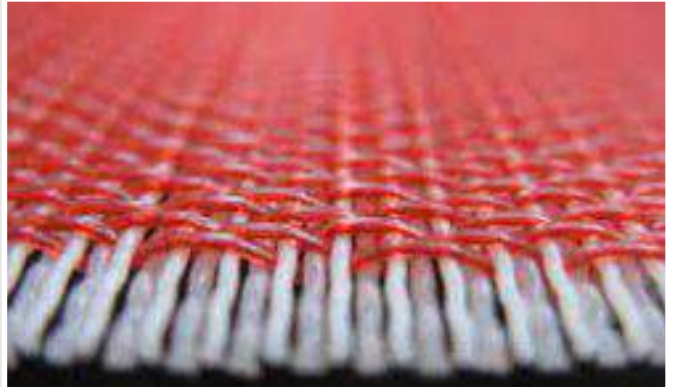


Annual Report 2020-2021



shri
dinesh
mills ltd.



BOARD OF DIRECTORS

Shri Bharatbhai Patel	(Chairman & Managing Director)
Shri Nimishbhai Patel	(Managing Director)
Shri Tanujbhai Patel	
Shri Rakesh Agrawal	
Shri Sanjiv Shah	
Mrs. Taruna Patel	(upto 31 st May, 2021)
Ms. Reshma Patel	(w.e.f. 15 th March, 2021)
Shri J. B. Sojitra	Executive Director (Corporate Affairs)

COMPANY SECRETARY

Shri J. B. Sojitra

CHIEF FINANCIAL OFFICER

Shri Mohan Akalkotkar

BANKERS

Bank of Baroda

AUDITORS

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

REGISTERED OFFICE

Near Indiabulls Mega Mall
Akota Road,
Vadodara – 390 020
Telephone: (0265) 2960060–65
Email: complianceofficer@dineshmills.com, sojitra@dineshmills.com
Website: www.dineshmills.com
CIN: L17110GJ1935PLC000494

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NOTICE

NOTICE is hereby given that, the 86th Annual General Meeting (AGM) of the Members of Shri Dinesh Mills Ltd. will be held at the Registered Office of the Company at Near Indiabulls Mega Mall, Akota Road, Vadodara on Saturday, 28th August, 2021 at 12.00 noon through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Standalone Financial Statement of the Company, the Reports of the Board of Directors and Auditors' thereon including consolidated financial statement together with Auditors' Report thereon for the financial year ended 31st March, 2021.

Ordinary Resolution

"RESOLVED THAT the Audited Standalone Financial Statement of the Company, the Boards' Report and the Auditors' Report thereon including consolidated financial statements together with Auditors' Report thereon for the financial year ended 31st March, 2021 be and are hereby received, approved and adopted."

2. To declare dividend on equity shares.

Ordinary Resolution

"RESOLVED THAT the Dividend at the rate of Rs. 5.00 per Equity Share on 56,00,582 Equity Shares of Rs.10/- each as recommended by the Board of Directors be and is hereby approved."

3. To appoint a Director in place of Shri N. U. Patel (DIN-00039549), who retires by rotation and being eligible, offers himself for re-appointment.

Ordinary Resolution

"RESOLVED THAT Shri N. U. Patel (DIN-00039549), a Director of the Company who retires by rotation at this Meeting, being eligible for re-appointment, be and is hereby re-appointed as Director of the Company whose period of Office shall be liable to determination by retirement of Director by rotation."

4. To appoint M/s. R. K. Doshi & Co. LLP, Chartered Accountants as Statutory Auditors and fix their remuneration.

Ordinary Resolution

"RESOLVED THAT pursuant to Section 139, 141, 142 and other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, M/s. R. K. Doshi & Co. LLP, Chartered Accountants having Firm Registration No. 102745W/W100242 be and is hereby appointed as Statutory Auditors for the term of five financial years from 2021-2022 to 2025-2026 at a remuneration of Rs. 6,63,600/- plus applicable GST and reimbursement of out of pocket expenses subject to revision of the Remuneration from time to time as may be decided by Shri Bharatbhai Patel, Chairman & Managing Director of the Company."



SPECIAL BUSINESS:

5. TO CONSIDER RE-APPOINTMENT OF SHRI SANJIV SHAH AS AN INDEPENDENT DIRECTOR

Special Resolution

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 178 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act) rules framed thereunder and Schedule IV to the Act and other applicable provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time, approval of the members of the Company be and is hereby accorded to the re-appointment of Shri Sanjiv Shah (DIN–00065796) as an Independent Director of the Company, not liable to retire by rotation for his second term of five consecutive years from 29th March, 2021 to 28th March, 2026.”

6. TO CONSIDER APPOINTMENT OF MS. RESHMA S. PATEL AS AN INDEPENDENT (WOMAN) DIRECTOR

Ordinary Resolution

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 178 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time, Ms. Reshma S. Patel (DIN – 00165162), be and is hereby appointed as an Independent (Woman) Director of the Company, not liable to retire by rotation, for five consecutive years from 15th March, 2021 to 14th March, 2026.”

7. TO CONSIDER RE-APPOINTMENT OF SHRI J. B. SOJITRA AS AN EXECUTIVE DIRECTOR (CORPORATE AFFAIRS) & COMPANY SECRETARY

Special Resolution

“RESOLVED THAT pursuant to provision of Section 188, 196, 197 read with Schedule V and Section 203 of the Companies Act, 2013 read with the Companies (Meetings of Board & its powers) Rules, 2014 and other applicable provisions, if any of the Companies Act, 2013, the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Shri J. B. Sojitra be and is hereby re-appointed as an Executive Director (Corporate Affairs) & Company Secretary of the Company for further period of five years from 1st June, 2021 to 31st May, 2026 without substantial powers of the Management, upon the existing terms & conditions as per the letter of Appointment dated 31st May, 2021 subject to re-consideration of the same pursuant to the Remuneration Policy of the Company.”

8. TO CONSIDER PAYMENT OF THE REMUNERATION TO SHRI BHARATBHAI PATEL, CHAIRMAN & MANAGING DIRECTOR OF THE COMPANY

Special Resolution

“RESOLVED THAT pursuant to provision of Section 197 read with Schedule V of the Companies Act, 2013 read with the Companies (Meetings of Board & its powers) Rules, 2014 and other applicable provisions, if any of the Companies Act, 2013, the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and in partial modification of earlier Resolutions passed, the Company hereby approves the payment of the managerial remuneration on the existing terms & conditions to Shri Bharatbhai Patel, Chairman & Managing Director in accordance with the provisions of the Companies Act, 2013 along with relevant Schedule thereto for the unexpired period of his



tenure from 1st April, 2021 to 31st March, 2023 as set out in the draft Deed of Variation in accordance with Schedule V to The Companies Act, 2013 or any amendment thereto subject to the re-consideration of the remuneration by the Nomination, Remuneration & Compensation Committee, the Board of Directors and Shareholders of the Company.

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

9. TO CONSIDER THE REVISION IN THE REMUNERATION OF MR. ADITYA PATEL

Ordinary Resolution

“**RESOLVED THAT** pursuant to Section 188 of the Companies Act, 2013 and Rules made thereunder, the Company hereby approves the revision in the remuneration of Mr. Aditya Patel, President of the Company who is son of Shri Bharatbhai Patel, Chairman & Managing Director as detailed hereunder with effect from 1st September, 2021 subject to re-consideration of the same pursuant to the Remuneration Policy of the Company.

Particulars	Amount in Rs.
Basic Salary (Scale: Rs.2,05,000–50,000–4,05,000)	Rs. 2,05,000/-
House Rent Allowance @ 30% of Basic Salary	Rs.61,500/-
Furnishing Allowance @ 10 % of Basic Salary	Rs.20,500/-
Education Allowance @ 5% of Basic Salary	Rs.10,250/-
Reimbursement of Medical, Club Fees, Insurance, Hotel & Electricity not exceeding 5% of Basic Salary	Rs.10,250/-
Total Monthly Salary	Rs.3,07,500/-

Contribution to Provident Fund, Superannuation, Gratuity, Inflation & Leave Encashment as per the Rules of the Company.”

10. TO CONSIDER THE REVISION IN THE REMUNERATION OF MR. NISHANK PATEL

Ordinary Resolution

“**RESOLVED THAT** pursuant to Section 188 of the Companies Act, 2013 and Rules made thereunder, the Company hereby approves the revision in the remuneration of Mr. Nishank Patel, Vice President of the Company who is son of Shri Nimishbhai Patel, Managing Director as detailed hereunder with effect from 1st September, 2021 subject to re-consideration of the same pursuant to the Remuneration Policy of the Company.

Particulars	Amount in Rs.
Basic Salary (Scale: Rs.2,05,000–50,000–4,05,000)	Rs. 2,05,000/-
House Rent Allowance @ 30% of Basic Salary	Rs.61,500/-
Furnishing Allowance @ 10 % of Basic Salary	Rs.20,500/-
Education Allowance @ 5% of Basic Salary	Rs.10,250/-
Reimbursement of Medical, Club Fees, Insurance, Hotel & Electricity not exceeding 5% of Basic Salary	Rs.10,250/-
Total Monthly Salary	Rs.3,07,500/-

Contribution to Provident Fund, Superannuation, Gratuity, Inflation & Leave Encashment as per the Rules of the Company.”

Regd. Office:

Near Indiabulls Mega Mall,
Akota Road, Vadodara – 390 020
Dated: 31st May, 2021

By Order of the Board

For SHRI DINESH MILLS LIMITED,
Sd/-
J. B. SOJITRA
COMPANY SECRETARY
M. No. A -6351



NOTES:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020 and General Circular No. 02/2021 dated 13th January, 2021 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the "Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015") and MCA Circulars, the AGM of the Company will be held through VC / OAVM.
2. Since this 86th AGM is being held through VC / OAVM, pursuant to MCA Circulars, physical attendance of the members has been dispensed with and accordingly, the facility for appointment of proxies by the members will not be available for the AGM. **Hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Annual Report.**
3. Members attending the 86th AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. The information as per Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed hereto in respect of item No. 3, 5, 6 and 7. **(Annexure : A)**
5. The Explanatory statement as required under section 102 of the Companies Act, 2013 is annexed hereto in respect of item Nos. 5 to 10. **(Annexure: B)**
6. The Register of Members and Share Transfer Books will remain closed from Saturday, 7th August, 2021 to Saturday, 14th August, 2021. (Both days inclusive)
7. The Company has transferred unclaimed dividend for the financial year 2012–2013 and also transferred 12,350 equity shares of Rs.10/- each to the IEPF Authority. Shareholders are requested to contact the Company for the equity shares & dividend which are already transferred to the IEPF Authority.

