board recommends the Ordinary Resolution set out at Item No. 9 of the Notice.

Except Shri T. M. Patel, No other Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 9 of the Notice.

ITEM No. 10: APPOINTMENT OF SHRI RAKESH AGRAWAL AS AN INDEPENDENT DIRECTOR

Shri Rakesh Agrawal has been rendering his services as Director of the Company since 10th February, 2011. Brief Profile of Shri Rakesh Agrawal is given in the Annexure 'A' to this Notice pursuant to Clause 49 of the Listing Agreement. He is an Independent Non-Executive Director of the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 read with Clause 49 of the Listing Agreement, Shri Rakesh Agrawal, being eligible, offers himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto the conclusion of 84th Annual General Meeting of the Company to be held for the year 2018-2019. The Company has received a declaration that he meets the criteria of Independence pursuant to Section 149(6) of the Companies Act, 2013 read with Clause 49 of the Listing Agreement with BSE Ltd.

In the opinion of the Board, Shri Rakesh Agrawal fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder read with Clause 49 of the Listing Agreement for his appointment as an Independent Director of the Company and accordingly, appointed him as an Independent Director at their meeting held on 30th May, 2014. Copy of the draft letter for appointment of Shri Rakesh Agrawal as an Independent Director setting out the terms & conditions is available for inspection by members at the Registered Office of the Company.

The Board considers that his continued association would be beneficial to the Company and it is desirable to continue to avail services of Shri Rakesh Agrawal as an Independent Director and accordingly, the Board recommends the Ordinary Resolution set out at Item No. 10 of the Notice.

Except Shri Rakesh Agrawal Patel, No other Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 10 of the Notice.

ITEM No. 11: ADOPTION OF NEW ARTICLES OF ASSOCIATION OF THE COMPANY

The Articles of Association (AoA) of the Company as presently in force were amended from time to time since the Incorporation of the Company, 1st July, 1935. The Existing AoA is based on the Companies Act, 1956 and several Regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some Regulations in the existing AoA are no longer in conformity with the Act. As the Companies Act, 2013 and the Rules made thereunder are now largely in force and as a result thereof, several Regulations of the existing AoA of the Company require alterations or deletions and therefore, it is considered expedient to wholly replace



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existing AoA by a new set of Articles.

The new AoA to be substituted in the place of the existing AoA are based on Table "F" of the Companies Act, 2013 which is the model AoA for a Company Limited by Shares.

The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 11 of the Notice.

The Board commends the Special Resolution set out at item No. 11 of the Notice.

ITEM NO. 12: BORROWING POWERS

The members of the Company at their 75th AGM held on 4th September, 2010 had authorised Board of Directors to borrow the sums not exceeding Rs. 100/- Crore (Rupees One Hundred Crore Only) U/S. 293(1)(d) of the Companies Act, 1956 which would be valid upto 11th September, 2014 as clarified by the Ministry of Corporate Affairs(MCA) vide its circular dated 25th March, 2014. It is, therefore, proposed to seek a fresh approval authorizing the Board of Directors of the Company to borrow the sums not exceeding Rs.125/- Crores (Rupees One Hundred Twenty Five Crores only) U/S. 180 of the Companies Act, 2013 considering the future CAPEX requirements.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 12 of the Notice.

The Board commends the Special Resolution set out at item No. 12 of the Notice.

Regd. Office :
P.O. Box No. 2501,
Padra Road,
Vadodara - 390 020
Dated : 30th May, 2014

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

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

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting their Report together with the Audited Accounts for the financial year ended 31st March, 2014.

FINANCIAL RESULTS :

(Rs.in Lacs)

PARTICULARS	2013 - 2014	2012 - 2013
SALES TURNOVER (NET)	8609.86	8633.21
GROSS PROFIT	1594.77	1384.65
Less: (A) Depreciation	1029.71	974.79
(B) Provision for Taxation		
(i) Current Tax	180.90	94.10
(ii) Deferred Tax	(48.58)	6.71
NET PROFIT	432.74	309.05
Add: (A) Previous Year's Surplus	188.55	239.91
(B) Adjustments relating to earlier years	NIL	NIL
(C) Excess Depreciation written back	NIL	NIL
Profits available for Appropriation	621.29	548.97
Appropriating therefrom:		
(A) Proposed Dividend	91.52	94.99
(B) Dividend Tax on above	15.54	15.42
(C) General Reserve	325.00	250.00
(D) Surplus carried to B/S.	189.23	188.55

DIVIDEND

Your Directors have recommended for your consideration Dividend of Rs. 1.80 per Equity share (Previous year Rs.1.80 per Equity share on 52,77,500 equity shares) on 50,84,382 equity shares of Rs.10/- each amounting to Rs. 91,51,887.60 for the financial year ended 31st March, 2014.

BUY BACK OF EQUITY SHARES

Members are aware that, the Board of Directors of the Company at their meeting held on 9th March, 2013 approved the Buy Back of equity shares of the Company through Stock Exchange Mechanism from the open market and accordingly, the Company has bought back 1,93,118 equity shares of Rs.10/- each through BSE Ltd. and as a result thereof, the paid up equity shares of the Company is reduced from 52,77,500 equity shares to 50,84,382 equity shares of Rs.10/- each and the percentage of Management Group shareholding has been increased from 43.36% to 45.01%

MANAGEMENT DISCUSSION AND ANALYSIS:

A. OVERALL REVIEW OF OPERATIONS:

We are a composite textile sector company manufacturing woolen / worsted suiting and machine clothing (felt). The Company manufactures and markets high quality products under the brand name 'dinesh'. There are few organized sector companies and many companies are in un-organized sector and the Company has to face cut throat competition in the domestic and international markets. The Textile Industry is labour & capital intensive and one of the largest employers in India and the industry has to face various internal & external challenges and our Company is not an exception to these challenges. Despite the global slow down and cut throat competitive



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international & domestic markets, our Company could achieve sales turnover of Rs.8610/- lacs and the net profit of Rs.433/- lacs during the year under review as compared to Rs.8633/- lacs and Rs.309/- lacs respectively of the previous year. The profitability has been improved mainly due to proper monitoring of expenses.

During the year under review, we could achieve the higher export turnover amounting to Rs.534/- Lacs as compared to Rs. 466/- lacs of the previous year.

B. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Highlights		(Rs. in Lacs)		
Sr. No.	Particulars	2013 - 2014	2012 - 2013	% Change
1	Sales Turnover (Net)	8610	8633	- 00.26 %
2	Operating profit (PBDIT)	1921	1756	+ 09.40 %
3	Depreciation	1030	975	+ 05.64 %
4	Interest	326	371	- 12.13 %
5	Profit before Tax	565	410	+ 37.80 %
6	Tax	132	101	+ 30.70 %
7	Net Profit	433	309	+ 40.13 %

C. OVERALL OUTLOOK

Due to slow down in the developed and developing countries, our GDP could grow 4.7% during the year 2013-2014 which is expected to grow upto 5.5% during the year 2014-2015 due to formation of the new Government which would take proper steps to boost the economy and our Company would make every efforts to increase the sales turnover. The Management would also take appropriate steps to mitigate various risks viz. interest rate, commodity price, foreign exchange, business operations and Regulatory etc.

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

D. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

E. INDUSTRIAL RELATIONS

The industrial relations both at Baroda and Ankleshwar unit have remained cordial. As on 31st March, 2014, there were 1022 employees in the Company.

FIXED DEPOSITS

As on 31st March, 2014, there were 31 Depositors, whose deposits were not claimed after the date on which the deposits were due for payment or renewal.

The amount due to such depositors was Rs. 2,81,000/- which remained unclaimed. Subsequently, one Depositor has claimed such deposit amounting to Rs.10,000/-.

The Deposits outstanding as at 31st March, 2014 would be repaid pursuant to Section 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rule, 2014.

INSURANCE

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

DIRECTORS

During the year under review, Shri Sudhir Mankad and Shri Atulbhai G. Shroff, Directors of the Company have resigned. The Board appreciates for the valuable contribution made by them during their tenure as Directors of the Company.

Pursuant to Section 149 and 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors are not liable to retire by rotation whereas other Directors are liable to retire by rotation and accordingly, Shri Bharatbhai U. Patel, Chairman & Managing Director of the Company would retire by rotation and being eligible, offer himself for re-appointment.

INDEPENDENT DIRECTORS:

Shri H. N. Elavia, Shri Jal R. Patel, Shri A. T. Patel, Shri T. M. Patel and Shri Rakesh Agrawal are rendering their services as Non-Executive Independent Directors of the Company. As they fulfill the criteria of Independence as per Section 149(6) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and being eligible, offers themselves for appointment as Independent Director pursuant to Section 149 and 152 of the Companies Act, 2013 read with Rules there under and Clause: 49 of the Listing Agreement with BSE Ltd, are proposed to be appointed as Independent Directors.

SUBSIDIARY COMPANY: DINESH REMDIES LTD. (DRL):

DRL manufactures Empty Hard Gelatin Capsules having WHO-GMP and HACCP certifications. As required by Accounting Standard 21 relating to Consolidation of Accounts, we have consolidated Accounts of our Subsidiary Company viz. Dinesh Remedies Ltd. (DRL). The Board of Directors of our Company has also passed the Resolution as per the General Exemption given by the Ministry of Corporate Affairs, Govt. of India vide its Circular No. 2/2011 dated 8th February, 2011 and accordingly, the Audited Financial Statements and Reports of the Board of Directors and Auditors of our subsidiary company viz. DRL are not attached to this Report pursuant to Section 212 of the Companies Act, 1956. However, the statement pursuant to Section 212 of the Companies Act, 1956 and key financial information of DRL are given in the Annual Report. The above referred documents of DRL shall made available to the members of the Company on demand and the same are also available for inspection by the members at the Registered Office of the Company and DRL.

AUDITORS

The tenure of the existing Statutory Auditors, M/s. Dhirubhai Shah & Doshi, Chartered Accountants would expire on the conclusion of the ensuing 79th Annual General Meeting of the Company. The Company has received a certificate from M/s. Dhirubhai Shah & Doshi, Chartered Accountants to the effect that, their appointment, if made, would be in accordance with the provisions of Section 139 & 141 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014.

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

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

EMPLOYEES

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As none of the criteria viz. Net Worth of Rs.500/- crores or more, or Turnover of Rs.1000/- crores or more or Net Profit of Rs. 5/- crore or more provided u/s. 135 of the Companies Act, 2013 are applicable to the Company and therefore, the provisions relating to the Companies (Corporate Social Responsibility Policy) Rules, 2014 does not apply to the Company as at 31st March, 2014.

DIRECTORS RESPONSIBILITIES STATEMENT

Your Directors confirm that:

- I. In preparation of Accounts for the period ended 31st March, 2014, the applicable Accounting standards have been followed alongwith proper explanation relating material departures.
- II. The Directors have selected such accounting policies and applied them consistently and made judgments and



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estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit of the Company for that period.

- III. The Directors have taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. The Directors have prepared the Annual Accounts for the period ended 31st March, 2014 on a going concern basis.

CORPORATE GOVERNANCE

The Report on Corporate Governance pursuant to Clause 49 of the Listing Agreement with BSE Ltd. alongwith the certificate of M/s. Dhirubhai Shah & Doshi, Chartered Accountants, Auditors of the Company are attached herewith as Annexure - C and Annexure - D respectively.

ACKNOWLEDGEMENTS:

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

Place : Vadodara
Date : 30th May, 2014

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

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

(a) Details of energy conservation measures taken:

1. Replacement of 36W Double fixture tube light by 18W LED tube light in Felt Finishing Department.
2. Installation of Variable Frequency Drives (VFD) in the Needling Department.
3. Replacement of 150W Sodium Vapor Lamps fixtures by 72W LED Fixtures in the Felt Finishing Department.
4. Replacement of 15HP Submersible Pump by energy efficient 7.5HP with same water output in the Utility Department.
5. Modification of cooling line and thereby removal of the cooling pump of 1HP by using direct pressure of over head main line.