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

Dividend Number	Date of Declaration	For the year	Due for transfer on
79	30-09-2014	2013-2014	05-11-2021
80	30-09-2015	2014-2015	05-11-2022
81	27-09-2016	2015-2016	02-11-2023
82	27-09-2017	2016-2017	02-11-2024
83	28-09-2018	2017-2018	03-11-2025
84	26-09-2019	2018-2019	01-11-2026
Interim Dividend (85)	11-02-2020	2019-2020	18-03-2027

8. The Company will have to transfer Dividend No.79 for the Financial Year 2013–2014 which remain unclaimed for a period of 7 years to the IEPF Authority. The Company will also have to transfer the equity shares to IEPF Authority on which the dividend is unclaimed for consecutive period of seven years and therefore, members are requested to claim on or before 5th October, 2021.
9. The proposed dividend if approved in the 86th AGM will be paid on or before 26th September, 2021 electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details,



dividend warrants / demand drafts will be dispatched to their registered addresses. To avoid delay in receiving the dividend, members are requested to update their bank details & PAN at the earliest. The payment of dividend will be subject to deduction of tax (i.e. TDS) at applicable rate(s) pursuant to Income Tax Act & Rules made thereunder.

10. The Institutional/ Corporate Members are requested to send a scanned copy (PDF /JPEG format) of the Board Resolution / Authority Letter etc. authorizing its representative to attend the 86th AGM through VC/OAVM pursuant to Section 113 of the Act to the Company at sojitra@dineshmills.com with a copy marked to evoting@nsdl.co.in
11. In compliance with MCA and SEBI Circulars, the Notice of the 86th AGM along with Annual Report for F.Y. 2020–2021 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. The Notice and Annual Report for F.Y. 2020–2021 has been uploaded on the website of the Company at www.dineshmills.com The Notice can also be accessed on the websites of the BSE Limited at www.bseindia.com and NSDL (agency for providing the Remote e-Voting facility) at www.evoting.nsdl.com The shareholders are requested to register their e-mail addresses with MCS Share Transfer Agent Ltd, if shares are held in physical mode OR with their Depository Participant(s), if the shares are held in electronic mode.
12. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the 86th AGM and for this purpose, the Company has entered into an Agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the Authorized Agency. The facility of casting votes by a member using remote e-Voting system as well as voting on the day of the 86th AGM will be provided by NSDL.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING 86TH ANNUAL GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Tuesday, 24th August, 2021 at 9.00 A.M. and ends on Friday, 27th August, 2021 at 5.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Saturday, 21st August, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on above referred Cut-off date.

How to vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in Demat mode

In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their Demat Account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and Email Id in their Demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in Demat mode is given below:



Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with NSDL.	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com/. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in Demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links



	of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in Demat mode) login through their depository participants	You can also login using the login credentials of your Demat Account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in Demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for evoting and joining the virtual meeting for shareholders other than Individual shareholders holding securities in Demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP



and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your Demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.



7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to Kashyap.cs@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. 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 the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 224 430 or send a request to Ms. Soni Singh at evoting@nsdl.co.in

INSTRUCTIONS FOR ATTENDING THE 86TH AGM THROUGH VC / OVAM:

13. Member will be provided with a facility to attend the 86th AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please



note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

14. Members are requested to join the Meeting through Laptops for better experience and will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting. Please note that, participants connecting from Mobile Devices or Tablets or through Laptop connected via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
15. The Members can join the AGM in the VC/ OVAM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. Members may note that the VC / OAVM facility, provided by NSDL allows participation of at least 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination, Remuneration & Compensation Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the AGM without any restriction on account of first-come-first-served principle.
16. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in or 1800 1020 990 / 1800 224 430 or contact Ms. Soni Singh of NSDL at evoting@nsdl.co.in

PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

17. As the AGM is being conducted through VC/OAVM, members are encouraged to express their views / send their queries in advance mentioning their name, DP Id and Client Id/Folio No. e-mail id, mobile number at sojitra@dineshmills.com to enable smooth conduct of proceedings at the AGM. Questions / Queries received by the Company on or before 25th August, 2021 on the aforementioned e-mail id shall only be considered and responded to during the AGM.
18. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP Id and Client Id / Folio No., PAN, mobile number to the Company at sojitra@dineshmills.com on or before Wednesday, 25th August, 2021. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. Speakers are requested to submit their questions at the time of registration, to enable the Company to respond appropriately.
19. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure the smooth conduct of the 86th AGM.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM:

20. Members whose name appears in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the **cut-off date i.e., Saturday, 21st August, 2021** shall only be entitled to attend and vote at the 86th AGM. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
21. Members whose email address are not registered can register the same in the following manner:
 - (a) The members who have not registered their email addresses with the Company are requested to kindly register their email addresses with the Company by sending request on Company email id sojitra@dineshmills.com



(b) Members holding share(s) in electronic mode are requested to register / update their e-mail address with their respective Depository Participants (“DPs”) for receiving all communications from the Company electronically.

22. The remote e-voting period commences on Tuesday, 24th August, 2021 (9:00 A.M. IST) and ends on Friday, 27th August, 2021 (5:00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Saturday, 21st August, 2021, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on the Resolutions is cast by the members, the member shall not be allowed to change it subsequently. In addition, the facility for voting through electronic voting system shall also be made available during the 86th AGM. Members attending the AGM who have not casted their vote by remote e-voting shall be eligible to cast their vote through e-voting during the 86th AGM. Members who have already voted through remote e-voting shall be eligible to attend the 86th AGM but they shall not be eligible to vote at the 86th AGM.

GENERAL INFORMATION FOR SHAREHOLDERS

23. The voting rights shall be as per the number of equity shares held by the member(s) as on Saturday, 21st August, 2021, being the cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date.
24. Mr. Kashyap Shah of M/s. Kashyap Shah & Co., Company Secretaries, (Membership No. FCS: 7662, CP No. 6672) (Address: 203-B, Manubhai Towers, Sayajigunj, Vadodara – 390 005) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner
25. The e-voting results shall be declared to the BSE Ltd. based on the Scrutinizer's Report within prescribed time limit of the conclusion of 86th AGM. The e-voting results along with the Scrutinizer's Report, shall also be placed on the website of the Company at www.dineshmills.com and on website of NSDL at www.evoting.nsdl.com
26. Any person, holding shares in physical form and non-individual shareholders who acquires shares of the Company and become member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. Saturday, 21st August, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.:1800 1020 990 /1800 224 430. In case of Individual Shareholders holding securities in Demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. 21st August, 2021 may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system”.
27. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. Saturday, 21st August, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.



28. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode basis the request being sent on sojitra@dineshmills.com till the date of AGM.
29. Members holding shares in dematerialized form may please note that, while opening a depository account with Participants they may have given their bank account details, which will be printed on their dividend warrants. However, if members want to change/correct the bank account details, they should send the same immediately to the Depository Participant concerned. Members are also requested to give the MICR code of their bank to their Depository Participant. The Company will not entertain any direct request from members for cancellation/change in the bank account details furnished by Depository Participants to the Company.
30. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent or the Company.

ANNEXURE TO THE NOTICE
ANNEXURE: A

THE INFORMATION AS PER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (ITEM No. 3, 5, 6 and 7)

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

(1)Name		Shri Nimishbhai Patel	
Age		55 Years	
Qualification		B.B.A., M.B.A. (Finance), (U.S.A)	
Expertise		Valuable contribution in the overall management of the Company.	
Tenure		Director of the Company since 14/01/1995	
Shareholding in the Company		7,68,852 equity shares of Rs.10/- each	
Other Directorship:			
Sr. No.	Name of the Company	Position held	Member/Chairman of the Committee of the Company
1	Dinesh Remedies Ltd.	Chairman & Managing Director	None
2	Ultramarine & Pigments Ltd	Director	Member-Audit Committee
3	Transpek Industry Ltd.	Director	Member – Audit Committee Member – Nomination & Remuneration Committee Chairman – Stakeholders Relationship Committee
4	Parosha Chemicals Pvt. Ltd.	Chairman	None
5	Fernway Technologies Ltd.	Director	None
6	Fernway Textiles Ltd.	Chairman	None
7	Stellent Chemicals Industries Private Limited	Chairman	None

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



(2) Name		Shri Sanjiv Shah	
Age		60 Years	
Qualification		M.B.A – U.S.A.	
Expertise		Administration of Corporate Management.	
Tenure		Director of the Company since 29–03–2016.	
Shareholding in the Company		NIL	
Other Directorship:			
Sr. No.	Name of the Company	Position held	Member/Chairman of the Committee of the Company
1	Gujarat JHM Hotels Ltd.	Director	None
2	Atlantis Development Corporation Pvt. Ltd.	Director	None
3	Dinesh Remedies Ltd.	Director	Member–Audit Committee Member – Nomination & Remuneration Committee
4	Regency Rent–A–Cab Pvt. Ltd.	Director	None
5	Haywood Hospitality (India) Pvt. Ltd.	Director	None

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

(3) Name		Ms. Reshma S. Patel	
Age		60 Years	
Qualification		Post-Graduation, USA	
Expertise		Technical & Overall Management	
Tenure		Director of the Company since 15-03-2021.	
Shareholding in the Company		NIL	
Other Directorship:			
Sr. No.	Name of the Company	Position held	Member/Chairman of the Committee of the Company
1	Shreno Publications Ltd.	Director	None
2	Shilchar Technologies Ltd	Director	Member – Nomination & Remuneration Committee Member – Audit Committee Member – Stakeholders Relationship Committee
3	Nushi Enterprises Pvt. Ltd.	Director	None

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

(4) Name		Shri J. B. Sojitra	
Age		60 Years	
Qualification		B. Com., LL.B., D.L.P., A.C.S.	
Expertise		Adequate knowledge of Corporate Laws.	
Tenure		Director of the Company since 28–11–1996.	
Shareholding in the Company		11 Equity shares of Rs.10/- each	
Other Directorship:			
Sr. No.	Name of the Company	Position held	Member/Chairman of the Committee of the Company
	None	N.A.	N.A.

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 Nos. 5 to 10)

ITEM No.5 RE-APPOINTMENT OF SHRI SANJIV SHAH AS AN INDEPENDENT DIRECTOR

The Nomination, Remuneration & Compensation Committee and the Board of Directors of the Company at their meetings held on 12th February, 2021 have re-appointed Shri Sanjiv Shah as an Independent Director of the Company pursuant to Section 149, 150 and 152 of the Companies Act, 2013 read with Rules made thereunder and Regulation 16(1)(b) and 25 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Brief Profile of Shri Sanjiv Shah is given in the Annexure 'A' to this Notice. He is an Independent Non-Executive Director of the Company.