(b) Energy conservation measures under consideration.

1. To replace 36W conventional tube light by 18W LED tube light in the Utility Department.

B. TECHNOLOGY ABSORPTION:

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Rs. in Lacs)

Year	Earnings	Outgo
2013 - 2014	534	2073



FORM 'A'

(A) POWER & FUEL CONSUMPTION

SR. NO.	PARTICULARS	CURRENT YEAR (2013-2014) (Rs.)	PREVIOUS YEAR (2012-2013) (Rs.)
1.	Electricity		
	• Purchased Units	51064	4,80,130
	Total Amount	44,28,395	68,23,321
	Rate per unit	86.72*	14.21
	(*The rate per unit is not comparable as the Company has to pay minimum demand charges based on Contract Demand to MGVCL & DGVCL due to usage of Electricity generated through Wind Mills)		
	• Own Generation		
	I. Through Diesel Generator (KWH)	1,21,240	87,950
	Units/Litre of Diesel Oil	3.23	3.23
	Cost per Litre	8.61	15.59
	II. Through Steam Turbine Generator	Nil	Nil
	III. Through Wind Mill	85,19,195	93,48,355
	Total Amount	3,30,07,990	2,84,48,716
	Rate per Unit	3.87	3.04
2.	Coal (Steam coal)	we do not use coal	
	Lignite		
	Qty. (Tonnes)	1255	1766
	Total cost	43,11,249	59,83,176
	Avg. Rate per Tonne	3435.26	3387.98
3.	Furnace Oil		
	Qty. (Ltrs.)	27,000	71,250
	Total amount	13,98,002	34,40,082
	Avg. Rate per Ltr.	51.78	48.28
4.	Others (Natural Gas)		
	Qty. (Nm3)	9,03,963	9,30,633
	Total cost	99,47,440	92,93,578
	Avg. Rate	11.00	9.99

(B) CONSUMPTION PER UNIT OF PRODUCTION

Per Unit Productwise			
•	Woollen & Worsted Fabrics (Mtrs.)		
	Electricity	21.89	15.52
	Furnace Oil	1.44	2.51
	Coal	-	-
	Lignite	4.43	4.37
	Gas	5.70	3.77
•	Felt (Clothing) (Kgs.)		
	Electricity	13.82	12.82
	Furnace Oil	0.16	0.40
	Coal	-	-
	Lignite	0.48	0.69
	Gas	15.72	15.15

FORM "B"**RESEARCH & DEVELOPMENT**

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

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

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

EXPENDITURE ON R. & D.: Rs. 23/- Lacs

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

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

ANNEXURE : B**STATEMENT UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AS AMENDED AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2014.**

Sr. No.	Name	Age	Designation	Remuneration (Rs.)	Qualifications & experience	Date of Commencement of employment	Last employment before joining the Company with designation
1	Shri Bharatbhai U. Patel	60	Chairman & Managing Director	1,00,07,846/-	B.Text, M.B.A (USA) (41)	12-5-1973	First Employment
2	Shri Nimishbhai U. Patel	48	Managing Director	1,00,07,846/-	B.B.A., M.B.A (Finance) (U.S.A) (23)	1-12-1990	- Do -

Notes:

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



SHRI DINESH MILLS LTD.

ANNEXURE : C CORPORATE GOVERNANCE

A. COMPANY'S PHILOSOPHY

The code on Corporate Governance introduced by the Securities and Exchange Board of India (SEBI) has been implemented in terms of the Listing Agreement with the 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 firmly believes in good Corporate Governance. Given below is the report of Board of Directors of the Company on the Corporate Governance practices being followed by the Company.

B. BOARD OF DIRECTORS

The Board of Directors presently comprises two Managing Directors and seven Non-Executive Directors. During the year, five Board Meetings were held on 31/05/2013, 29/07/2013, 31/08/2013, 30/10/2013 and 13/02/2014.

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

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM	No. of other Directorship	No. of Other Memberships in Committees of Directors
Shri B. U. Patel	CMD	4	YES	2	NIL
Shri N. U. Patel	MD	5	YES	3	1
Shri U. M. Patel	NED	5	YES	1	NIL
Shri A.G. Shroff *	NED	4	YES	-	-
Shri H. N. Elavia	NED	5	YES	1	1
Shri Jal Patel	NED	5	YES	5	6#
Shri A. T. Patel	NED	5	YES	NIL	NIL
Shri T. M. Patel	NED	2	NO	2	1
Shri Sudhir Mankad**	NED	0	NO	-	-
Shri Rakesh Agrawal	NED	4	NO	3	2
Shri J. B. Sojitra	NED	5	YES	NIL	NIL

CMD - Chairman & Managing Director

NED - Non-Executive Director

*Resigned w.e.f. 15th January, 2014

MD - Managing Director

Chairman in three Committee

**Resigned w.e.f. 31st July, 2013

C. AUDIT COMMITTEE

The Audit Committee constituted by the Board pursuant to Section 292-A of the Companies Act, 1956 read with Clause - 49 of the Listing Agreement with the BSE Ltd., with the required terms of reference as per the above referred statutory requirements, comprises 3 non-promoter, independent, non-executive Directors. The Committee met on 31/05/2013, 29/07/2013, 30/10/2013 and 13/02/2014 during the year and the attendance of the members at the meetings was as follows:

Name of Members	Status	No. of Meetings attended
Shri H. N. Elavia	Chairman	4
Shri A. T. Patel	Member	4
Shri T. M. Patel	Member	2

D. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Committee constituted by the Board comprises the following non-promoters, independent, non-executive Directors. The Committee met on 31/05/2013, 29/07/2013, 30/10/2013 and 13/02/2014 during the year and

the attendance of the members at the meetings was as follows:

Name of Members	Status	No. of Meetings attended
Shri A. G. Shroff*	Chairman	3
Shri Jal R. Patel	Member	4
Shri A. T. Patel	Member	4
Shri T. M. Patel	Member	2

*Resigned w.e.f. 15th January, 2014.

During the year, no any complaint was received and therefore, there was no Investor complaint remaining un-attended/pending as at 31st March, 2014.

E. DIRECTORS REMUNERATION COMMITTEE

The Committee constituted by the Board comprises the non-promoter, Independent, Non-executive Directors viz. Shri A. G. Shroff, Shri A. T. Patel and Shri T. M. Patel, pursuant to Clause - 49 of the Listing Agreement read with Schedule XIII to the Companies Act, 1956 to review, assess and recommend the remuneration including appointment of Chairman & Managing Director(s) and Executive Director(s) from time to time.

The Committee met on 13/02/2014 and considered the remuneration payable to Shri Nimishbhai U. Patel as Managing Director for his unexpired tenure from 1st April, 2014 to 15th January, 2015 with existing terms & conditions which has also been approved by the Board of Directors at their meeting held on 13/02/2014 subject to approval of the shareholders.

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

The break up of the managerial remuneration paid / provided by the Company during the year 2013-2014 to Shri Bharatbhai U. Patel, Chairman & Managing Director (CMD) and Shri Nimishbhai U. Patel, Managing Director (MD) of the Company are as under:

Sr.	Particulars	Shri B. U. Patel	Shri N. U. Patel
1	Basic Salary	42,00,000/-	42,00,000/-
2	Allowances, Perquisites & Retiral benefits	58,07,846/-	58,07,846/-
	Total	1,00,07,846/-	1,00,07,846/-

(b) Non-executive Directors:

Remuneration by way of sitting fees has been paid to the following non-executive Directors for attending the meetings of the Board and Committee thereof during the year 2013-2014.

Name of the Directors	Rs.
Shri A. G. Shroff	39000/-
Shri H. N. Elavia	50000/-
Shri Jal Patel	50000/-
Shri A. T. Patel	75000/-
Shri T. M. Patel	37000/-
Shri Rakesh Agrawal	24000/-
Shri J. B. Sojitra	30000/-

F. GENERAL BODY MEETINGS :

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

Annual General Meetings	Day, Date, & Time	Venue	No. of Special Resolution passed
76th AGM	Thursday, 15/9/2011 At 11.00 A.M	Registered Office	03
77th AGM	Thursday, 11/9/2012 At 11.00 A.M	Registered Office	NIL
78th AGM	Saturday, 31/8/2013 At 11.00 A.M	Registered Office	01

During the year 2013-2014, there was no need to hold an Extra-Ordinary General Meeting of shareholders of the Company.



SHRI DINESH MILLS LTD.

G. DISCLOSURES

- There are no materially significant transactions with the related parties viz, Promoters, Directors and their relatives, Subsidiary Company conflicting with Company's interest. The transactions with related parties are disclosed in Note No. 31 to the Accounts in the Annual Report.
- No penalties or strictures have been imposed on the Company by BSE Ltd. or SEBI or any Statutory Authority on any matter related to capital markets.
- The declaration by CEO for compliance of Code of Conduct by all Board members and Senior Management personnel of the Company is as under:
 "I, Bharat Patel, Chairman & Managing Director - CEO of the Company hereby declare that all Board Members and Senior Management personnel of the Company have affirmed the compliance of the Code of Conduct during the financial year ended 31st March, 2014."
 This declaration is given pursuant to Clause 49(I)(D) of the Listing Agreement with BSE Limited.
- The non-mandatory requirements given in Annexure - I D of the Clause 49 of the Listing Agreement have not been adopted by the Company, except the requirements relating to the Remuneration Committee.

H. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results of the Company are sent to 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 are also placed on the web site of the Company.

I. GENERAL SHAREHOLDERS INFORMATION

- Registered Office : Padra Road, Vadodara - 390 020, Gujarat
- Plant Locations : 1. Padra Road, Vadodara -390 020, Gujarat
2. Village : Bhadkodra, Ankleshwar, District Bharuch, Gujarat
- R & T Agent : M/s. MCS Ltd., Neelam Apartment, 88, Sampatrao Colony, Alkapuri, Vadodara - 390 007, Gujarat.
- 79th Annual General Meeting : Date: 30th September, 2014, Time: 11.00A.M
Venue: Registered Office: Padra Road, Vadodara-390 020, Gujarat.
- Book Closure : Saturday, 09/08/2014 to Saturday, 16/08/2014.
- Dividend payment Date : By 29th October, 2014.
- Listing of Equity Shares : Name of Stock Exchange : Stock Code :
BSE Ltd. 503804
ISIN: INE204C01024
CIN: L17110GJ1935PLC000494
- Listing Fees : The Company has paid listing fees for the financial year 2014 - 2015 to BSE Ltd.
- Month wise Stock-market price and BSE Sensex data for the year 2012-2013.