The Company has also received a declaration that he meets the criteria of Independence pursuant to Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Shri Sanjiv Shah fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder read with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for his re-appointment as an Independent Director of the Company and is Independent of the management. Copy of the draft letter of his appointment as an Independent Director setting out the terms & conditions is available for inspection by members at the Registered Office of the Company. At present, the Company pays Sitting fees only for attending meetings of the Board & Committees thereof to Shri Sanjiv Shah.

The Board considers that, his association would be beneficial to the Company and accordingly, the Board recommends the Special Resolution set out at Item No. 5 of the Notice.

Except Shri Sanjiv Shah, no other Directors and Key Managerial Personnel of the Company is in any way concerned or interested, financial or otherwise, in the Resolution set out at Item No. 5 of the Notice.

ITEM No.6 APPOINTMENT OF Ms. RESHMA S. PATEL AS AN INDEPENDENT (WOMAN) DIRECTOR

The Nomination, Remuneration & Compensation Committee and the Board of Directors of the Company at their meetings held on 15th March, 2021 have appointed Ms. Reshma S. Patel as an Additional Independent (Woman) Director of the Company pursuant to Section 149, 150, 152 and 161 of the Companies Act, 2013 read with Rules made thereunder and Regulation 16(1)(b), 17(1)(a) and 25 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Brief Profile of Ms. Reshma S. Patel is given in the Annexure 'A' to this Notice. She is an Independent Non-Executive Director of the Company.

The Company has also received a declaration that, she meets the criteria of Independence pursuant to Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Ms. Reshma S. Patel fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder read with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for her appointment as an Independent (Woman) Director of the Company and is Independent of the management. Copy of the draft letter of her appointment as an Independent (Woman) Director setting out the terms & conditions is available for inspection by members at the Registered Office of the Company. At present, the Company pays Sitting fees only for attending meetings of the Board & Committees thereof to Ms. Reshma S. Patel.



The Board considers that, her association would be beneficial to the Company and accordingly, the Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice.

Except Ms. Reshma S. Patel, no other Directors and Key Managerial Personnel of the Company is in any way concerned or interested, financial or otherwise, in the Resolution set out at Item No. 6 of the Notice.

ITEM NO.7 RE-APPOINTMENT OF SHRI J. B. SOJITRA AS AN EXECUTIVE DIRECTOR (CORPORATE AFFAIRS) & COMPANY SECRETARY

Members are aware that, Shri J. B. Sojitra is rendering his services as an Executive Director (Corporate Affairs) & Company Secretary of the Company and he fulfills the requirements of Schedule V to the Companies Act, 2013 & Rules made thereunder and looking to his experience, contribution and also long association with the Company, Nomination, Remuneration & Compensation Committee, Audit Committee and the Board of Directors of the Company at their respective meetings held on 31st May, 2021 re-appointed him as an Executive Director (Corporate Affairs) & Company Secretary for a further period of five years w.e.f. 1st June, 2021 to 31st May, 2026, without substantial powers of the Management, upon the following terms & conditions including the remuneration subject to approval of shareholders of the Company.

1. Job Responsibility: He will be responsible to perform the duties as an Executive Director (Corporate Affairs) & Company Secretary of the Company pursuant to the provisions of the Companies Act, 2013 & Rules made thereunder read with requirements of Uniform Listing Agreement executed with the BSE Limited pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 including any amendment(s) thereto. He will report to the Managing Director(s) and will also perform the duties as may be assigned by the Managing Director(s) of the Company from time to time in the best interest of the Company. Further, he will discharge the functions as "Compliance Officer" of the Company.
2. Remuneration:
 - (A) Basic Salary: Rs. 1,12,000/- per month with yearly increment as per the Rules of the Company from time to time.
 - (B) Allowance & Perquisites: House Rent Allowance, Electricity Allowance, Magazine Allowance, Performance Allowance, Medical & Education Allowance and Petrol coupons, Contribution to Executive Superannuation Fund, Provident Fund, Leave Encashment and Inflation (High Cost) as per the Rules of the Company from time to time.

The letter of appointment dated 31st May, 2021 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 86th Annual General Meeting.

Members' approval is required for re-appointment of Shri J. B. Sojitra as an Executive Director (Corporate Affairs) & Company Secretary for a further period of five years pursuant to Section 196, 197 read with Schedule V and Section 188 of the Companies Act, 2013 read with Rules made thereunder though his re-appointment is in the ordinary course of business and on Arm's length basis.

The Board considers that, his association would be beneficial to the Company and accordingly, the Board recommends the Special Resolution set out at Item No.7 of the Notice.

Except Shri J. B. Sojitra, no other Directors, Key Managerial Personnel and their relatives is in any way concerned or interested, financial or otherwise, in the Resolution set out at Item No. 7 of the Notice.

ITEM No.8 TO CONSIDER PAYMENT OF THE REMUNERATION TO SHRI BHARATBHAI PATEL, CHAIRMAN & MANAGING DIRECTOR OF THE COMPANY



Members are aware that, Shri Bharatbhai Patel, after completing his B. Text. & M.B.A. is rendering his valuable services to the Company since 1973 and has very rich experience of more than 46 years in the textile industry. He has made significant contribution to the progress of the Company in consultation with other members of the Board from time to time. He was elevated as Chairman & Managing Director of the Company w. e. f. 1st April, 2010.

Members are also aware that, the erstwhile Maharani Woolen Mills Ltd. was acquired in July, 1935 through Court Liquidator and the same was renamed as Shri Dinesh Mills Ltd. w.e.f. 1st July, 1935 and our Company had to face ups and down during more than eight decades of the existence. During this period, majority of medium size textile sector companies including some of the large companies had to close down their operations. Despite this fact and cut throat competitive environment over the globe, our Company could survive due to untiring efforts, timely actions taken / changes made in consultation with other members of the Board of Directors of our Company from time to time. The Company is paying the remuneration to Shri Bharatbhai Patel as per provisions of the Schedule V to the Companies Act, 2013 read with Section 197 of the Companies Act, 2013 and the remuneration of even senior level executives have been increased substantially.

Members are aware that, Shri Bharatbhai Patel was appointed as Chairman & Managing Director of the Company for a period of five years from 1st April, 2018 to 31st March, 2023 upon the existing terms of remuneration for a period of three years from 1st April, 2018 to 31st March, 2021 at 83rd Annual General Meeting held on 28th September, 2018. As the initial period of three years for payment of remuneration is expired on 31st March, 2021, the Nomination, Remuneration & Compensation Committee and Board of Directors at their respective meetings held on 12th February, 2021, approved the payment of Remuneration to him on existing terms & conditions as detailed hereunder for the unexpired period of his tenure of two years i.e. from 1st April, 2021 to 31st March, 2023 subject to approval of Shareholders of the Company.

1. Basic Salary: Rs. 4,60,000/- per month.

2. Allowances & Perquisites:

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

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

I. General Information:

1. Nature of industry: Textile

2. Date of commencement of commercial production: 17-02-1936

Financial performance:

(Rs. in Lacs)

Sr. No	Particulars	2020-2021	2019-2020	2018-2019
1	Revenue from Operations	4912	4681	6876
2	Operating Profit (PBDIT)	1424	676	692
3	Interest	20	21	115



4	Net Profit	881	173	19
5	Dividend (%)	50	30	18
6	Net Worth	11321	10084	10094
7	Book Value per Share of Rs.10/- each	202	190	194
8	E.P.S. (RS.)	16.05	9.94	0.38

3. Foreign investments or collaborators, if any : None

ii. Information about the appointee:

1. Background details: As given hereinabove.
2. Past remuneration: Rs.4,60,000/- basic salary p.m. plus Perquisites & Allowances subject to ceiling of his Annual Basic Salary.
3. Recognition or awards: As given hereinabove.
4. Job profile and his suitability: General administration and management of the overall business and affairs of the Company subject to the direction, supervision and control of the Board of Directors of the Company. The justification for his suitability is given hereinabove.
5. Remuneration proposed: As per the details given hereinabove.
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: The Company manufactures Felt (i.e. Technical Textiles) and looking to his contribution, 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 Nimishbhai Patel, Managing Director of the Company.

iii. Other Information:

1. Reason of loss or inadequate profits: The Textile Industry is Labour & Capital intensive and the industry has to face various internal & external challenges and our Company is not an exception to these challenges and as a result thereof, the profit is inadequate.
2. Steps taken or proposed to be taken for improvement: The management would strive to mitigate various risks viz. interest rate, commodity price, foreign exchange, business operations and Regulatory etc. through regular monitoring and taking corrective actions as and when required from time to time.
3. Expected increase in productivity and profits in measurable terms: Due to the reasons mentioned in Para III (1) and (2) hereinabove, the management would strive to increase the sales turnover and the profitability of the Company.

The draft Deed of Variation to be executed between the Company and Shri Bharatbhai Patel is available for inspection by members of the Company at the Registered Office between 11.00 a.m. to 1.00 p.m. on any working day before the date of the ensuing 86th Annual General Meeting.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for the approval by the shareholders of the Company.

Except Shri Bharatbhai Patel and Shri Nimishbhai Patel, no other Directors and Key Managerial Personnel are in any way concerned or interested, financial or otherwise, in the Resolution at Item No. 8 of the Notice.

ITEM No.9 TO CONSIDER THE REVISION IN THE REMUNERATION OF MR. ADITYA PATEL

Mr. Aditya Patel joined the Company on 27th January, 2009 and thereafter, considering his contribution, he was elevated from time to time and at present he is "President" of the Company. He has experience of more than 11 years and has made significant contribution to the progress of the Company.



In view of the above, the Nomination, Remuneration & Compensation Committee, Audit Committee and Board of Directors at their respective meetings held on 31st May, 2021, approved the payment of Remuneration to him on revised terms & conditions as detailed hereunder w.e.f. 1st September, 2021 subject to approval of Shareholders of the Company pursuant to the provisions of Section 188 read with Rules made thereunder.

Particulars	Amount in Rs.
Basic Salary (Scale: Rs.2,05,000–50,000–4,05,000)	Rs. 2,05,000/-
House Rent Allowance @ 30% of Basic Salary	Rs.61,500/-
Furnishing Allowance @ 10 % of Basic Salary	Rs.20,500/-
Education Allowance @ 5% of Basic Salary	Rs.10,250/-
Reimbursement of Medical, Club Fees, Insurance, Hotel & Electricity not exceeding 5% of Basic Salary	Rs.10,250/-
Total Monthly Salary	Rs.3,07,500/-

Note: Contribution to Provident Fund, Superannuation, Gratuity, Inflation & Leave Encashment as per the Rules of the Company.

As per provisions of Section 188 of the Companies Act, 2013 read with Rules made thereunder, the prior permission by way of Ordinary Resolution is required only on appointment at a monthly remuneration exceeding Rs. 2.50 Lakhs. Though the revision as proposed for Mr. Aditya Patel is in the ordinary course of business and on Arm's length basis, the prior permission is being sought as set out at Item No.9 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No.9 of the Notice.

Except Shri Bharatbhai Patel, no other Directors, Key Managerial Personnel and their relatives is in any way concerned or interested, financial or otherwise, in the Resolution set out at Item No. 9 of the Notice.

ITEM No.10 TO CONSIDER THE REVISION IN THE REMUNERATION OF MR. NISHANK PATEL

Mr. Nishank Patel joined the Company on 6th February, 2016 and thereafter, considering his contribution, he was elevated from time to time and at present he is "Vice President" of the Company. He has experience of more than 5 years and has made significant contribution to the progress of the Company.

In view of the above, the Nomination, Remuneration & Compensation Committee, Audit Committee and Board of Directors at their respective meetings held on 31st May, 2021, approved the payment of Remuneration to him on revised terms & conditions as detailed hereunder w.e.f. 1st September, 2021 subject to approval of Shareholders of the Company.

Particulars	Amount in Rs.
Basic Salary (Scale: Rs.2,05,000–50,000–4,05,000)	Rs. 2,05,000/-
House Rent Allowance @ 30% of Basic Salary	Rs.61,500/-
Furnishing Allowance @ 10 % of Basic Salary	Rs.20,500/-
Education Allowance @ 5% of Basic Salary	Rs.10,250/-
Reimbursement of Medical, Club Fees, Insurance, Hotel & Electricity not exceeding 5% of Basic Salary	Rs.10,250/-
Total Monthly Salary	Rs.3,07,500/-

Note: Contribution to Provident Fund, Superannuation, Gratuity, Inflation & Leave Encashment as per the Rules of the Company.



As per provisions of Section 188 of the Companies Act, 2013 read with Rules made thereunder, the prior permission by way of Ordinary Resolution is required only on appointment at a monthly remuneration exceeding Rs. 2.50 Lakhs. Though the revision as proposed for Mr. Nishank Patel is in the ordinary course of business and on Arm's length basis, the prior permission is being sought as set out at Item No.10 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No.10 of the Notice.

Except Shri Nimishbhai Patel, no other Directors, Key Managerial Personnel and their relatives is in any way concerned or interested, financial or otherwise, in the Resolution set out at Item No. 10 of the Notice.

Regd. Office:

Near Indiabulls Mega Mall, Akota Road,
Vadodara – 390 020

Dated 31st May, 2021

By Order of the Board

For SHRI DINESH MILLS LIMITED,

Sd/-

J. B. SOJITRA

COMPANY SECRETARY

M. No. A -6351



BOARDS' REPORT

To,
The Members,
Shri Dinesh Mills Limited.

Your Directors have pleasure in presenting their Report together with the Annual Financial Statement for the year ended 31st March, 2021

1. PERFORMANCE OF THE COMPANY

PARTICULARS	(Rs. In Lakhs)	
	2020–2021	2019–2020
Revenue from Operations	4912	4681
Profit before Depreciation, Interest & Tax (PBDIT)	1424	676
Net Profit	881	173

2. DIVIDEND

Your Directors have recommended for your consideration Dividend of Rs. 5.00 per Equity share (50%) (Previous year Rs.3.00 per Equity share i.e. 30%) on 56,00,582 equity shares of Rs.10/- each amounting to Rs. 2,80,02,910/- plus applicable Dividend Distribution Tax thereon subject to approval of shareholders of the Company at their ensuing 86th Annual General Meeting.

3. TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserve.

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

The Company has transferred unclaimed dividend for the financial year 2012–2013 and also transferred 12,350 equity shares of Rs.10/- each to the IEPF Authority.

5. CHANGES IN THE NATURE OF BUSINESS

There is no change in the nature of business during the year under review.

6. MANAGEMENT DISCUSSION AND ANALYSIS

A. OVERALL REVIEW OF OPERATIONS

During the year under review, the Company could achieve the Revenue from its Operations of Rs. 4912 Lakhs as compared to Rs. 4681 Lakhs of the corresponding period of the previous year despite disruption due to COVID-19 pandemic especially due to concentrated marketing efforts. The net profit of the Company has been substantially increased from Rs.173 Lakhs to Rs.881 Lakhs mainly due to discontinuation of Woolen & Worsted fabrics business and also controlling various costs.

The Company manufactures Felts (i.e. Technical Textiles) which is Capital & Labour intensive. The quality of the product is well established in the markets and our



Company is a debt free company with no pledge of shareholding of Promoters Group and having sufficient liquidity, we expect to contain adverse impact due to second wave of COVID pandemic to some extent.

B. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

(Rs. In Lakhs)

Sr. No.	Particulars	2020 – 2021	2019 – 2020
1	Revenue from Operations	4912	4681
2	Operating profit (PBDIT)	1424	676
3	Depreciation	423	543
4	Interest	20	21
5	Profit before Tax	981	112
6	Provision for Taxation	100	(61)
7	Net Profit	881	173

C. OVERALL OUTLOOK

Considering uncertain nature of COVID-19, its continuity over the globe, shortage of vaccines and also looking to the unexpected swing in the domestic & international markets, the turnover and profitability of our Company may be affected during the current financial year but it is very difficult to judge accurately the impact due to second wave of COVID pandemic at this stage.

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 and improvement in present economic scenario etc. over the globe.

D. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Internal Audit Department conducts audit of all departments of the Company and places Audit reports/plans before the Audit Committee which reviews adequacy of internal audit functions, audit procedures and its coverage periodically. The minutes of the Audit Committee meetings are placed at the meetings of the Board of Directors from time to time. The Company has adopted the concept of pre-audit and therefore, the mistakes, if any are rectified before the transactions are finally booked in the Books of Accounts of the Company.

E. INDUSTRIAL RELATIONS

During the year under review, the industrial relations both at Baroda and Ankleshwar units have remained cordial. There were 324 employees in the Company as at 31st March, 2021.

7. MATERIAL CHANGES AND COMMITMENT, IF ANY

There are no material changes and commitments affecting the financial position of the Company occurred from 1st April, 2021 to the date of this Report.



8. SIGNIFICANT AND MATERIAL ORDERS, IF ANY

During the year under review, no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

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

10. RISK MANAGEMENT

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

11. THE CORPORATE SOCIAL RESPONSIBILITY

As the net profit of the Company was less than Rs.5 Crores during F.Y. 2019–2020, provisions relating to the Corporate Social Responsibility (CSR) as prescribed u/s. 135 of the Companies Act, 2013 along with Rules made thereunder were not applicable to our Company and therefore, neither the CSR Committee nor the CSR Policy was framed by the Company. However, net profit of the Company exceeds Rs.5 Crores during the F.Y. 2020 – 2021, the Board of Directors of the Company at their meeting held on 31st May, 2021 framed the CSR Policy.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company has not given any loans, guarantees pursuant to Section 186 of the Companies Act, 2013 except the investment made in 3,50,000, 0.01% Optionally Convertible Non-Cumulative Preference Shares of Rs.10/- each in the Right Issue of Wholly Owned Subsidiary company viz. Fernway Textiles Limited amounting to Rs.35/- Lakhs.

13. AUDITORS REPORTS

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

The Secretarial Audit Report issued by the Secretarial Auditor, M/s. Kashyap Shah & Co., Practicing Company Secretaries, Vadodara is self-explanatory and therefore, do not call for any explanation. The copy of the Secretarial Audit Report is attached as **Annexure – “B”**.



During the year under review, no fraud has been reported to the Audit Committee of the Company by the above referred Statutory Auditors and Secretarial Auditor.

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

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

15. SEXUAL HARRASSMENT OF WOMAN EMPLOYEES

The Company has constituted "Internal Complaints Committee" pursuant to the provisions of the Sexual Harassment of Woman at work place (prevention, prohibition & redressal) Act, 2013 and no complaint has been received by the Committee during the financial year 2020 – 2021.

16. ANNUAL RETURN

The extracts of Annual Return pursuant to Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in **Annexure – "C"** attached to this Report.

17. COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with the Secretarial Standard 1 (SS-1) relating to the meetings of the Board of Directors and Secretarial Standard 2 (SS-2) relating to the General meetings issued by the Institute of Company Secretarial of India and approved by the Central Government.

18. THE MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, five meetings of Board of Directors of the Company were held on 30/06/2020, 14/08/2020, 11/11/2020, 12/02/2021 and 15/03/2021.

19. KEY MANAGERIAL PERSONNEL (KMP) AND REMUNERATION

During the year under review, Shri Bharatbhai Patel, Chairman & Managing Director, Shri J B Sojitra, Company Secretary and Shri Apurva Shah, Chief Financial Officer were the KMP of the Company pursuant to Section 203 of the Companies Act, 2013 and the Rules made thereunder.

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

- a) The ratio of the Remuneration of each Director to the median employee's remuneration for the financial year and such other details are given hereunder:
 - (1) Name : Shri Bharatbhai Patel (Chairman & Managing Director)
Ratio: 65:1
 - (2) Name: Shri Nimishbhai Patel (Managing Director)
Ratio: 65:1



- b) The percentage increase in Remuneration of each Director, Chief Financial Officer, Company Secretary during the financial year:
- (1) Shri Bharatbhai Patel – Chairman & Managing Director : NIL
 - (2) Shri Nimishbhai Patel – Managing Director : NIL
 - (3) Shri Apurva Shah (Upto 04/02/2021) – Chief Financial Officer: NIL
 - (4) Shri J. B. Sojitra – Company Secretary : NIL
- c) The percentage increase in the median remuneration of employees in the financial year: 4%
- d) There are 324 permanent employees on the Roll of the Company.
- e) The explanation on the relationship between average increases in Remuneration and Company performance: The Company has given normal increments to the employees for the year ended 31st March, 2021.
- f) Comparison of the Remuneration of the Key Managerial Personnel (KMP) against the performance of the company: Considering the performance of the Company, and also considering the qualifications, experience, long association, untiring efforts and their contribution to the Company, the remuneration paid to KMP is quite reasonable.

20. CORPORATE GOVERNANCE

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

21. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Dinesh Remedies Ltd., a subsidiary of the Company is engaged in manufacturing of Empty hard Gelatin Capsules Shells at Village Mahuvad, Haranmal Road, Padra – Jambusar Highway, Taluka Padra, District Vadodara – 391 440.

Fernway Technologies Ltd. and Fernway Textiles Ltd. are wholly owned subsidiary companies. However, these subsidiary companies have yet to start the business.

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

22. DEPOSITS

The Company has neither accepted nor renewed any deposits pursuant to Section 73 and 76 of the Companies Act, 2013 and Rules made thereunder during the financial year 2020 – 2021.

23. DIRECTORS

Pursuant to Section 149 and 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors are not



liable to retire by rotation whereas other Directors are liable to retire by rotation and accordingly, Shri Nimishbhai Patel, Managing Director of the Company would retire by rotation and being eligible, offer himself for re-appointment.