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

Month	Price (Rs.)		Traded Quantity	Sensex	
	High	Low		High	Low
April, 2013	76.00	71.00	51467.00	19622.68	18144.22
May, 2013	77.00	71.10	42361.00	20443.62	19451.26
June, 2013	78.00	70.00	10351.00	19860.19	18467.16
July, 2013	78.65	70.00	20678.00	20351.06	19126.82
August, 2013	76.00	66.00	30474.00	19569.20	17448.71
September, 2013	76.85	74.05	8380.00	20739.69	18166.17
October, 2013	79.25	72.60	10753.00	21205.44	19264.72
November, 2013	78.10	75.00	13857.00	21321.53	20137.67
December, 2013	88.00	77.00	74578.00	21483.74	20568.70
January, 2014	90.95	85.00	49718.00	21409.66	20343.78
February, 2014	92.00	85.50	23813.00	21140.51	19963.12
March, 2014	92.00	74.80	14151.00	22467.21	20920.98

J. Distribution of shareholding as at 31st March, 2014

Sr. No.	Nominal value of equity shares (Rs.)	No. of Shareholders	% of Total	Nominal value of shares (Rs.)	% of Total
1	Upto 5000	11395	94.55	9471340	18.63
2	5001-10,000	325	2.70	2551460	5.02
3	10,001-20,000	180	1.49	2603620	5.12
4	20,001-30,000	42	0.35	1013540	1.99
5	30,001-40,000	29	0.24	1026200	2.02
6	40,001-50,000	12	0.10	548540	1.08
7	50,001-1,00,000	30	0.25	2127580	4.18
8	1,00,001&Above	39	0.32	31501540	61.96
	Total	12052	100	50843820	100

K. Shareholding pattern as at 31st March, 2014

Category	No. of Equity Shares As at 31/03/2014	%
Directors & Relatives (Promoters Group)	2288372	45.01
Mutual Funds (UTI)	10	0.00
Banks	3760	0.07
Financial Institutions	NIL	NIL
Foreign Institutional Investors	NIL	NIL
Non-resident Indians	16397	0.32
Bodies Corporate	92080	1.81
Others (Public)	2683763	52.79
Total	5084382	100.00

L. Dematerialization of Equity Shares as at 31st March, 2014

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	%	No. of Shares	%
No. of Demat Shares				
- NSDL	2486272	48.90	2194448	41.58
- CDSL	2207870	43.42	2677782	50.74
No. of Physical Shares	390240	7.68	405270	7.68
Total	5084382	100	5277500	100

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

N. Share Transfer System :

Shares lodged for transfer upto 31st March, 2014 in physical form are processed and duly transferred share certificates are sent within 30 days of receipt of the valid documents. The shares are normally transferred at an interval of 15 days by M/s. MCS Ltd.

O. Financial Calendar for the year 2014 - 2015

First quarterly results	By 14th August, 2014
Half Yearly results	By 14th November, 2014
Dividend payment, if any	By 29th October, 2014
Third quarterly results	By 14th February, 2015
Fourth quarterly results alongwith Audited	
Annual Results for the year 2014-2015	By 30th May, 2015
Annual General Meeting for the year 2014-15	By 30th September, 2015



SHRI DINESH MILLS LTD.

P. Address for Correspondence

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

MCS Ltd.

Unit : Shri Dinesh Mills Ltd.

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

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

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

Q. COST AUDITOR

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

Membership No. : 29352

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

Phone No. : 9723642678

Email : zankhi84@yahoo.in

Due Date of Filing

of Cost Audit Report : 27th September, 2014

Actual Date of Filing

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

R. COMPLIANCE OFFICER

Name : Shri J.B. Sojitra

Designation : Asst. Vice President & Company Secretary

Address : Shri Dinesh Mills Limited

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

Phone Nos. (0265) 2330060/61/62/63/64/65

Fax No. (0265) 2336195

Email : sojitra@dineshmills.com

Website : www.dineshmills.com

ANNEXURE: D
Auditors' Certificate

To,
Shri Dinesh Mills Limited,
Padra Road,
Vadodara - 390 020

We have examined the compliance of corporate governance for the year ended on 31.03.2014 as stipulated in clause 49 of the listing agreement of the said company with stock exchanges.

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

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

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

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

For and on behalf of
Dhirubhai Shah & Doshi
Chartered Accountants
Firm's Registration Number: 102511W

Kaushik D. Shah
Partner
Membership No.016502

Place : Vadodara
Date : 30.05.2014

Independent Auditor's Report
To the Members of Shri Dinesh Mills Limited
Report on the Financial Statements

We have audited the accompanying financial statements of Shri Dinesh Mills Limited ('the Company') which comprise the balance sheet as at 31st March 2014, the statement of profit and loss and the cash flow for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of



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India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31st March 2014;
- (ii) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- (iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the companies (Auditor's Report) Order , 2003 ("the Order") issued by the central government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the balance sheet, statement of profit and loss and cash flow Statement dealt with by this Report are in agreement with the books of account; and
 - d. in our opinion, the balance sheet, statement of profit and loss and cash flow statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and
 - e. On the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of
Dhirubhai Shah & Doshi
Chartered Accountants
Firm's Registration Number: 102511W

Kaushik D Shah
Partner
Membership Number: 016502

Place : Vadodara
Date: May 30th, 2014

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Shri Dinesh Mills Limited on the financial statements for the year ended 31st March, 2014.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
 - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
 - (b) The Company has taken unsecured loans, from nine parties covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was Rs. 261.73 Lacs and the year-end balance of such loans aggregates to Rs. 166.45Lacs. The Company has not taken any loan, secured or unsecured, from the companies and firms covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (c) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
 - (d) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts as stipulated and is also regular in payment of interest.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
- vi. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules prescribed by the Central Government under Section 209(1)(d) of the Act for maintenance of cost records, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of excise duty and income tax as at 31st March, 2014 which have not been deposited on account of a dispute are as follows:

Name of the Statute	Nature of Dues	Amount* (Rs. in Lacs)	Period	Forum where dispute is pending
Income Tax Act, 1961	Disallowance under Business Income	8.92	A.Y. 2002-03	High Court, Gujarat
	Disallowance under Business Income	42.95	A.Y. 2007-08	Income Tax Appellate Tribunal, Ahmedabad
	Disallowance under Business Income	148.35	A.Y. 2008-09	Income Tax Appellate Tribunal, Ahmedabad



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	Disallowance under Business Income	141.03	A.Y. 2009-10	Income Tax Appellate Tribunal, Ahmedabad
	Disallowance under Business Income	170.88	A.Y. 2010-11	Income Tax Appellate Tribunal, Ahmedabad
	Disallowance under Business Income	202.65	A.Y. 2011-12	Commissioner of Income Tax (Appeals), Vadodara
The Central Excise Act, 1944	Disallowed Modvat credit taken on capital goods	4.94	1998-99	Joint Commissioner of Central Excise, Surat-II
	Excise duty on blended yarn	2.73	1998-99	Dy. Commissioner of Central Excise and Custom, Ankleshwar
	Disallowance of Cenvat Credit	0.50	2005-2011	Asst. Commissioner of Central Excise & Custom, Baroda
	Excise Duty on Polyester Tops	200.64	2004-08	Central Excise and Custom Appellant Tribunal, Ahmedabad
	Excise Duty on Polyester Tops	2.47	2008-09	Central Excise and Custom Appellant Tribunal, Ahmedabad
	Excise Duty on Polyester Tops	3.31	2009-10	Central Excise and Custom Appellant Tribunal, Ahmedabad

* Net of amount deposited

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

- x. The Company has no accumulated losses as at 31st March, 2014 and it has not incurred any cash losses in the current and immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.
- xiv. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- xv. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- xvi. In our opinion and according to the information and explanations given to us by the management, term loans are applied for the purpose for which the loans were obtained.
- xvii. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xix. The Company has not issued any debenture during the year.
- xx. The Company has not raised any money by public issues during the year.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
- xxii. The other clauses, (iii)(b), (iii)(c), (iii)(d), (v)(b) of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable in the case of the Company for the year, since in our opinion there is no matter which arises to be reported in the aforesaid Order.

For and on behalf of
Dhirubhai Shah & Doshi
Chartered Accountants
Firm's Registration Number: 102511W

Kaushik D. Shah
Partner
Membership No. 016502

Place : Vadodara
Date : 30th May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note No.	(Rs. In lacs)	
		As at 31st March, 2014	As at 31st March, 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
Share Capital	1	508.44	527.75
Reserves and Surplus	2	9,457.66	9,274.28
2 Non-Current Liabilities			
Long- term borrowings	3	1,419.66	1,759.61
Deferred tax Liabilities (Net)	4	741.23	789.81
Other Long Term Liabilities	5	493.45	551.42
Long Term Provisions	6	258.67	254.85
3 Current Liabilities			
Short term borrowings	7	261.71	141.37
Trade Payables	8	174.82	155.50
Other Current Liabilities	9	1,942.73	1,942.22
Short Term Provisions	10	140.73	145.56
TOTAL		15,399.10	15,542.37
II. ASSETS			
1 Non-Current Assets			
Fixed assets	11		
(i) Tangible assets		6,213.79	6,270.10
(ii) Capital work-in-progress		-	205.84
Non-current investments	12	2,022.84	2,144.07
Long term loans and advances	13	90.20	77.11
2 Current assets			
Inventories	14	3,216.68	4,035.49
Trade Receivables	15	1,264.65	1,122.68
Cash and Bank balances	16	2,249.98	1,446.45
Short Term Loans and Advances	17	207.35	181.00
Other Current Assets	18	133.61	59.63
TOTAL		15,399.10	15,542.37

The Notes form an integral part
of these financial statements

1 to 34

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

Kaushik D. Shah
Partner
Membership No.: 016502
Vadodara, May 30th, 2014

N. U. Patel
Managing Director

J. B. Sojitra
Company Secretary
Vadodara, May 30th, 2014

For and on behalf of the Board of Directors

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

B. B. Patel
Vice President - Finance (CFO)



SHRI DINESH MILLS LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. In lacs)

Particulars	Note No.	Year ended 31st March, 2014	Year ended 31st March, 2013
I. Revenue from Operations	19	8,609.86	8,633.21
II. Other Income	20	330.99	241.44
III. Total Revenue (I + II)		8,940.85	8,874.65
IV. Expenses:			
Cost of Materials Consumed	21	2,287.41	2,839.72
Purchases of Stock-in-Trade	21	14.94	1.80
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	22	460.93	(190.44)
Employee Benefits Expense	23	2,376.15	2,436.71
Finance Costs	24	325.56	370.64
Depreciation and Amortization Expense	11	1,029.71	974.79
Other Expenses	25	1,892.40	2,049.23
Total Expenses		8,387.10	8,482.45
V. Profit before exceptional items and tax (III-IV)		553.75	392.20
VI. Exceptional items	26	11.31	17.66
VII. Profit before tax (V + VI)		565.06	409.86
VIII. Tax expense:			
(1) Current tax		180.90	94.10
(2) Deferred tax		(48.58)	6.71
IX. Profit for the year (VII-VIII)		432.74	309.05
X. Earnings per equity share of Rs. 10 each	28		
(1) Basic		8.42	5.86
(2) Diluted		8.42	5.86
The notes form an integral part of these financial statements	1 to 34		

As per our Report of even date

For and on behalf of the Board of Directors

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

N. U. Patel
Managing Director

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

Kaushik D. Shah
Partner
Membership No.: 016502
Vadodara, May 30th, 2014

J. B. Sojitra
Company Secretary
Vadodara, May 30th, 2014

B. B. Patel
Vice President - Finance (CFO)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	(Rs. In lacs)	
	2013-14	2012-13
A. Cash flow from operating Activity		
Net Profit Before Tax	<u>565.06</u>	<u>409.86</u>
Adjustments For:		
Depreciation	1,029.71	974.79
Interest & Financial Expenses	325.56	370.64
Loss on sales of assets	0.20	0.28
Dividend Income	(171.16)	(124.91)
Interest received on deposits	(52.21)	(38.15)
Capital Gain on redemption of Investment	(1.16)	(7.02)
	<u>1,130.94</u>	<u>1,175.63</u>
Operation profit before working capital changes	<u>1,696.00</u>	<u>1,585.49</u>
Adjustment For:		
Inventories	818.81	(53.99)
Trade Receivables	(141.97)	32.25
Loans & Advances and Other Assets	(113.42)	72.35
Trade Payables & Other liabilities and Provisions	(253.67)	(124.62)
Tax paid	<u>(91.43)</u>	<u>(94.10)</u>
Cash Generated from Operations	<u>1,914.32</u>	<u>1,417.38</u>
B. Cash Flow from Investment Activities		
Purchase of Fixed Assets (Net of sales)	(767.76)	(391.79)
(Purchase)/ Redemption of Investment	122.39	22.48
Dividend Income	171.16	124.91
Interest received	52.21	38.15
Net Cash Flow from Investment Activity	<u>(422.00)</u>	<u>(206.25)</u>
C. Cash Flow from Financial Activities:		
Buy Back of Shares	(161.61)	0.00
Proceeds/(Repayment) from Borrowings	(91.21)	(650.52)
Dividends Paid (Incl. Dividend Distribution Tax)	(110.41)	(122.67)
Interest & Financial Expenses	(325.56)	(370.64)
Net Cash Flow from Financial Activities	<u>(688.79)</u>	<u>(1,143.83)</u>
Total of Cash Flow (A+B+C)	<u>803.53</u>	<u>67.30</u>
Opening Cash & Cash equivalent	<u>1,446.45</u>	<u>1,379.15</u>
Closing Cash & Cash equivalent	<u>2,249.98</u>	<u>1,446.45</u>

Note:

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

As per our Report of even date	For and on behalf of the Board of Directors	
For Dhirubhai Shah & Doshi	N. U. Patel	B. U. Patel
Chartered Accountants	Managing Director	Chairman & Managing Director (CEO)
Firm's Registration Number: 102511W		
Kaushik D. Shah	J. B. Sojitra	B. B. Patel
Partner	Company Secretary	Vice President - Finance (CFO)
Membership No.: 016502		
Vadodara, May 30th, 2014	Vadodara, May 30th, 2014	



SHRI DINESH MILLS LTD.

NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at 31st March, 2014	(Rs. In lacs)
		As at 31st March, 2013
NOTE:1 SHARE CAPITAL		
Authorised		
9,500,000 Equity Shares of Rs 10/- each	950.00	950.00
50,000 unclassified Shares of Rs. 100/-	50.00	50.00
	1,000.00	1,000.00
Issued, Subscribed & Paid up		
5,084,382 (P.Y. 5,277,500) Equity Shares of Rs 10/- each fully paid	508.44	527.75
Total	508.44	527.75

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

	(Rs. In Lacs)			
	No. of Shares	As at 31st March, 2014	No. of Shares	As at 31st March, 2013
Shares outstanding at beginning of the year	5,277,500	527.75	5,277,500	527.75
Less: * Buy Back of Equity shares	193,118	19.31	-	-
Shares outstanding at end of the year	5,084,382	508.44	5,277,500	527.75

* During the year the Company has bought back 193118 Equity shares at a premium out of General Reserves and amount equal to nominal value of bought back shares i.e Rs.19.31 lacs has been transferred from General Reserve to Capital Redemption Reserve.

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

Name of the Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shri U.M.Patel	531,655	10.46	531,655	10.07
Shri B.U.Patel	491,710	9.67	491,710	9.32
Shri N.U.Patel	643,998	12.67	643,998	12.20

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

1.4 The Company has only one class of equity shares having a par value of Rs.10 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

NOTES TO THE FINANCIAL STATEMENTS

Particulars	(Rs. In lacs)	
	As at 31st March, 2014	As at 31st March, 2013
NOTE: 2 RESERVES & SURPLUS		
a. Capital Redemption Reserve		
Opening Balance	-	-
(+) Current Year Transfer from General Reserve	19.31	-
Closing Balance	19.31	-
b. General Reserve		
Opening Balance	9,085.73	8,835.73
(+) Current Year Transfer	325.00	250.00
(-) Utilization for Buy Back of Share	142.29	-
(-) Transfer to Capital Redemption Reserve	19.31	-
Closing Balance	9,249.13	9,085.73
c. Surplus		
Opening balance	188.55	239.91
(+) Net Profit For the current year	432.74	309.05
(-) Proposed Dividends	107.07	110.41
(-) Transfer to Reserves	325.00	250.00
Closing Balance	189.22	188.55
Total	9,457.66	9,274.28

NOTE: 3 LONG TERM BORROWINGS

Term loans (Term loan under Technology Upgradation Fund Scheme is secured by way of hypothecation of machineries purchased therefrom.)	1,419.66	1,563.74
Deposits :		
From Directors & Shareholders	-	129.65
From Public	-	66.22
Total	1,419.66	1,759.61

3.1 TERMS OF REPAYMENT OF TERM LOANS

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



SHRI DINESH MILLS LTD.

NOTES TO THE FINANCIAL STATEMENTS

(Rs. In lacs)

Particulars

NOTE: 4 DEFERRED TAX LIABILITY

	As on 31.03.2013	Charge / (Credit) during the year	As on 31.03.2014
Deferred Tax Liability on account of :			
(I) Depreciation	858.65	(47.35)	811.30
Deferred Tax Assets on account of :			
(I) Expenses allowable for tax purpose when paid (Octroi)	15.31	-	15.31
(II) Unencashed leave (Employees & Director)	45.46	0.09	45.55
(III) Gratuity	8.07	1.14	9.21
	<u>68.84</u>	<u>1.23</u>	<u>70.07</u>
Net Deferred tax Liabilities / (Assets)	<u>789.81</u>	<u>(48.58)</u>	<u>741.23</u>

	(Rs. In lacs) As at 31st March 2014	As at 31st March 2013
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NOTE: 5 OTHER LONG TERM LIABILITIES

Trade Deposits	236.16	246.72
Octroi Liability	63.49	63.49
Outstanding Expenses	193.80	241.21
Total	<u>493.45</u>	<u>551.42</u>

NOTE: 6 LONG TERM PROVISIONS

Provision for employee benefits:

Gratuity	28.38	149.16
Leave Encashment	127.84	127.36
Provisions for Medical/LTA/allowances, etc.	52.45	58.75
Provision for Tax (net of advance tax, TDS, self asst. tax)	50.00	(80.42)
Total	<u>258.67</u>	<u>254.85</u>

NOTE: 7 SHORT TERM BORROWINGS

Secured

Cash credit	(61.12)	(163.57)
Cash credits from Banks, against hypothecation of Raw materials, Stores, Spare parts, Finished goods and Work-in-progress		

Unsecured

Deposits :

From Directors & Shareholders	232.30	242.55
From Public	90.53	62.39
Total	<u>261.71</u>	<u>141.37</u>

NOTES TO THE FINANCIAL STATEMENTS

Particulars	(Rs. In lacs)	
	As at 31st March, 2014	As at 31st March, 2013
NOTE: 8 TRADE PAYABLES		
Micro, Small and Medium Enterprises	-	-
Others	174.82	155.50
Total	174.82	155.50

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

Particulars

Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

NOTE: 9 OTHER CURRENT LIABILITIES

Current Maturities of Long Term Debts	774.72	646.33
Interest accrued but not due	76.50	83.21
Unclaimed dividends	21.17	21.38
Unclaimed matured deposits and interest	17.64	4.79
Other Payables :		
Advance from Customers	504.60	606.43
Statutory dues	126.62	139.24
Other provision for expenses	421.48	440.84
Total	1,942.73	1,942.22

9.1 There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31st March, 2014.

NOTE: 10 SHORT TERM PROVISIONS

Dues to Directors	15.72	15.72
Provision for employee benefits:		
Leave Encashment	17.94	19.43
Provisions for Dividend and Dividend Tax	107.07	110.41
Total	140.73	145.56

NOTES TO THE FINANCIAL STATEMENTS

(Rs. In lacs)

NOTE: 11 FIXED ASSETS

Fixed Asset	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 1st April, 2013	Additions/ (Disposals)	Balance as at 31st March, 2014	Balance as at 1st April, 2013	Depreciation for the year	Adjustment/ Deduction	Balance as at 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
(A) Tangible Assets									
Land	321.25	-	321.25	-	-	-	-	321.25	321.25
Assets under lease	6.00	(0.09)	5.91	-	-	-	-	5.91	6.00
Buildings	573.13	(14.09)	559.04	354.88	15.67	0.94	369.61	189.43	218.25
Plant and Equipment	16,842.66	963.76	17,806.42	11,326.60	965.68	-	12,292.28	5,514.13	5,516.06
Furniture and Dead stock	286.67	3.98	290.65	219.98	9.56	0.05	229.49	61.16	66.69
Vehicles	333.08	(9.52)	323.56	212.09	37.82	28.29	221.62	101.94	120.99
Electrical Installations	97.92	-	97.92	81.24	0.68	-	81.92	16.00	16.68
Tubewell and waterworks	10.07	-	10.07	5.91	0.20	-	6.11	3.96	4.16
Drainage installation	0.14	-	0.14	0.12	0.01	-	0.13	0.01	0.02
Sub Total	18,470.92	944.04	19,414.96	12,200.82	1,029.62	29.28	13,201.16	6,213.79	6,270.10
(B) Intangible Assets									
Computer Software	9.78	-	9.78	9.78	-	-	9.78	-	-
Total	18,480.70	944.04	19,424.74	12,210.60	1,029.62	29.28	13,210.94	6,213.79	6,270.10
Previous Year's Total	18,264.05	216.65	18,480.70	11,253.45	974.79	17.64	12,210.60	6,270.10	
<p>11.1 Gross Block is carried at cost except Leasehold Land which is at cost less amounts written off.</p> <p>11.2 Amount written off Rs.0.09 Lacs of Leasehold Land has been debited to Profit & Loss Account under the head "Depreciation and Amortization Expense"</p> <p>11.3 Buildings includes Rs. 750/- being the cost of shares in Co-operative Society (Previous year Rs. 750/-)</p>									



NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at 31st March, 2014	(Rs. In lacs) As at 31st March, 2013
NOTE: 12 NON CURRENT INVESTMENTS		
Investment in Equity instruments:		
In fully paid shares		
Unquoted:		
50 Equity Shares of Rs. 100/- each in Gujarat Sheep & Wool Development Corporation Limited	0.05	0.05
186265 (144946) Equity Shares of Rs. 10/- each in Narmada Cleantech Limited	18.63	14.49
Others:		
400 Equity Shares of Rs. 25/- each in Co-operative Bank of Baroda Limited	0.10	0.10
13098095 (13098095) Equity shares of Rs 10/- each in Dinesh Remedies Limited - Subsidiary	1,309.81	1,309.81
Investments in Government or Trust securities:		
50,000 11.50% GOI Securities - 2015	55.90	55.90
20,000 6.90% GOI Securities - 2019	18.76	18.76
Investments in Mutual Funds:		
775325.887 (775325.887) Units of HDFC Prudence	252.01	252.01
800645.406 (800645.406) Units of SBI balance Fund	242.58	242.58
436220.847 (436220.847) Units of FT India Balance Fund	125.00	125.00
NIL (232001.127) Units of TATA Balance Fund	-	125.00
NIL (36728) Units of Reliance Mutual Fund	-	0.37
Total	2,022.84	2,144.07
NOTE: 13 LONG TERM LOANS & ADVANCES		
(Unsecured, considered good)		
Security Deposits	90.20	77.11
Total	90.20	77.11



SHRI DINESH MILLS LTD.