During the year under review, Ms. Reshma S. Patel was appointed as an Independent (Woman) Director of the Company for a period of five years w.e.f. 15th March, 2021 and therefore, the Board recommends her appointment as Independent (Woman) Director of the Company in the ensuing 86th Annual General Meeting (AGM) of the Company.

During the year under review, Mrs. Tarunaben Patel had resigned as an Independent Director w.e.f. 8th June, 2020 and thereafter, she was appointed as Non-Executive Director w.e.f. 30th June, 2020. The information as required under Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 relating to Shri Nimishbhai Patel and Ms. Reshma S. Patel are given in the Notice of ensuing 86th AGM of the Company.

24. DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors have given the declaration that, they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 read with Rules made thereunder and Clause (6) of sub-regulation (i) of Regulation 16 of SEBI (LODR) Regulation 2015.

25. CERTIFICATE OF NON DISQUALIFICATION OF DIRECTORS

The Certificate of Non Disqualification of Directors issued by Ms. Nilesh Savaliya & Associates, Practicing Company Secretaries pursuant to SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 is attached as **Annexure – “F”**.

26. PERFORMANCE EVALUATION

The performance evaluation of all the Directors including Independent Directors and the Board as a whole which includes the Committees thereof was done on 12th February, 2021 considering various criteria and also seeking inputs from all the Directors as per the Performance Evaluation Policy of the Company.

A separate meeting of Independent Directors was also held on 12th February, 2021 and reviewed the performance of Non Independent Directors, performance of the Board as whole and performance of the Chairperson of the Company taking into account the views of Executive and Non- Executive Directors pursuant to the Performance Evaluation Policy of the Company.

27. STATUTORY AUDITORS

The Statutory Auditors, M/s. Dhirubhai Shah & Co. LLP would hold the Office till the conclusion of 86th AGM pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Rules made thereunder and therefore, M/s. R. K. Doshi & Co. LLP having Firm Registration No. 102745W/W100242 is appointed as Statutory Auditors for a term of five years from F.Y. 2021–2022 to F.Y. 2025–2026 for auditing the Accounts of the Company subject to approval of shareholders of the Company.



28. COMPOSITION OF AUDIT COMMITTEE AND VIGIL MECHANISM

The Audit Committee consists of three Independent Directors viz. Shri Rakesh Agrawal, Shri T. M. Patel and Shri Sanjiv Shah and one Non-Executive Director Mrs. Tarunaben Patel.

The Board of Directors of the Company had established the Vigil Mechanism pursuant to Section 177(9) of the Companies Act, 2013 and Rules made for Directors and Employees to report their genuine concerns. However, there were no instances reported to the Chairman of the Audit Committee during the year under review. The Whistle Blower Policy can be viewed at Company's website www.dineshmills.com in "Investors" Section.

29. SHARES:

- (a) **BUY BACK OF SECURITIES:** The Company has not bought back any of its securities during the year under review.
- (b) **SWEAT EQUITY:** The Company has not issued any Sweat Equity Shares during the year under review.
- (c) **BONUS SHARES:** No Bonus Shares were issued during the year under review.
- (d) **EMPLOYEES STOCK OPTION PLAN (ESOP):** The disclosure required pursuant Regulation 14 of SEBI (Share Based Employee Benefits), Regulations, 2014 is attached as **Annexure – "G"**.
- (e) **PREFERENTIAL ALLOTMENT:** The Company had allotted 5,00,000 Convertible Warrants of Rs.10/- each with a premium of Rs.140/- each to the Promoter Group on preferential basis on 20th February, 2019 which is convertible at the option of the warrant holders at any time within 18 months from the date of allotment, in one or more tranche(s) and accordingly, the balance 3,00,000 warrants have been converted into 3,00,000 equity shares of Rs.10/- each with a premium of Rs.140/- each during the year under review and no convertible warrants are outstanding as at 31st March, 2021.

The funds received under the preferential allotment are utilized for existing business purpose as stated in the Notice of Extra Ordinary General Meeting held on 7th February, 2019.

30. EMPLOYEES' REMUNERATION:

The details of the remuneration paid to the employees during the year under review are given in the **Annexure – "H"** to this Report pursuant Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014. A statement showing remuneration paid to top 10 employees of the Company are available at the Company and the same will be provided to the members upon request for the same.

31. INSURANCE:

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



32. CONTRACTS / ARRANGEMENT WITH THE RELATED PARTIES

During the year under review, no contracts / arrangements are entered with the Related Parties pursuant to Section 188 of the Companies Act, 2013. However, the transactions with Related Parties are given in Note No. 38 attached to the Annual Financial Statement as Good Corporate Governance practice and also disclosed in **Form AOC – 2** attached as **Annexure – “I”** to this Report.

33. DIRECTORS RESPONSIBILITY STATEMENT:

Your Directors confirm that:

- (a) in the preparation of the Annual Accounts for the financial year 2020–2021, the applicable Accounting Standards had been followed along with the proper explanation relating to material departures;
- (b) the Directors had selected such Accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the Annual Accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the Company and that, such internal financial controls are adequate and were operating effectively.
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

34. ACKNOWLEDGEMENTS

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

Place: Vadodara
Date: 31st May, 2021

Sd/-
BHARAT PATEL
CHAIRMAN
DIN: 00039543



ANNEXURE – “A”

A. CONSERVATION OF ENERGY:

- (a) The steps taken or impact on Conservation of Energy: None
- (b) The steps taken by the Company for utilizing alternate sources of Energy: None
- (c) The Capital Investments on Energy Conservation Equipments: None

B. TECHNOLOGY ABSORPTION:

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Rs. In Lakhs)		
Year	Earnings	Outgo
2020 – 2021	577.85	798.81

FORM: A

RESEARCH & DEVELOPMENT:

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

Expenditure on R & D: Rs. 25.14 Lakhs

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

Sd/-

Place: Vadodara
Date: 31st May, 2021

BHARAT PATEL
CHAIRMAN
DIN: 00039543



ANNEXURE – B

Secretarial Audit Report

(For the Financial year ended on 31st March, 2021)

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

To,
The Members,
SHRI DINESH MILLS LIMITED
Near Indiabulls Mega Mall, Akota Road,
Vadodara – 390 020

Dear Sirs,

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2021, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
 - A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;



- C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- D. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - Not Applicable to the Company during the Audit Period;
- F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. - Not Applicable to the Company during the Audit Period; and
- H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. - Not Applicable to the Company during the Audit Period;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above, except (a) *a non compliance of provisions of Regulation 17(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for which the Company regularized the Compliance by making appointment of an Independent Director w.e.f. 15.03.2021.* (b) *Due to technical problems in filing form IEPF-4 for share transferred to Investor Education Protection Fund authority, the form is pending for filing, for which query has been raised with the Ministry of Corporate Affairs.* (c) *As per MCA circular no. 14/2020, the Company was required to file all resolutions passed at Annual General Meeting held on 22.09.2020 with the Registrar of Companies, whereas the Company has filed Special Resolution passed at the meeting.*

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

1. The Water (prevention and control of pollution) Act, 1974 & Rules
2. Air (Prevention & Control of Pollution) Act, 1981 & Rules
3. Environment Protection Act, 1986 & Rules
4. Water Cess Act, 1977 & Rules

We further report that;

During the year under review, due to resignation of Mrs. Taruna P Patel (DIN 00181786) as an Independent Director w.e.f. 08.06.2020 (and appointed as Additional Non-



Executive Director w.e.f. 30.06.2020), composition of Board was not complied with under Regulation 17(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company made appointment of Ms. Reshma S Patel (DIN-00165162) as an Additional Independent Director w.e.f. 15.03.2021. Accordingly, as on 31.03.2021, the Board of Directors of the Company was constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Board made re-appointment of Mr. Sanjiv Shah (DIN- 00065796) as Independent Director for further period of five years from 29.03.2021, subject to approval of shareholders.

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

We further report that during the audit period, the Company has passed special resolution at Annual General Meeting held on 22.09.2020 for re-appointment of Mr. Nimishbhai Patel as Managing Director for five years from 14.01.2020 to 13.01.2025.

**For Kashyap Shah & Co.
Practising Company Secretaries**

Sd/-
(Kashyap Shah)
Proprietor
FCS No. 7662; CP No. 6672
UDIN: F007662C000338080

Place: Vadodara
Date: 18.05.2021

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



Annexure to Secretarial Audit Report

To,
The Members,
SHRI DINESH MILLS LIMITED
Near Indiabulls Mega Mall, Akota Road,
Vadodara – 390 020

Dear Sirs,

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

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

For Kashyap Shah & Co.
Practising Company Secretaries

Sd/-

(Kashyap Shah)
Proprietor
FCS No. 7662; CP No. 6672
UDIN: F007662C000338080

Place: Vadodara

Date: 18.05.2021



**ANNEXURE – “C”
FORM No. MGT-9**

EXTRACT OF ANNUAL RETURN

as at the Financial Year ended on 31st March, 2021

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	Corporate Identification Number (CIN)	L17110GJ1935PLC000494
(ii)	Registration Date	01/07/1935
(iii)	Name of the Company	SHRI DINESH MILLS LIMITED
(iv)	Category / Sub-Category of the Company	Indian Non-Govt. Company
(v)	Address of the Registered office and contact details	NEAR INDIABULLS MEGA MALL, AKOTA ROAD, VADODARA – 390 020
(vi)	Whether Listed company	Listed Public Company
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS SHARE TRANSFER AGENT LTD. 1st Floor, Neelam Apartment, 88, Sampatrao Colony, Above Chhapanbhog, Alkapuri, Vadodara – 390 007

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1.	Paper Makers' Felt	13999	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Dinesh Remedies Ltd. Shri Dinesh Mills premises, Akota Road, Vadodara	U24230GJ2005PLC045447	Subsidiary	55.52%	Section 2(46)
2	Fernway Technologies Limited Post Box No. 2501, Padra Road, Vadodara – 390020	U17301GJ2017PLC099607	Subsidiary	100%	Section 2(46)
3	Fernway Textiles Limited Post Box No. 2501, Padra Road, Vadodara – 390020	U17200GJ2017PLC099677	Subsidiary	100%	Section 2(46)