NOTES TO THE FINANCIAL STATEMENTS

Particulars	(Rs. In lacs)	
	As at 31st March, 2014	As at 31st March, 2013
NOTE: 14 INVENTORIES		
a. Raw Materials	733.66	974.86
b. Work-in-progress	1,040.96	1,301.78
c. Finished goods	1,081.50	1,278.47
d. Stores and spares	360.56	480.38
Total	3,216.68	4,035.49
14.1 DETAILS OF RAW MATERIALS		
Imported:		
Wool	99.97	513.45
Yarn	287.57	171.06
Fibre	139.86	43.02
Miscellaneous	1.91	1.91
Indigeneous:		
Wool	6.59	-
Yarn	141.00	153.35
Fibre	56.58	91.80
Miscellaneous	0.18	0.27
Total	733.66	974.86
14.2 DETAILS OF WORK-IN-PROGRESS		
Woollen worsted	699.36	975.28
Felt	341.60	326.50
Total	1040.96	1,301.78
14.3 DETAILS OF FINISHED GOODS		
Woolen/ Worsted Fabrics	591.27	765.31
Felt	488.42	511.25
Readymade Garments	1.81	1.91
Total	1,081.50	1,278.47

NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at 31st March, 2014	(Rs. In lacs) As at 31st March, 2013
NOTE: 15 TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	164.88	112.06
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
Sub total	164.88	112.06
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	1,099.77	1,010.62
Total	1,264.65	1,122.68
NOTE: 16 CASH AND BANK BALANCES		
Bank Balances:		
In Current Account	265.72	279.94
In Fixed Deposit Account (having maturity period less than 3 months)	1,979.59	1,164.12
	2,245.31	1,444.06
Cash on hand	4.67	2.39
Total	2,249.98	1,446.45
NOTE: 17 SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Loans and advances to related parties	0.05	0.41
Other loans and advances	0.27	0.28
Statutory dues (net of tax provisions)	116.71	82.95
Advance to Suppliers	82.92	93.19
Prepaid Expenses	7.40	4.17
Total	207.35	181.00
NOTE: 18 OTHER CURRENT ASSETS		
Interest and Dividend Receivables on investments	16.37	2.31
Interest Subsidy receivables	117.24	57.32
Total	133.61	59.63



SHRI DINESH MILLS LTD.

NOTES TO THE FINANCIAL STATEMENTS

(Rs. In lacs)

Particulars	2013-14	2012-13
NOTE: 19 REVENUE FROM OPERATIONS		
Sale of products	9,202.16	9,207.02
Less:		
Excise duty	592.30	573.81
Total	8,609.86	8,633.21
NOTE: 20 OTHER INCOME		
Interest Income	52.21	38.15
Dividend Income	171.16	124.91
Miscellaneous Income	107.62	78.38
Total	330.99	241.44
NOTE: 21 COST OF MATERIALS CONSUMED		
Wool	511.29	813.04
Synthetic Fibre	843.50	945.25
Yarn	911.45	1,059.01
Others	21.17	22.42
Total	2,287.41	2,839.72
GOODS - TRADED - IN :		
Ready Made Garments	14.94	1.80
2013-14		
2012-13		
21.1 Imported & Indigenous	VALUE	%
Raw material consumed	(Rs. In lacs)	(Rs. In lacs)
Imported	1,468.34	64.19
Indigenous	819.07	35.81
Total	2,287.41	100.00
NOTE: 22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories (at close):		
Work -in- Process	1,040.96	1,301.78
Finished Goods	1,081.50	1,278.47
	2,122.46	2,580.25
Inventories (at commencement):		
Work -in- Process	1,301.78	1,305.64
Finished Goods	1,278.47	1,069.96
	2,580.25	2,375.60
	457.79	(204.65)
Excise duty variations on opening/closing stocks	3.14	14.21
Total	460.93	(190.44)

NOTES TO THE FINANCIAL STATEMENTS

(Rs. In lacs)

Particulars	2013-14	2012-13
NOTE: 23 EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	2,098.82	2,027.74
Contributions to -		
Provident fund, Superannuation scheme & Other funds	227.36	357.75
Employees' State Insurance Scheme	40.24	40.82
Staff welfare expenses	9.73	10.40
Total	2,376.15	2,436.71

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

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

Present value of Obligations as at the beginning of the year	861.04	778.11
Current Service Cost	39.71	37.67
Interest Cost	68.88	66.14
Benefit Paid	(111.17)	(93.10)
Actuarial Losses / (Gains) on obligations	(45.14)	72.22
Present value of Obligations as at the end of the year	813.33	861.04

(II) Changes in Fair Value of plan assets

Fair value of plan assets as at the beginning of the year	736.77	691.94
Expected return on Plan Assets	64.10	55.35
Contributions	124.28	88.92
Benefits Paid	(111.17)	(93.10)
Actuarial Losses / (Gains) on Plan Assets	8.24	(6.34)
Fair value of plan assets as at the end of the year	822.22	736.77

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

Present value of obligation as at end of the year	813.33	861.04
Fair Value of Plan assets as at the end of the year	822.22	736.77
Funded Status	8.89	(124.27)
Net Asset / (Liability) recognised in the Balance Sheet	8.89	(124.27)

(IV) Expenses recognized in the Profit and Loss Account

Service Cost	39.71	37.67
Interest Cost	68.88	66.14
Expected return on Plan Assets	64.10	55.35
Net Actuarial Losses / (Gains) on Plan Assets for the period	(53.38)	78.56
Expenses recognised in Profit and Loss account	(8.88)	127.02

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

Government of India Securities	13.54%	15.07%
BOB Special Deposit Scheme	16.12%	17.94%
Fixed Deposit with Scheduled Bank	21.92%	31.64%

(VI) Assumptions:

	LIC (2006-08) Ult	LIC (1994-96) Ult
Mortality		
Discount rate (per annum)	9.35%	8.00%
Rate of increase in compensation	5.00%	5.00%
Rate of return (expected) on plan assets	8.70%	8.70%
Present value of obligation	813.33	861.04
Fair value of plan assets	822.22	736.77
Surplus or (Deficit) in the plan	8.89	(124.27)



SHRI DINESH MILLS LTD.

NOTES TO THE FINANCIAL STATEMENTS

(Rs. In lacs)

Particulars	2013-14	2012-13
NOTE: 24 FINANCE COST		
Interest expenses	311.67	358.40
Other borrowing costs	13.89	12.24
Total	325.56	370.64
NOTE: 25 OTHER EXPENSES		
Stores Consumed	319.97	342.34
Electricity, Power and Fuel	232.87	291.02
Rent	1.63	1.49
Commission	152.58	150.12
Cash Discount	202.42	205.95
Repairs to Building	14.41	38.91
Repairs to Machinery	314.28	322.22
Repairs to Others	16.10	25.12
Insurance	18.10	17.44
Rates and Taxes	28.85	23.95
Payments to Auditors	4.56	4.59
Advertisement and Publicity	32.71	48.15
Legal & Professional Fees	132.41	143.50
Travelling and Conveyance	171.46	160.02
Miscellaneous Expenses	250.05	274.41
Total	1,892.40	2,049.23
25.1 DETAILS OF STORES CONSUMED		
Imported	3.48	28.76
Indigenous	316.49	313.58
Total	319.97	342.34
25.2 PAYMENT TO AUDITORS AS:		
i) Audit Fees	3.76	3.76
ii) For expenses	0.43	0.49
Sub Total	4.19	4.25
Cost Auditors :		
i) As auditors	0.37	0.34
Total	4.56	4.59
NOTE: 26 EXCEPTIONAL ITEMS		
Credit Balance written back	10.57	16.37
Excess Depreciation Written Back	0.94	-
Profit on sale of assets (net)	(0.20)	1.29
Total	11.31	17.66

NOTES TO THE FINANCIAL STATEMENTS

(Rs. In lacs)

Particulars	2013-14	2012-13
NOTE: 27 C.I.F. VALUE OF IMPORTS, EXPENDITURE AND EARNINGS IN FOREIGN CURRENCY		
(A) C.I.F. Value of imports :		
Raw Materials	1,067.59	1,525.76
Capital Goods	875.05	87.92
(B) Expenditure in Foreign currencies:		
Commission	37.86	24.59
Travelling expenses	55.04	54.31
Other matters	37.38	25.97
(C) Earnings in Foreign currencies:		
F.O.B. value of Exports	534.22	465.58
Others	-	-

NOTE: 28 EARNINGS PER SHARE (EPS)

Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. In Lacs)	432.74	309.05
Weighted Average number of equity shares used as denominator for calculating EPS	5,141,285	5,277,500
Basic and Diluted Earnings per share (Rs.)	8.42	5.86
Face Value per equity share (Rs.)	10.00	10.00

NOTE: 29 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF

Workers' demand - matter under appeal	35.96	40.32
Claims against the company not acknowledged as debts	-	3.02
Income tax Demands (including interest)- matter under appeal	714.78	533.43
Excise matter under appeal	214.59	8.17

NOTE: 30

Estimated amount of contracts remaining to be executed on Capital Account (net of advance payment) Rs. NIL (previous year Rs. 611.70 Lacs)



SHRI DINESH MILLS LTD.

NOTES TO THE FINANCIAL STATEMENTS

NOTE:31 RELATED PARTY INFORMATION

(A) Name of related party and nature of relationship

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

(B) Transactions with related party

Name of Related Party	Relationship	Nature of Transaction	Amount		Outstanding Balance	
			2013-14 (Rs. in Lacs)	2012-13 (Rs. in Lacs)	2013-14 (Rs. in Lacs)	2012-13 (Rs. in Lacs)
1. Dinesh Remedies Limited	Subsidiary	Advance given during the year	0.55	0.95	0.05	0.41
2. Chairman Emeritus Shri U.M.Patel	Key Management Personnel:	Fixed Deposits received	5.00	35.00	40.00	40.00
		Interest Paid	2.37	4.06	-	-
3. Chairman and Managing Director Shri B.U.Patel	-- do --	Remueration	100.08	100.13	7.72	7.72
		Fixed Deposits received	-	2.00	2.00	87.50
		Interest Paid	2.98	13.97	-	-
4. Managing Director Shri N.U.Patel	-- do --	Remueration	100.08	100.69	8.00	8.00
		Fixed Deposits received	2.00	-	2.00	2.00
		Interest Paid	0.19	0.19	-	-
5. Relatives of Key Management Personnel		Fixed Deposits received	61.60	65.15	122.45	126.60
		Interest Paid	12.30	12.18	-	-
		Salary	11.13	10.57	-	-
6. Shri Dinesh Foundation	Key Management Personnel are Trustee	Donation	-	5.00	-	-
7. Shri Maganbhai B. Patel's Charity Trust	Key Management Personnel are Trustee	Donation	-	5.00	-	-

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

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

NOTES TO THE FINANCIAL STATEMENTS

Note: 32 Segment Information

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

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

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

Information of geographical segment:

Particulars	Year	In India	Outside India	Total
Segment Revenue	2013-14	8,073.15	536.71	8,609.86
	2012-13	8,165.66	467.55	8,633.21
Carrying cost of Assets by location of Assets	2013-14	15399.10	-	15,399.10
	2012-13	15,622.79	-	15,622.79
Additions to Assets and Intangible	2013-14	738.24	-	738.24
	2012-13	422.49	-	422.49

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

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

As per our Report of even date	For and on behalf of the Board of Directors	
For Dhirubhai Shah & Doshi Chartered Accountants Firm's Registration Number: 102511W	N. U. Patel Managing Director	B. U. Patel Chairman & Managing Director (CEO)
Kaushik D. Shah Partner Membership No.: 016502 Vadodara, May 30th, 2014	J. B. Sojitra Company Secretary Vadodara, May 30th, 2014	B. B. Patel Vice President - Finance (CFO)



SHRI DINESH MILLS LTD.