(i) Category-wise shareholding

[illegible]



f) Insurance Companies	0	0	0		0	0	0		NIL
g) FIIs	0	0	0	0	0	0	0	0	NIL
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	NIL
i) Others (specify)	0	0	0	0	0	0	0	0	NIL
Sub-total (B)(1):-	2770	1000	3770	0.07	2770	1000	3770	0	NIL
2.Non-Institutions									
a) Bodies Corporate									
i) Indian	104552	6020	110572	2.07	173882	6020	179902	3.21	1.14
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals:									
i) Individual shareholders holding nominal share capital upto Rs. 2/- Lakhs.	1301584	196910	1498494	28.27	1147090	195300	1342390	23.97	-4.3
ii) Individual shareholders holding nominal share capital in excess of Rs. 2/- Lakhs.	1010971	0	1010971	19.07	1100001	0	1100001	19.64	0.57
c) Others, (specify)									
Non Resident Indians	120613	100	120713	2.28	118107	350	118457	2.11	-0.17
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	NIL
Foreign Nationals	0	0	0	0	0	0	0	0	NIL
Clearing Members	0	0	0	0	0	0	0	0	NIL
Trusts	0	0	0	0	0	0	0	0	NIL
Foreign Bodies - D R	0	0	0	0	0	0	0	0	NIL
IEPF	67690	0	67690	1.28	67690	0	67690	1.28	0.00
Sub-total (B)(2):-	2605410	203280	2808440	52.98	2606770	201670	2808440	50.15	-2.83
Total Public Shareholding (B)= (B)(1)+ (B)(2)	2608180	204280	2812210	53.05	2609540	202670	2812210	50.21	-2.84



C.Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	NIL
Grand Total (A+B+C)	5096302	204280	5300582	100	5397912	202670	5600582	100	NIL

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (i.e. 1 st April, 2020)			Shareholding at the end of the year (i.e. 31 st March, 2021)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	BHARATBHAI UPENDRABHAI PATEL	720088	13.59	NIL	795088	14.20	NIL	0.61
2	NIMISH PATEL	693852	13.09	NIL	768852	13.73	NIL	0.64
3	NISHANK NIMISHBHAI PATEL	429490	8.10	NIL	504490	9.01	NIL	0.91
4	ADITYA B PATEL	417443	7.88	NIL	492443	8.79	NIL	0.91
5	ARUSHABEN NIMISHBHAI PATEL	83085	1.57	NIL	83085	1.48	NIL	-0.09
6	ROOPABEN BHARATBHAI PATEL	54554	1.03	NIL	54554	0.97	NIL	-0.06
7	MINAL SHEKHAR DESAI	34640	0.65	NIL	34640	0.62	NIL	-0.03
8	RANAK KAMLESH LASKARI	34060	0.64	NIL	34060	0.61	NIL	-0.03
9	JEMIKA KARNA PARIKH	21160	0.40	NIL	21160	0.38	NIL	-0.02

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

Sr. No.		Shareholding at the beginning of the year (1 st April, 2020)		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year (1 st April, 2020)	2488372	46.95%	2388372	46.95%
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) Allotment of 300000 equity shares upon conversion of 300000 warrants on 14-08-2020 (3 rd & Final	300000	2.84	300000	2.84



	Tranche).				
3	At the end of the year (31 st March, 2021)	27,88,372	49.79%	27,88,372	49.79%

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

Sr. No.	For each of Top 10 Shareholders	Shareholding at the beginning of the year (i.e. 01.04.2020)		Shareholding at the Ending of the year (i.e. 31.03.2021)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Sharad Kanayalal shah Varsha Sharad Shah Dipak Kanayalal Shah	234004	4.41	236128	4.22
2	Varsha Sharad Shah	124148	2.34	142749	2.55
3	Popatlal Punamchand Shah	0	0	100000	1.79
4	Javeri Fiscal Services Ltd	0	0	100000	1.79
5	Dipak Kanayalal shah Mita Dipak Shah Sharad Kanayalal Shah	89520	1.69	95000	1.70
6	Vinodchandra Mansukhlal Parekh Sanjeev Vinodchandra Parekh	90721	1.71	90721	1.62
7	Muktilal Ganulal Paldiwal Taradevi Muktilal Paldiwal	74604	1.41	71549	1.28
8	Pranav Kumarpal Parekh Sanjeev Vinodchandra Parekh	93054	1.78	61304	1.09
9	Preeti Anand Patel	76750	1.45	76750	1.37
10	Jigna Kanayalal Shah Sharad Kanayalal Shah Dipak Kanayalal Shah	51336	0.97	56336	1.01
11	Vinodchandra Mansukhlal Parekh	46328	0.87	46328	0.83

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year (01/04/2020) (1) Shri B U Patel (CMD-KMP) = 720088 shares* (2) Shri N U Patel = 693852 shares* (3) Shri J. B. Sojitra = 11 shares (4) Shri T. M. Patel = 1020 shares (5) Shri Rakesh Agrawal = 100 Shares (6) Mrs. Tarunaben Patel = NIL (7) Shri Sanjiv Shah = NIL (8) Shri J B Sojitra = 11 shares (CS-KMP)	1415071	26.70%	-	-



	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.). (1) Shri B U Patel (CMD-KMP) = 75000 shares allotted on 14-08-2020 (2) Shri N U Patel = 75000 shares allotted on 14-08-2020.	150000	2.68%		
	At the end of the year (31/03/2021) (1) Shri B U Patel (CMD-KMP) = 795088 shares* (2) Shri N U Patel = 768852 shares* (3) Shri J. B. Sojitra = 11 shares (4) Shri T. M. Patel = 1020 shares (5) Shri Rakesh Agrawal = 100 Shares (6) Mrs. Tarunaben Patel = NIL (7) Shri Sanjiv Shah = NIL (8) Shri J B Sojitra = 11 shares (CS-KMP)	1565071	27.94%	-	-

* increased due to Allotment of equity shares upon conversion of warrants on 14-08-2020 (3rd & Final Tranche).

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (i.e. 01/04/2020)				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i + ii + iii)	0	0	0	0
Change in Indebtedness during the financial year (2020 – 2021)				
* Addition	0	0	0	0
* Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year (i.e. 31/03/2021)				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i + ii + iii)	0	0	0	0



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/MTD/Manager/KMP			Total Amount (Rs.)
		Shri B U Patel (CMD)	Shri N U Patel (MD)	Shri J B Sojitra (E.D. & C.S.)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	98,32,500/-	98,32,500	19,81,320/-	2,16,46,320/-
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	5,17,500/-	5,17,500/-	45,760/-	10,80,760/-
	(c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission - as % of profit - others, specify	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	Total (A)	1,03,50,000/-	1,03,50,000/-	20,27,080/-	2,27,27,080/-
	Ceiling as per the Act	As per Schedule V to the Companies Act, 2013			

B. Remuneration to other Directors

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount (Rs.)
		SMS	TMP	RA	TPP	RSP	
1	Independent Directors						
	Fee for attending board & committee meetings	122000	112000	112000	67000	10000	423000
	Commission	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)	122000	112000	112000	67000	10000	423000
2	Other Non-Executive Directors						
	Fee for attending board & committee meetings	NIL	NIL	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	122000	112000	112000	67000	10000	423000
	Total Managerial Remuneration (A+B)	Rs. 2,31,50,080/-					
	Overall Ceiling as per the Act	As per Schedule V to the Companies Act, 2013 & Rules					

SMS: Shri Sanjiv M. Shah, TMP: Shri T. M. Patel, RA: Shri Rakesh Agrawal, TPP: Mrs. Taruna P. Patel, RSP: Ms. Reshma Suresh Patel (w.e.f.: 15-03-2021)



Remuneration to Key Managerial Personnel other than MD /Manager / WTD during the financial year 2020-2021

Financial Year: 2020-2021		Key Managerial Personnel			
Sr. No.	Particulars of Remuneration	CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	As per the details given at Sr. VI hereinabove	10,56,783/-	10,56,783/-
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	NIL		33,680/-	33,680/-
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	NIL		NIL	NIL
	2	Stock Option		NIL	NIL
3	Sweat Equity	NIL		NIL	NIL
4	Commission - as % of profit - others, specify	NIL		NIL	NIL
5	Others, please specify	NIL		NIL	NIL
	Total	NIL		10,90,463/-	10,90,463/-

CEO: Chief Executive Officer, CS: Company Secretary, CFO: Chief Financial Officer

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

Place: Vadodara
Date: 31st May, 2021

Sd/-
BHARAT PATEL
CHAIRMAN
DIN: 00039543



ANNEXURE – “D” **REPORT ON CORPORATE GOVERNANCE**

The Directors present the Company’s Report on Corporate Governance for the financial year 2020–2021.

COMPANY’S PHILOSOPHY

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

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

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

BOARD OF DIRECTORS AND COMMITTEES OF DIRECTORS:

(A) BOARD OF DIRECTORS:

- (i) Composition: As on 31st March, 2021, the Board of Directors of the Company consisted of 8 members as per the details given hereunder. The members of the Board are from diverse field and having experience in business, finance, techno-commercial and management. The Company has Executive Chairman and the composition of the Board is in conformity with the Regulation 17(1) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 and the provisions of the Companies Act, 2013 and Rules made thereunder.
- (ii) Other Directorship: Other Directorships/Committee memberships held by the Directors are as under:

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

C.M.D. – Chairman & Managing Director, M.D. – Managing Director, N.E.D. – Non-Executive Director

I.D. – Independent Director, E.D. – Executive Director (Corporate Affairs)

* Appointed w.e.f. 15-03-2021

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

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



- (iii) Board Meetings held during the year & attendance of Directors: During the financial year ended 31st March 2021, Five Board Meetings were held on 30/06/2020, 14/08/2020, 11/11/2020, 12/02/2021 and 15/03/2021. The attendance of Directors are as under:

Name of Director	No. of Board Meetings attended	Attendance at the last AGM held on 22/09/2020.
Shri B. U. Patel	05	Yes
Shri N. U. Patel	05	Yes
Shri T. M. Patel	04	Yes
Shri Rakesh Agrawal	04	Yes
Shri Sanjiv Shah	04	Yes
Mrs. Taruna Patel	03	Yes
Shri J. B. Sojitra	05	Yes
Ms. Reshma Patel	01	Not Applicable

- (iv) Particulars of Director retiring by rotation and seeking re-appointment and also the appointments of Managing Director and Independent Directors have been given in the Notice convening the 86th Annual General Meeting and Explanatory Statement, attached thereto.

(B) COMMITTEES OF DIRECTORS:

❖ AUDIT COMMITTEE:

(a) Composition, Name of Members and Chairperson:

As on 31st March, 2021, the Audit Committee of the Company comprises of three Independent Directors and one Non-Executive Director (N.E.D). All the members of the Audit Committee are qualified and having insight to interpret & understand financial statements. The Audit Committee comprises of the following members:

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

*Appointed as N.E.D w.e.f. 30-06-2020

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

(b) Terms of Reference:

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

(c) Meetings and Attendance during the year:

During the financial year ended 31st March, 2021, four meetings of the Audit Committee were held on 30/06/2020, 14/08/2020, 11/11/2020 and 12/02/2021 and the attendances of the Members are as follows:

Sr.	Name of member	No. of Meetings attended
-----	----------------	--------------------------



1	Shri Rakesh Agrawal	03
2	Shri T. M. Patel	04
3	Shri Sanjiv Shah	04
4	Mrs. Taruna Patel	02

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

Shri Rakesh Agrawal, Chairman of the Audit Committee remained present at the Annual General Meeting to answer the shareholders queries.