Annexure I referred to in note 33 to the Financial Statement (2013-14) on significant Accounting Policies

1. System of Accounting :

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

2. Fixed Assets and Depreciation :

A. Fixed Assets

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

B Depreciation and Amortisation

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

3. Investments :

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

4. Inventories :

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

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

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

5. Foreign Currency Transactions :

- i) Initial Recognition:

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

- ii) Conversion:

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

- iii) Exchange Differences:

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

6. Revenue Recognition :

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

7. Employee Benefits :

- i) Defined Contribution Plan

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

- ii) Defined Benefit Plan

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

At the reporting date Company's liabilities towards gratuity is determined by independent actuarial valuation using the projected unit credit method. Actuarial gain and losses are



SHRI DINESH MILLS LTD.

recognized immediately in the statement of Profit and Loss account as income or expenses.

iii) **Other defined benefits**

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

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

8. Taxation :

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

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

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

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

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

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

9. Government Subsidy :

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

ii) Revenue subsidies for expenses incurred are reduced from the respective expenses.

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

10. Borrowing Costs :

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

11. Provisions :

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

12. Impairment of Assets :

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

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF SHRI DINESH MILLS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Shri Dinesh Mills Limited (the "Group") which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

- (i) in the case of the consolidated balance sheet, of the state of affairs of the Company as at 31st March 2014;
- (ii) in the case of the consolidated statement of profit and loss, of the profit for the year ended on that date; and
- (iii) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For and on behalf of
Dhirubhai Shah & Doshi
Chartered Accountants
Firm's Registration Number: 102511W

Kaushik D. Shah
Partner
Membership No. 016502

Place : Vadodara
Date : 30th, May 2014



SHRI DINESH MILLS LTD.

CONSOLIDATED BALANCE SHEET OF SHRI DINESH MILLS LIMITED AND ITS SUBSIDIARY AS AT 31ST MARCH, 2014

Particulars	Note No.	(Rs. In lacs)	
		As at 31st March, 2014	As at 31st March, 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
Share Capital	1	508.44	527.75
Reserves and Surplus	2	9,256.03	9,018.33
Minority Interest		892.65	849.17
2 Non-Current Liabilities			
Long- term borrowings	3	1,979.50	2,397.19
Deferred tax Liabilities (Net)	4	741.23	789.81
Other Long Term Liabilities	5	493.45	551.42
Long Term Provisions	6	255.27	253.13
3 Current Liabilities			
Short term borrowings	7	315.47	318.11
Trade Payables	8	363.75	345.22
Other Current Liabilities	9	2,140.26	2,198.44
Short Term Provisions	10	142.26	146.11
TOTAL		17,088.31	17,394.68
II. ASSETS			
1 Non-Current Assets			
Fixed assets	11		
(i) Tangible assets		8,393.91	8,591.92
(ii) Capital work-in-progress		-	205.84
Non-current investments	12	713.03	834.26
Long term loans and advances	13	121.83	108.74
2 Current assets			
Inventories	14	3,317.96	4,143.51
Trade Receivables	15	1,894.69	1,713.22
Cash and Bank balances	16	2,252.65	1,453.99
Short Term Loans and Advances	17	260.63	283.57
Other Current Assets	18	133.61	59.63
TOTAL		17,088.31	17,394.68

The Notes form an integral part of these financial statements

1 to 34

As per our Report of even date	For and on behalf of the Board of Directors	
For Dhirubhai Shah & Doshi	N. U. Patel	B. U. Patel
Chartered Accountants	Managing Director	Chairman & Managing Director (CEO)
Firm's Registration Number: 102511W		
Kaushik D. Shah	J. B. Sojitra	B. B. Patel
Partner	Company Secretary	Vice President - Finance (CFO)
Membership No.: 016502		
Vadodara, May 30th, 2014	Vadodara, May 30th, 2014	



SHRI DINESH MILLS LTD.

**CONSOLIDATED PROFIT & LOSS ACCOUNT OF SHRI DINESH MILLS LIMITED AND ITS
SUBSIDIARY FOR THE YEAR ENDED 31ST MARCH, 2014**

Particulars	Note No.	(Rs. In lacs)	
		Year ended 31st March, 2014	Year ended 31st March, 2013
I. Revenue from Operations	19	10,637.09	10,539.27
II. Other Income	20	342.73	246.42
III. Total Revenue (I + II)		<u>10,979.82</u>	<u>10,785.69</u>
IV. Expenses:			
Cost of Materials Consumed	21	3,156.58	3,567.76
Purchases of Stock-in-Trade	21	14.94	1.80
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	22	451.67	(179.41)
Employee Benefits Expense	23	2,595.04	2,652.10
Finance Costs	24	434.49	468.69
Depreciation and Amortization Expense	11	1,176.30	1,115.95
Other Expenses	25	2,474.38	2,620.85
Total Expenses		<u>10,303.40</u>	<u>10,247.74</u>
V. Profit before exceptional items and tax (III-IV)		676.42	537.95
VI. Exceptional items	26	11.31	17.50
VII. Profit before tax (V + VI)		687.73	555.45
VIII. Tax expense:			
(1) Current tax		205.73	95.63
(2) Deferred tax		(48.58)	6.71
IX. Profit (Loss) for the year before Minority Interest		<u>530.58</u>	<u>453.11</u>
Less: Profit transferred to Minority Interest		43.52	64.05
Profit (Loss) for the year after Minority Interest		<u>487.06</u>	<u>389.06</u>
X. Earnings per equity share of Rs. 10 each	28		
(1) Basic		9.47	7.37
(2) Diluted		9.47	7.37

The notes form an integral part of
these financial statements

1 to 34

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

Kaushik D. Shah
Partner
Membership No.: 016502
Vadodara, May 30th, 2014

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

J. B. Sojitra
Company Secretary
Vadodara, May 30th, 2014

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

B. B. Patel
Vice President - Finance (CFO)



SHRI DINESH MILLS LTD.

**CONSOLIDATED CASH FLOW STATEMENT OF SHRI DINESH MILLS LIMITED AND ITS
SUBSIDIARY FOR THE YEAR ENDED 31ST MARCH, 2014**

Particulars	(Rs. In lacs)	
	2013-14	2012-13
A. Cash flow from operating Activity		
Net Profit/ (Loss) Before Tax	687.73	555.45
Adjustments For:		
Depreciation	1,176.30	1,115.95
Interest & Financial Expenses	434.49	468.69
Loss on sales of assets	0.20	(1.13)
Dividend Income	(171.16)	(124.91)
Interest received on deposits	(53.91)	(38.97)
Capital Gain on redemption of Investment	(1.16)	(7.02)
	1,384.76	1,412.60
Operation profit before working capital changes	2,072.49	1,968.05
Adjustment For:		
Inventories	825.55	(53.39)
Trade Receivables	(181.47)	(259.50)
Loans & Advances and Other Assets	(64.13)	65.83
Trade Payables	18.53	(117.09)
Other Liabilities & Provisions	(192.95)	(30.60)
Minority Interest	43.48	63.98
Taxes Paid	(205.73)	(95.63)
Profit charged to Minority Interest	(43.52)	(64.05)
	199.76	(490.45)
Cash Generated from Operations	2,272.25	1,477.60
B Cash Flow from Investment Activities		
Purchase of Fixed Assets (Net of sales)	(772.66)	(550.95)
(Purchase)/ Redemption of Investment	122.41	22.48
Dividend Income	171.16	124.91
Interest received	53.91	38.97
Net Cash Flow from Investment Activity	(425.18)	(364.58)
C Cash Flow from Financial Activities:		
Buy Back of Shares	(161.61)	-
Proceeds/(Repayment) from Borrowings	(341.90)	(458.08)
Dividends Paid (Incl. Dividend Distribution Tax)	(110.41)	(122.67)
Interest & Financial Expenses	(434.49)	(468.69)
Net Cash Flow from Financial Activities	(1,048.41)	(1,049.44)
Total of Cash Flow	798.66	63.58
Opening Cash & Cash equivalent	1,453.99	1390.41
Closing Cash & Cash equivalent	2252.65	1453.99

Note:

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

As per our Report of even date	For and on behalf of the Board of Directors	
For Dhirubhai Shah & Doshi	N. U. Patel	B. U. Patel
Chartered Accountants	Managing Director	Chairman & Managing Director (CEO)
Firm's Registration Number: 102511W		
Kaushik D. Shah	J. B. Sojitra	B. B. Patel
Partner	Company Secretary	Vice President - Finance (CFO)
Membership No.: 016502		
Vadodara, May 30th, 2014	Vadodara, May 30th, 2014	

NOTES FORMING PART TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2014

Particulars	As at 31st March, 2014	(Rs. In lacs)
		As at 31st March, 2013
NOTE:1 SHARE CAPITAL		
Authorised		
9,500,000 Equity Shares of Rs 10/- each	950.00	950.00
50,000 unclassified Shares of Rs. 100/-	50.00	50.00
	1,000.00	1,000.00
Issued, Subscribed & Paid up		
5084382 (P.Y. 5277500) Equity Shares of Rs 10/- each fully paid	508.44	527.75
Total	508.44	527.75

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

	No. of Shares	As at 31st March, 2014	(Rs. In Lacs)	
			No. of Shares	As at 31st March, 2013
Shares outstanding at beginning of the year	5,277,500	527.75	5,277,500	527.75
Less: * Buy Back of Equity shares	193,118	19.31	-	-
Shares outstanding at end of the year	5,084,382	508.44	5,277,500	527.75

* During the year the Company has bought back 193118 Equity shares at a premium out of General Reserves and amount equal to nominal value of bought back shares i.e Rs.19.31 lacs has been transferred from General Reserve to Capital Redemption Reserve.

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

Name of the Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shri U.M.Patel	531,655	10.46	531,655	10.07
Shri B.U.Patel	491,710	9.67	491,710	9.32
Shri N.U.Patel	643,998	12.67	643,998	12.20

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

1.4 The Company has only one class of equity shares having a par value of Rs.10 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.



SHRI DINESH MILLS LTD.

NOTES FORMING PART TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2014

Particulars	(Rs. In lacs)	
	As at 31st March, 2014	As at 31st March, 2013
NOTE: 2 RESERVES & SURPLUS		
a. Capital Redemption Reserve		
Opening Balance	-	-
(+) Current Year Transfer from General Reserve	19.31	-
Closing Balance	19.31	-
b. General Reserve		
Opening Balance	9,085.73	8,835.73
(+) Current Year Transfer	325.00	250.00
(-) Utilization for Buy Back of Share	142.29	-
(-) Transfer to Capital Redemption Reserve	19.31	-
Closing Balance	9,249.13	9,085.73
c. Surplus		
Opening balance	(67.40)	(96.05)
(+) Net Profit/(Net Loss) For the current year	487.06	389.06
(-) Proposed Dividends	107.07	110.41
(-) Transfer to Reserves	325.00	250.00
Closing Balance	(12.41)	(67.40)
Total	9,256.03	9,018.33

NOTE: 3 LONG TERM BORROWINGS

Term loans	1,979.50	2,201.32
(Term loan under Technology Upgradation Fund Scheme is secured by way of hypothecation of machineries purchased therefrom.)		
Deposits :		
From Directors & Shareholders	-	129.65
From Public	-	66.22
Total	1,979.50	2,397.19

3.1 TERMS OF REPAYMENT OF TERM LOANS

Name of Institutions	Instruments	Repayment schedule			
		Frequency	Number of Installments	Rate of Interest	First installment due
Shri Dinesh Mills Limited					
Indian Overseas Bank - II	Term Loan	Quarterly	24	12.25%	Jul-09
Indian Overseas Bank - III	Term Loan	Quarterly	24	12.25%	Aug-10
South Indian Bank - II	Term Loan	Quarterly	24	12.00%	Apr-13
South Indian Bank - III	Term Loan	Quarterly	24	12.00%	May-14
Dinesh Remedies Limited					
South Indian Bank - I	Term Loan	Quarterly	24	8.50%	Aug-08
South Indian Bank - II	Term Loan	Quarterly	24	12.40%	Dec-13

NOTES FORMING PART TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2014

(Rs. In lacs)

Particulars	As on 31.03.2013	Charge / (Credit) during the year	As on 31.03.2014
NOTE: 4 DEFERRED TAX LIABILITY			
Deferred Tax Liability on account of :			
(I) Depreciation	858.65	(47.35)	811.30
Deferred Tax Assets on account of :			
(I) Expenses allowable for tax purpose when paid (Octroi)	15.31	-	15.31
(II) Unencashed leave (Employees & Director)	45.46	0.09	45.55
(III) Gratuity	8.07	1.14	9.21
	68.84	1.23	70.07
Net Deferred tax Liabilities / (Assets)	789.81	(48.58)	741.23

Particulars	As at 31st March, 2014	As at 31st March, 2013
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NOTE: 5 OTHER LONG TERM LIABILITIES

Trade Deposits	236.16	246.72
Octroi Liability	63.49	63.49
Oustanding Expenses	193.80	241.21
Total	493.45	551.42

NOTE: 6 LONG TERM PROVISIONS

Provision for employee benefits:		
Gratuity	33.99	154.48
Leave Encashment	131.71	130.89
Provisions for Medical/LTA/allowances, etc.	52.45	58.75
Provision for Tax (net of advance tax, TDS, self asst. tax)	37.12	(90.99)
Total	255.27	253.13

NOTE: 7 SHORT TERM BORROWINGS

<u>Secured</u>		
Cash credit	(7.36)	13.17
Cash credits from Banks secured against hypothecation of Raw materials, Stores, Spare parts, Finished goods and Work-in-progress		
<u>Unsecured</u>		
Deposits :		
From Directors & Shareholders	232.30	242.55
From Public	90.53	62.39
Total	315.47	318.11



SHRI DINESH MILLS LTD.

NOTES FORMING PART TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2014

Particulars	(Rs. In lacs)	
	As at 31st March, 2014	As at 31st March, 2013
NOTE: 8 TRADE PAYABLES		
Micro, Small and Medium Enterprises	—	—
Others	363.75	345.22
Total	363.75	345.22

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

Principal amount due and remaining unpaid	—	—
Interest due on above and the unpaid interest	—	—
Interest paid	—	—
Payment made beyond the appointed day during the year	—	—
Interest due and payable for the period of delay	—	—
Interest accrued and remaining unpaid	—	—
Amount of further interest remaining due and payable in succeeding years	—	—

NOTE: 9 OTHER CURRENT LIABILITIES

Interest accrued but not due	76.50	83.21
Unclaimed dividends	21.17	21.38
Unclaimed matured deposits and interest	17.64	4.79
Application money received and due for refund	6.28	6.28
Current Maturities of Long Term Debt	928.46	850.03
Other Payables :		
Advance from Customers	504.92	615.18
Statutory dues	131.59	143.31
Other provision for expenses	453.70	474.26
Total	2,140.26	2,198.44

9.1 There is no amount due and outstanding to be credited to Investor Education and . Protection Fund as at 31st March, 2014

NOTE: 10 SHORT TERM PROVISIONS

Dues to Directors	15.72	15.72
Provision for employee benefits		
Gratuity	0.81	0.14
Leave Encashment	18.66	19.84
Provisions for Dividend and Dividend Tax	107.07	110.41
Total	142.26	146.11

NOTES FORMING PART TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2014

(Rs. In lacs)

NOTE: 11 FIXED ASSETS

Fixed Asset	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 1st April, 2013	Additions/ (Disposals)	Balance as at 31st March, 2014	Balance as at 1st April, 2013	Depreciation for the year	Adjustment/ (Deduction)	Balance as at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2013
(A) Tangible Assets									
CWIP – Plant and Mach.	27.97	(27.97)	–	–	–	–	–	–	27.97
Land	381.15	–	381.15	–	–	–	–	381.15	381.15
Assets under lease	6.00	(0.09)	5.91	–	–	–	–	5.91	6.00
Buildings	1,065.80	(14.08)	1,051.72	427.70	31.50	0.94	458.26	593.46	638.10
Plant and Equipment	19,128.27	995.24	20,123.51	11,895.28	1,088.86	0.08	12,984.06	7,139.45	7,233.99
Furniture and Dead stock	331.53	4.65	336.18	235.67	12.16	0.05	247.78	88.40	95.86
Vehicles	346.10	(9.51)	336.59	215.89	39.06	29.10	225.85	110.74	130.21
Electrical Installations	176.08	0.01	176.09	102.64	4.39	(0.01)	107.04	69.05	73.44
Tubewell and waterworks	12.17	(0.02)	12.15	5.98	0.24	(0.19)	6.41	5.74	6.19
Drainage installation	0.14	–	0.14	0.13	–	–	0.13	0.01	0.01
Sub Total	21,475.21	948.23	22,423.44	12,883.29	1,176.21	29.97	14,029.53	8,393.91	8,591.92
(B) Intangible Assets									
Computer Software	9.78	–	9.78	9.78	–	–	9.78	–	–
Total	21,484.99	948.23	22,433.22	12,893.07	1,176.21	29.97	14,039.31	8,393.91	8,591.92
Previous Year's Total	21,107.87	377.12	21,484.99	11,794.85	1,115.95	17.73	12,893.07	8,591.92	

11.1 Gross Block is carried at cost except Leasehold Land which is at cost less amounts written off.

11.2 Amount written off Rs.0.09 Lacs of Leasehold Land has been debited to Profit & Loss Account under the head "Depreciation and Amortization Expense"

11.3 Buildings includes Rs. 750/- being the cost of shares in Co-operative Society (Previous year Rs. 750/-)



SHRI DINESH MILLS LTD.

NOTES FORMING PART TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2014

Particulars	(Rs. In lacs)	
	As at 31st March 2014	As at 31st March 2013
NOTE: 12 NON CURRENT INVESTMENTS		
Investment in Equity instruments:		
In fully paid shares		
Unquoted:		
50 Equity Shares of Rs. 100/- each in Gujarat Sheep & Wool Development Corporation Limited	0.05	0.05
186265 (144946) Equity Shares of Rs. 10/- each in Narmada Cleantech Limited	18.63	14.49
Others:		
400 Equity Shares of Rs. 25/- each in Co-operative Bank of Baroda Limited	0.10	0.10
Investments in Government or Trust securities:		
50,000 11.50% GOI Securities - 2015	55.90	55.90
20,000 6.90% GOI Securities - 2019	18.76	18.76
Investments in Mutual Funds:		
775325.887 (775325.887) Units of HDFC Prudence	252.01	252.01
800645.406 (800645.406) Units of SBI balance Fund	242.58	242.58
436220.847 (436220.847) Units of FT India Balance Fund	125.00	125.00
NIL (232001.127) Units of TATA Balance Fund	-	125.00
NIL (36728) Units of Reliance Mutual Fund	-	0.37
Total	713.03	834.26
NOTE: 13 LONG TERM LOANS & ADVANCES		
(Unsecured, considered good)		
Security Deposits	121.83	108.74
Total	121.83	108.74

NOTES FORMING PART TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2014

Particulars	(Rs. In lacs)	
	As at 31st March, 2014	As at 31st March, 2013
NOTE: 14 INVENTORIES		
a. Raw Materials	781.37	1,032.33
b. Work-in-progress	1,056.24	1,311.22
c. Finished goods	1,097.27	1,290.40
d. Stores and spares	383.08	509.56
Total	3,317.96	4,143.51
NOTE: 15 TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	184.41	115.39
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
Sub total	184.41	115.39
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	1,710.28	1,597.83
Total	1,894.69	1,713.22
NOTE: 16 CASH AND BANK BALANCES		
Bank Balances:		
In Current Account	267.89	286.93
In Fixed Deposit Account (having maturity period less than 3 months)	1,979.59	1,164.12
	2,247.48	1,451.05
Cash on hand	5.17	2.94
Total	2,252.65	1,453.99
NOTE: 17 SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Statutory dues (net of tax provisions)	160.85	173.93
Advance to Suppliers	84.21	95.90
Other loans and advances	5.30	6.62
Prepaid Expenses	10.27	7.12
Total	260.63	283.57



SHRI DINESH MILLS LTD.

NOTES FORMING PART TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2014

Particulars	(Rs. In lacs)	
	As at 31st March, 2014	As at 31st March, 2013
NOTE: 18 OTHER CURRENT ASSETS		
Interest and Dividend Receivables on investments	16.37	2.31
Interest Subsidy receivables	117.24	57.32
Total	133.61	59.63
	2013-14	2012-13
NOTE: 19 REVENUE FROM OPERATIONS		
Sale of products	11,400.77	11,237.87
Less:		
Excise duty	763.68	698.60
Total	10,637.09	10,539.27
NOTE: 20 OTHER INCOME		
Interest Income	53.91	38.97
Dividend Income	171.16	124.91
Miscellaneous Income	117.66	82.54
Total	342.73	246.42
NOTE: 21 COST OF MATERIALS CONSUMED		
Shri Dinesh Mills Limited		
Wool	511.29	813.04
Synthetic Fibre	843.50	945.25
Yarn	911.45	1,059.01
Others	21.17	22.42
Dinesh Remedies Limited		
Gelatin	846.22	707.76
Others	22.95	20.28
Total	3,156.58	3,567.76
GOODS - TRADED - IN :		
Ready Made Garments	14.94	1.80
21.1 Imported & Indigenous	2013-14	2012-13
	VALUE	VALUE
	(Rs. In lacs)	(Rs. In lacs)
Shri Dinesh Mills Limited		
Raw material consumed		
Imported	1468.34	1893.72
Indigenous	819.07	946.00
Dinesh Remedies Limited		
Indigenous	869.17	728.04
Total	3156.58	3567.76
	%	%
	100.00	100.00

NOTES FORMING PART TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2014

Particulars	2013-14	(Rs. In lacs) 2012-13
NOTE: 22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories (at close):		
Work -in- Process	1,056.24	1,311.22
Finished Goods	1,097.27	1,288.87
	<u>2,153.51</u>	<u>2,600.09</u>
Inventories (at commencement):		
Work -in- Process	1,311.22	1,320.43
Finished Goods	1,288.87	1,088.18
	<u>2,600.09</u>	<u>2,408.61</u>
	446.58	(191.48)
Excise duty variations on opening/closing stocks	5.09	12.07
Total	<u>451.67</u>	<u>(179.41)</u>
NOTE: 23 EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	2,309.20	2,233.85
Contributions to -		
Provident fund, Superannuation scheme & Other funds	235.48	366.38
Employees' State Insurance Scheme	40.24	40.82
Staff welfare expenses	10.12	11.04
Total	<u>2,595.04</u>	<u>2,652.10</u>
NOTE: 24 FINANCE COST		
Interest expenses	417.10	457.66
Other borrowing costs	16.50	15.60
Applicable gain on foreign currency transactions and translations	0.89	(4.57)
Total	<u>434.49</u>	<u>468.69</u>
NOTE: 25 OTHER EXPENSES		
Stores Consumed	386.94	405.89
Electricity, Power and Fuels	548.68	585.08
Rent	1.63	4.31
Commission	152.58	150.12
Cash Discount	202.42	205.95
Repairs to Building	24.99	45.15
Repairs to Machinery	346.95	359.39
Repairs to Others	16.10	25.12
Insurance	23.81	22.47
Rates and Taxes	29.79	25.06
Payment to Auditors	5.06	5.09
Advertisement and Publicity	32.71	48.15
Legal & professional fees	132.41	159.91
Freight and Cartage	41.58	44.32
Travelling and Conveyance	171.46	160.02
Miscellaneous expenses	357.27	374.82
Total	<u>2,474.38</u>	<u>2,620.85</u>



SHRI DINESH MILLS LTD.