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

(a) Composition, Name of Members and Chairperson:

As on 31st March, 2021, the Nomination, Remuneration & Compensation Committee of the Company comprises three Independent Directors. The names & category of the Committee members are as follows:

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

(b) Terms of Reference:

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

(c) Meetings and Attendance during the year:

During the financial year ended 31st March, 2021, three meetings of the Nomination, Remuneration & Compensation Committee were held on 30/06/2020, 12/02/2021 and 15/03/2021 and the attendances of the Members are as follows:

Sr.	Name of member	No. of Meetings attended
1	Shri T. M. Patel	02
2	Shri Sanjiv Shah	03
3	Shri Rakesh Agrawal	03

(d) The Remuneration Policy:

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

(e) Remuneration paid to the Directors during the financial year ended 31st March, 2021:

(Amount in Rs.)

Name of Director	Salary	Perks	Sitting Fees	Total
Shri B. U. Patel	98,32,500/-	5,17,500/-	NIL	1,03,50,000/-
Shri N. U. Patel	98,32,500/-	5,17,500/-	NIL	1,03,50,000/-
Shri T. M. Patel	NIL	NIL	1,12,000/-	1,12,000/-
Shri Rakesh Agrawal	NIL	NIL	1,12,000/-	1,12,000/-
Shri Sanjiv Shah	NIL	NIL	1,22,000/-	1,22,000/-



Mrs. Taruna Patel	NIL	NIL	67,000/-	67,000/-
Shri J.B. Sojitra	19,81,320/-	45,760/-	NIL	20,27,080/-
Ms. Reshma Patel	NIL	NIL	10,000/-	10,000/-

Except Independent Directors, all the members of the Board are liable to retire by rotation. The terms of appointment of the Managing Directors are approved by the Board, as per recommendations of the Nomination, Remuneration & Compensation Committee, considering the provisions of the Companies Act, 2013 read with Rules made thereunder which is presently based on Schedule V to the Companies Act, 2013 and also considering the Remuneration Policy of the Company, subject to approval of shareholders. The Shareholding of Directors of the Company as on 31st March, 2021 is as follows:

Name of Director	Designation	No. of Equity Shares	% of shareholding
Shri B. U. Patel	Chairman & Managing Director	7,95,088	14.20
Shri N. U. Patel	Managing Director	7,68,852	13.73
Shri T. M. Patel	Non-Executive Independent Director	1,020	0.02
Shri Rakesh Agrawal	Non-Executive Independent Director	100	0.00
Shri Sanjiv Shah	Non-Executive Independent Director	NIL	NIL
Mrs. Taruna Patel	Non-Executive Director	NIL	NIL
Shri J.B. Sojitra	Executive Director (Corporate Affairs)	11	0.00
Ms. Reshma Patel	Non-Executive Independent Director	NIL	NIL

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

❖ **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

(a) Composition:

As on 31st March, 2021, the Stakeholders Relationship Committee comprises the following two Independent Directors and one Non-Executive Director:

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

*Appointed as N.E.D. w.e.f. 30-06-2020

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

(b) Terms of Reference:

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

(c) Meetings and Attendance during the year:

During the financial year ended 31st March, 2021, one meeting of the Stakeholders Relationship Committee was held on 11/11/2020 and the attendance of the Members are as follows:

Sr.	Name of member	No. of Meetings attended
1	Shri Rakesh Agrawal	01
2	Shri T. M. Patel	01
3	Mrs. Taruna Patel	00



- (d) Status of Transmission / Name Deletion etc.: During the year ended 31st March, 2021, 13 request for 830 equity shares were processed and no request was pending as on 31st March, 2021.
- (e) Complaints: During the year ended 31st March, 2021, the Company had received 1 complaint and disposed off the same and therefore, no complaint was pending for Redressal.

(C) MEETING OF THE INDEPENDENT DIRECTORS:

As per provisions of the Companies Act, 2013 read with Rules made thereunder and the Regulation 25 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors was held on 12th February, 2021 to consider the following agenda:

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

All Independent Directors were present in the meeting held on 12th February, 2021 and they considered the above referred agenda.

The performance evaluation of all the Directors including Independent Directors and the Board as a whole which includes the Committees thereof was done on 12th February, 2021 as per the Performance Evaluation Policy of the Company.

(D) SUBSIDIARY COMPANIES:

Dinesh Remedies Ltd. (DRL). The Company holds 1,30,98,095 (i.e. 55.52%) equity shares in the share capital of DRL as on 31st March, 2021. DRL is engaged in manufacturing of Empty Hard Gelatin Capsules shells at its factory situated at Village Mahuvad, Taluka Padra, District Vadodara. DRL is the Material Unlisted Subsidiary Company and the requirements pursuant to Regulation 24 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are complied with during the financial year 2020–2021.

The Company holds 100% equity share capital of Fernway Technologies Ltd. and Fernway Textiles Ltd., wholly owned subsidiary companies and they have yet to start its Business Operations. The Fernway Textiles Limited incorporated Wholly Owned Subsidiary namely Stellant Chemicals Industries Private Limited on 25th October, 2019 and the Company has yet to start the Business Operations.

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

AGM Number	Year Ended	Venue	Day, Date & Time	No. of Special Resolution passed
83 rd	31/03/2018	Registered Office at Padra Road, Vadodara	Friday, 28 th September, 2018 At 11.00 A.M.	01
84 th	31/03/2019	Registered Office at Padra Road, Vadodara	Thursday, 26 th September, 2019 At 11.00 AM	02
85 th	31/03/2020	Registered Office at Padra Road, Vadodara	Tuesday, 22 nd September, 2020 At 11.00 AM	03



During the financial year 2020–2021, there was no need to hold Extra-Ordinary General Meeting of shareholders of the Company.

(F) DISCLOSURES:

- a. The Remuneration Policy, the Policy on Related Party Transactions and Risk Management Policy: These Policies have been placed on the Website of the Company and the same can be viewed at www.dineshmills.com in “Investors” Section.
- b. During the year, there were no transactions of material nature with related parties that had potential conflict with the interests of the Company and the transactions entered with Related Parties were in the ordinary course of business and on Arms’ length basis. The Policy for determining “material subsidiaries” can be viewed at www.dineshmills.com in “Investors” Section.
- c. While preparation of financial statement during the period under review, no accounting treatment which was different from that prescribed in the Accounting Standards was followed.
- d. The Company has complied with the requirements of Regulatory Authorities on capital markets and no penalties/strictures have been imposed against it in the preceding three years.
- e. There were no material financial and commercial transactions where senior management of the Company who had personal interest that may have a potential conflict with the interest of the Company at large.
- f. The Whistle Blower Policy for Directors and employees which have been placed in the website of the Company and the same can be viewed at www.dineshmills.com in “Investors” Section. No personnel have been denied access to the Audit Committee.
- g. The Company had formed the Committee to deal with the complaints, if any regarding sexual harassment of woman employees and no complaint was received by the Committee during the financial year 2020–2021.
- h. The declaration by the Chairman & Managing Director (CMD) for compliance of Code of Conduct by all Board members and Senior Management personnel of the Company during the year 2020–2021 pursuant to Regulation 17(5) read with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as **Annexure–“I”**.
- i. The funds raised through the preferential allotment have been fully utilized as per the object of the issue of convertible warrants on preferential basis to the members of the Promoter Group.
- j. All the mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are disclosed in this Report. The Company has also complied with the Corporate Governance requirements specified in Regulation 18 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 except provisions of Regulation 17(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, which has been regularized by appointment of an Independent Director w.e.f. 15th March, 2021.



(G) MEANS OF COMMUNICATION:

The quarterly, half-yearly and yearly financial results of the Company are sent to the BSE Ltd. immediately after the same are approved by the Board and the said results are published in financial and non-financial newspapers and the same were also placed on the website of the Company and same can be viewed at www.dineshmills.com in “Investors” Section.

(H) CODE OF CONDUCT:

The Code of Conduct for Directors and Senior Management Employees of the Company is available on the Company's website and the same can be viewed on www.dineshmills.com in “Investors” Section.

(I) CMD /CFO CERTIFICATION:

The Certificate duly signed by the Chairman & Managing Director (CMD) and the Chief Finance Officer (CFO) for the financial year ended 31st March, 2021 pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as **Annexure–“II”**.

(J) FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

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

(K) THE NON-MANDATORY REQUIREMENTS:

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

(L) SHAREHOLDER INFORMATION:

1. Annual General Meetings:

The 86th Annual General Meeting will be held at 12.00 Noon on 28th August, 2021, at Registered Office of the Company situated at Near Indiabulls Mega Mall, Akota Road, Vadodara – 390 020.



2. Financial Calendar for the financial year 2021–2022:

First quarterly results	By 14 th August, 2021
Half Yearly results	By 14 th November, 2021
Third quarterly results	By 14 th February, 2022
Fourth quarterly results along with Audited Annual Results for the year 2021–2022	By 30 th May, 2022
Annual General Meeting for the year 2020–21	By 30 th September, 2022.

3. Book Closure Dates:

The period for Book Closure is from 7th August, 2021 to 14th August, 2021 (both days inclusive).

4. Dividend Payment Date:

Dividend will be paid on or before 26th September, 2021.

5. Listing on Stock Exchange & payment of Listing Fees:

The equity shares of the Company is listed on BSE Limited (BSE), P. J. Towers, Dalal Street, Mumbai – 400001 having Stock Code 503804 and the Company has paid the Annual Listing Fees for the year 2021–2022 to BSE Ltd.

6. Annual Custody Fees to Depositories:

The Annual Custody Fees for the year 2021–2022 has been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

7. International Securities Identification Number (ISIN) of the Company:

The International Securities Identification Number (ISIN) of the Company's shares in the dematerialized mode, as allotted by NSDL and CDSL is INE204C01024.