NOTES FORMING PART TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2014

Particulars	2013-14	(Rs. In lacs)
		2012-13
25.1 PAYMENT TO AUDITORS AS:		
Statutory Auditors		
i) Audit Fees	4.26	4.26
ii) For expenses	0.43	0.50
Sub Total	4.69	4.75
Cost Auditors :		
i) As auditors	0.37	0.34
Total	5.06	5.09

NOTE: 26 EXCEPTIONAL ITEMS

Credit Balance written back	10.57	16.37
Excess Depreciation Written Back	0.94	-
Profit on sale of assets (net)	(0.20)	1.29
Total	11.31	17.66

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

(A) C.I.F. Value of imports :		
Raw Materials	1,067.59	1,525.76
Capital Goods	875.05	141.95
(B) Expenditure in Foreign currencies:		
Commission	45.27	32.93
Travelling expenses	57.25	55.40
Other matters	39.08	56.76
(C) Earnings in Foreign currencies:		
F.O.B. value of Exports	534.22	465.58
Others	-	-

NOTE: 28 EARNINGS PER SHARE (EPS)

Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. In Lacs)	487.06	389.06
Weighted Average number of equity shares used as denominator for calculating EPS	5,141,285	5,277,500
Basic and Diluted Earnings per share (Rs.)	9.47	7.37
Face Value per equity share (Rs.)	10.00	10.00

NOTE: 29 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF

Workers' demand - matter under appeal	35.96	40.32
Claims against the company not acknowledged as debts	-	3.02
Income tax Demands (including interest) - matter under appeal	671.83	533.43
Excise matter under appeal	214.59	8.17

NOTE: 30

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

NOTES FORMING PART TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2014

NOTE: 31 RELATED PARTY INFORMATION

(A) Name of related party and nature of relationship

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

(B) Transactions with related party

Name of Related Party	Relationship	Nature of Transaction	Amount		Outstanding Balance	
			2013-14 (Rs. in Lacs)	2012-13 (Rs. in Lacs)	2013-14 (Rs. in Lacs)	2012-13 (Rs. in Lacs)
1. Chairman Emeritus Shri U.M.Patel	Key Management Personnel:	Fixed Deposits received Interest Paid	5.00 2.37	35.00 4.06	40.00 -	40.00 -
2. Chairman and Managing Director Shri B.U.Patel	-- do --	Remueration Fixed Deposits received Interest Paid	100.08 - 2.98	100.13 2.00 13.97	7.72 2.00 -	7.72 87.50 -
3. Managing Director Shri N.U.Patel	-- do --	Remueration Fixed Deposits received Interest Paid	100.08 2.00 0.19	100.69 - 0.19	8.00 2.00 -	8.00 2.00 -
4. Relatives of Key Management Personnel	Relatives of Key Management Personnel	Fixed Deposits received Interest Paid Salary	61.60 12.30 11.13	65.15 12.18 10.57	122.45 - -	126.60 - -
5. Shri Dinesh Foundation	Key Management Personnel are Trustee	Donation	-	5.00	-	-
6. Shri Maganbhai B. Patel's Charity Trust	Key Management Personnel are Trustee	Donation	-	5.00	-	-

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

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



SHRI DINESH MILLS LTD.

NOTES FORMING PART TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2014

Note: 32 Segment wise Revenue and Capital employed for the year ended March 31st, 2014

(a) Primary segment : Business segment

(Rs. in lacs)

	Textile		Pharmaceuticals		Consolidated	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Revenue						
External Sales	8,609.86	8,633.21	2,027.23	1,906.06	10,637.09	10,539.27
Total Revenue	8,609.86	8,633.21	2,027.23	1,906.06	10,637.09	10,539.27
Segment Results						
Profit before Interest and Tax	876.73	768.26	228.09	244.77	1,104.82	996.36
Interest Expense (Net)					(417.10)	(457.58)
Other un-allocable income, net of unallocable Expenditure					-	-
Profit before tax					687.73	538.78
(1) Current tax					(205.73)	(95.63)
(2) Deferred tax					48.58	(6.71)
Profit/(Loss) for the year					530.58	436.43
Less: Share of Minority Interest					(43.52)	(64.05)
Profit / (Loss) (after adjustment of Minority Interest)					487.06	372.38
Segment Assets	6,213.79	6,270.10	2,180.13	2,321.77	8,393.92	8,591.87
Total Assets					8,393.92	8,591.87
Segment Liabilities	5,325.93	15,542.37	1,011.94	1,271.61	6,337.87	16,813.98
Total Liabilities					6,337.87	16,813.98
Capital Expenditure	944.08	216.65	32.90	160.47	976.98	377.12
Depreciation & Amortisation	1,029.62	974.79	146.59	141.25	1,176.21	1,116.04
Non cash Expenses other than depreciation	-	-	-	-	-	-

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

(Rs. in lacs)

Particulars	In India		Out side India		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Segment Revenue	9,445.09	9,355.52	1,192.00	1,183.75	10,637.09	10,539.27
Carrying cost of Assets by location of Assets	17,088.31	17,394.58	-	-	17,088.31	17,394.58
Addition to Assets and Intangible	743.16	582.96	-	-	743.16	582.96

Other Disclosure :

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

NOTES FORMING PART TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2014

3. Composition of Business Segment:
Name of Segment comprises of:

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

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

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

As per our Report of even date	For and on behalf of the Board of Directors	
For Dhirubhai Shah & Doshi Chartered Accountants Firm's Registration Number: 102511W	N. U. Patel Managing Director	B. U. Patel Chairman & Managing Director (CEO)
Kaushik D. Shah Partner Membership No.: 016502 Vadodara, May 30th, 2014	J. B. Sojitra Company Secretary Vadodara, May 30th, 2014	B. B. Patel Vice President - Finance (CFO)



SHRI DINESH MILLS LTD.

Annexure I referred to in Note 33 to the Consolidated Financial Statements (13-14)

1. System of Accounting :

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

2. Fixed Assets and Depreciation :

A. Fixed Assets

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

B Depreciation and Amortisation

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

3. Investments :

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

4. Inventories :

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

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

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

5. Foreign Currency Transactions :

- i) Initial Recognition:
Transactions denominated in foreign currencies are recorded at the rate prevailing on the date of the transaction.
- ii) Conversion:
At the year-end, monetary items denominated in foreign currencies remaining unsettled are converted into rupee equivalents at the year-end exchange rates. Non monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.
- iii) Exchange Differences:
All exchange differences arising on settlement and conversion of foreign currency transactions are included in the profit and loss account, except in cases where they relate to the acquisition of fixed assets, acquired out of India in which case they are adjusted in the cost of the corresponding asset.

6. Revenue Recognition :

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

7. Employee Benefits :

- i) Defined Contribution Plan
Company's contribution paid/payable during the period to Provident Fund, Employee Deposit Linked Insurance Plan, Super Annuation Fund, Employee State Insurance Plan and Labour Welfare Fund are recognized as an expense in the Profit and Loss Account.
- ii) Defined Benefit Plan
Provision for payments to the Employees Gratuity Fund after taking into account the funds available with the Trustees of the Gratuity Fund is based on actuarial valuation done at the close of each financial year.
At the reporting date Company's liabilities towards gratuity is determined by independent actuarial valuation using the projected unit credit method. Actuarial gain and losses are recognized immediately in the statement of Profit and Loss account as income or expenses.
- iii) Other defined benefits
Provision for other defined benefits for long term leave encashment is made based on an independent actuarial valuation on projected unit credit method at the end of each financial year. Actuarial gain and losses are recognized immediately in the statement of Profit and Loss Account as income or expenses.



SHRI DINESH MILLS LTD.

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

8. Taxation :

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

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

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

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

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

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

9. Government Subsidy :

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

10. Borrowing Costs :

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

11. Provisions :

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

12. Impairment of Assets :

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

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

1. The Financial year of the Subsidiary Company ended on : 31st March, 2014.
2. Date on which it became Subsidiary : 9th February, 2005.
3. (a) Number of shares held by Shri Dinesh Mills Ltd. In the Subsidiary at the end of the financial year of the Subsidiary Company. : 1,30,98,095 Equity Shares of Rs.10/- each.
- (b) Extent of interest of Holding Company at the end of the financial year of the Subsidiary Company. : 55.52 %
4. Net Aggregate amount of the profit (losses) of the Subsidiary Company for financial year so far as it concerns members of Shri Dinesh Mills Ltd.
 - (a) Dealt with the Company's accounts
 - (i) For the financial year of the Subsidiary : Not Applicable
 - (ii) For the previous years of the Subsidiary Company : Not Applicable
 - (b) Not Dealt with the Company's accounts
 - (i) For the financial year of the Subsidiary : Rs.98/-Lacs
 - (ii) For the previous years of the Subsidiary Company : (Rs. 456/- Lacs)
5. The financial years of both Shri Dinesh Mills Ltd. and its Subsidiary Company are ended on 31st March, 2014 and hence no information pursuant to Section 212(5) is required to be given.

BHARAT U. PATEL
Chairman & Managing Director - CEO

N. U. Patel
Managing Director

J. B. Sojitra
Company Secretary

B. B. Patel
Vice President (Finance) - (CFO)

Vadodara, 30th May, 2014

FINANCIAL INFORMATION OF SUBSIDIARY COMPANY VIZ. DINESH REMEDIES LIMITED AS AT 31ST MARCH, 2014

Sr. No.	Particulars	Amount (Rs. In Lacs)
1	Share Capital	2359.16
2	Reserves	(358.31)
3	Total Assets	3012.79
4	Total Liabilities	3012.79
5	Investments	0.00
6	Total Income	2038.97
7	Profit Before Tax	122.67
8	Provision for Taxation	24.83
9	Profit after Tax	97.84
10	Proposed Dividend	0.00

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

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

N. U. Patel
Managing Director

J. B. Sojitra
Company Secretary

B. B. Patel
Vice President Finance (CFO)

Vadodara, May 30th, 2014



SHRI DINESH MILLS LIMITED

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

(CIN: L17110GJ1935PLC000494)

SEVENTY NINETH 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 79th Annual General Meeting of the Company being held at Registered Office of the Company at Padra Road, Vadodara on Tuesday, the 30th September, 2014 at 11.00 A.M.

Member's/Proxy's Signature

Notes :

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



SHRI DINESH MILLS LIMITED
 Regd. Office : P.O. Box No. 2501, Padra Road, Vadodara - 390 020 ● 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 79th Annual General Meeting of the Company, to be held on Tuesday, the 30th September, 2014 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 Accounts		
2	Declaration of Dividend on Equity Shares		
3	Re-appointment of Shri Bharatbhai U. Patel who retires by rotation and being eligible, offers himself for re-appointment.		
4	Appointment of Statutory Auditors		
Special Business:			
5	Payment of Remuneration to Shri Nimishbhai U. Patel, Managing Director from 1st April, 2014 to 13th January, 2015		
6	Appointment of Shri H. N. Elavia as an Independent Director		
7	Appointment of Shri Jal R. Patel as an Independent Director		
8	Appointment of Shri A. T. Patel as an Independent Director		
9	Appointment of Shri T. M. Patel as an Independent Director		
10	Appointment of Shri Rakesh Agrawal as an Independent Director		
11	Adoption of the New Articles of Association of the Company		
12	Borrowing Powers		

Signed this on _____ day of _____ 2014

Signature of Shareholder: _____

Signature of Proxy Holder(s): _____

Notes:

- The Proxy should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.
- For this Resolution and explanatory statement and notes, please refer to the notice of the 79th 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.
- Please complete all details including details of manner(s) in above box before submission.

Affix 1 Rupee Revenue Stamp