8. Market Price Data:

As the equity shares of the Company are listed on BSE Ltd., monthly high & low price of Company's equity shares, traded quantity and monthly High & Low of BSE Sensex for the period from April, 2020 to March, 2021 are given hereunder:

Month & Year	Price (Rs.)		Traded Quantity	BSE Sensex	
	High	Low		High	Low
April, 2020	103	78	3821	33887.25	27500.79
May, 2020	93	76.10	4750	32845.48	29968.45
June, 2020	101.5	85	8129	35706.55	32348.10
July, 2020	106.6	86.5	18472	38617.03	34927.20
August, 2020	130.4	86.05	49569	40010.17	36911.23
September, 2020	129.85	106.05	12996	39359.51	36495.98
October, 2020	130	106.15	11236	41048.05	38410.20
November, 2020	163.4	111.05	52157	44825.37	39334.92
December, 2020	221	140.25	93914	47896.97	44118.10
January, 2021	254	195	153207	50184.01	46160.46
February, 2021	333	253	137717	52516.76	46433.65
March, 2021	375	312.10	134650	51821.84	48236.35



9. Registrar & Share Transfer Agent:

The Company has appointed MCS Share Transfer Agent Limited as its R & T Agent and the contact details are as under:

MCS SHARE TRANSFER AGENT LIMITED
Administrative Office: 1 st Floor, Neelam Apartments
88, Sampatrao Colony, Alkapuri, Vadodara – 390 007
Email: mcsltbaroda@gmail.com
Phone No.: (0265) 2350490, 2314757
Fax No. (0265) 2341639
Website: www.mcsregistrars.com

10. Investor Grievances:

The Company has designated an exclusive E-mail ID viz. complianceofficer@dineshmills.com to enable the investors to send their grievances, if any.

11. Share Transfer System:

For expeditious transmission etc. of shares, the Company Secretary approves the same on fortnight basis and the same is reported to the Board of Directors from time to time.

12. Shareholding Pattern:

Shareholding Pattern as on 31st March, 2021 is as under:

Category	No. of Equity shares as at 31/03/2021	%
Directors & Relatives (Promoters Group)	27,88,372	49.79
Mutual Funds (UTI)	10	0.00
Banks	3760	0.07
Financial Institutions	NIL	NIL
Foreign Institutional Investors	NIL	NIL
Non-resident Indians	1,18,457	2.11
Bodies Corporate	1,79,902	3.21
I.E.P.F. Authority	67,690	1.21
Others (Public)	24,42,391	43.61
Total	56,00,582	100.00

13. Distribution of Shareholding:

Distribution of shareholding as on 31st March, 2021 is as under:

Sr. No.	Nominal value of equity shares (Rs.)	No. of Shareholders	% of Total	Nominal Value of Shares (Rs.)	% of Total
1	Upto 5000	7485	94.6749	5939630	10.6054
2	5001-10,000	198	2.5044	1556290	2.7788
3	10,001-20,000	107	1.3524	1527970	2.7282
4	20,001-30,000	28	0.3542	669230	1.1949
5	30,001-40,000	16	0.2024	568240	1.0146
6	40,001-50,000	10	0.1265	457430	0.8119
7	50,001-1,00,000	24	0.3036	1658030	2.9605
8	1,00,001-500000	21	0.2656	5664310	10.1138
9	500001-1000000	11	0.1391	8569890	15.3018
10	1000001 & Above	6	0.0759	29397500	52.4901
Total		7906	100	56005820	100



14. Reconciliation of Share Capital Audit:

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

15. Dematerialization of Shares and Liquidity:

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

The Physical and Dematerialization position of the Company's equity shares as on 31st March, 2021 and 31st March, 2020 are as under:

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	No. of Shares	%	No. of Shares	%
No. of Demat Shares				
– NSDL	1692921	30.23	2084207	39.32
– CDSL	3704991	66.15	3012095	56.83
No. of Physical Shares	202670	3.62	204280	3.85
Total	5600582	100	5300582	100

16. Address for correspondence with Depositories are as under:

National Securities Depository Ltd. Trade World, 4th & 5th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel Mumbai – 400013	Central Depository Services (India) Ltd. P. J. Towers, 17 th Floor, Dalal Street, Mumbai – 400 001
Telephone No.: 022-24994200 Facsimile No: 022-24972993/6351	Telephone No.: 022 – 22723333 Facsimile No: 022 – 22723199/2072
Email: info@nsdl.co.in Website: www.nsdl.co.in	Email: investors@cdslindia.com Website: www.cdslindia.com

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

The Company has not issued GDRs/ADRs. However, the Company had allotted 5,00,000 Convertible Warrants of Rs.10/- each with a premium of Rs.140/- each to the Promoter Group on preferential basis on 20th February, 2019 which is convertible at the option of the warrant holders at any time within 18 months from the date of allotment, in one or more tranche(s) and accordingly, the balance 3,00,000 warrants have been converted into 3,00,000 equity shares of Rs.10/- each with a premium of Rs.140/- each during the financial year 2020–2021 and there were no outstanding convertible warrants as at 31st March, 2021.



18. Plant Locations are as under:

Location / Unit	Address
Vadodara Unit	Near Indiabulls Mega Mall, Akota Road, Vadodara – 390 020
Ankleshwar Unit (discontinued)	Plot No. 43, 44, Village Bhadkodra, Kapodra Road, Near N.H. No.8 Ankleshwar, District – Bharuch

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

Mr. J. B. Sojitra
Executive Director (Corporate Affairs) & Company Secretary
SHRI DINESH MILLS LIMITED
(CIN – L17110GJ1935PLC000494)
Near Indiabulls Mega Mall, Akota Road, Vadodara – 390 020
Phone: (0265) 2960060/61/62/63/64/65 (6 lines)
Emails: complianceofficer@dineshmills.com, sojitra@dineshmills.com
Website: www.dineshmills.com

20. Auditors Certificate: The Certificate dated 31st May, 2021 issued by M/s. Dhirubhai Shah & Co. LLP, Statutory Auditors of the Company regarding compliance of the conditions of the Corporate Governance by the Company during the year 2020 – 2021 is attached as **Annexure – “E”**.

FOR & ON BEHALF OF THE BOARD

Place: Vadodara
Date: 31st May, 2021

Sd/-
BHARAT PATEL
CHAIRMAN & MANAGING DIRECTOR
DIN: 00039543



Annexure – “I”

**To,
The Board of Directors,
Shri Dinesh Mills Limited
Near Indiabulls Mega Mall, Akota Road,
Vadodara – 390 020**

Dear Sirs,

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

This is to state that, the Company had adopted a revised Code of Conduct in the meeting of the Board of Directors held on 6th February, 2015. After adoption of the revised Code of Conduct, the same was circulated to all the Board Members and Senior Management Personnel for compliance. The revised Code of Conduct has also been posted on the website of the Company. The Company has received declaration from all the Board Members and Senior Management Personnel affirming compliance of the Code of Conduct of the Company in respect of the financial year 31st March, 2021.

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

Place: Vadodara
Date: 21st May, 2021

For Shri Dinesh Mills Limited,
Sd/-
Bharat Patel
Chairman & Managing Director
DIN: 00039543



Annexure – “II”

**To,
The Board of Directors,
Shri Dinesh Mills Limited
Near Indiabulls Mega Mall, Akota Road, Vadodara – 390 020**

Dear Sirs,

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

We certify that:

- A. We have reviewed financial statements and the cash flow statement for the year 31st March, 2021 and that, to the best of our knowledge and belief :
 1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that, we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee:
 1. significant changes in internal control over financial reporting during the year;
 2. that no significant changes in accounting policies during the year has taken place; and
 3. that neither instances of significant fraud of which we have become aware nor the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Shri Dinesh Mills Limited,

Sd/-
Bharat Patel
Chairman & Managing Director (CEO)

For Shri Dinesh Mills Limited,

Sd/-
Mohan Akalkotkar
Chief Financial Officer (CFO)

Place: Vadodara
Date: May 31, 2021



Annexure – “E”

AUDITORS’ CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of,
Shri Dinesh Mills Limited,

We have examined the compliance of conditions of Corporate Governance by Shri Dinesh Mills Limited, for the year ended 31st March, 2021 as per the Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and amendments thereof.

Management’s Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Auditor’s Responsibility

Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2021 except provisions of Regulation 17(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, which has been regularized by appointment of an Independent Director w.e.f. 15th March, 2021.



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

Restriction on use

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For, Dhirubhai Shah & Co LLP
Chartered Accountant
FRN: 102511W/W100298

Sd/-

Anik S Shah
Partner
Membership Number: 140594
UDIN: 21140594AAAAPT7172

Place: Vadodara
Date: May 31, 2021



ANNEXURE – “F”

Nileshkumar S. Savaliya

NILESH SAVALIYA & ASSOCIATES

B.com, LL.M., ACS

Company Secretaries

Office: 436-440, Royal Arcade, Opp. Zoo Park, Nr. Sarhana Jakat Naka, Surat- 394101

E-mail: csnsavaliya@gmail.com **Phone:** 0261- 2573839 **Mob:** +91 9998985255

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

**The Members of Shri Dinesh Mills Limited,
Near Indiabulls Mega Mall, Akota Road,
Vadodara – 390 020**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Shri Dinesh Mills Limited having CIN: L17110GJ1935PLC000494 and having registered office at Near Indiabulls Mega Mall, Akota Road, Vadodara – 390 020 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, New Delhi or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of appointment
1	Mr. Rakesh Shivbhagwan Agrawal	00057955	10/02/2011
2	Mr. Tanuj Manubhai Patel	00016788	20/09/1984
3	Mr. Sanjiv Mahendralal Shah	00065796	29/03/2016
4	Mrs. Taruna Prayasvin Patel	00181786	30/06/2020
5	Mr. Bharatbhai Upendrabhai Patel	00039543	01/04/2010
6	Mr. Nimishbhai Upendrabhai Patel	00039549	04/01/1995
7	Ms. Reshma Suresh Patel	00165162	15/03/2021
8	Mr. Jaman Boghabhai Sojitra	00036120	28/11/1996

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Surat

Date: 04/05/2021

UDIN: A051007B000338899

For Nilesh Savaliya & Associates,

Sd/-

NileshkumarShantibhai Savaliya

Membership No.: 51007

CP No.: 18632



ANNEXURE – “G”

DISCLOSURE UNDER SEBI (SHARE BASED EMPLOYEE BENEFITS), REGULATIONS, 2014

Disclosures with respect to Employees' Stock Option Scheme, 2016 of the Company pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as on March 31, 2021:

- (A) Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by Institute of Chartered Accountants of India or any other relevant accounting standards as prescribed from time to time

Please refer the Audited Financial Statement prepared as per Indian Accounting Standard (Ind-AS) for the year 2020 – 2021.

- (B) Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Ind-AS 33

Diluted EPS for the year ended March 31, 2021 is Rs. 16.05 calculated in accordance with Ind-AS 33 (Earnings per Share)

- (C) Details related to Employees' Stock Option Purchase - 2016 of Shri Dinesh Mills Limited ("ESOP - 2016")

- i) The description including terms and conditions of ESOP Scheme - 2016 is summarized as under:

(a)	Date of shareholder's approval	September 27, 2016
(b)	Total number of Options approved under ESOP:	100000 employee stock options ('ESOPs") exercisable into not more than 1,00,000 (One Lac) Equity Shares of the company under "ESOP 2016" in one or more tranches have approved by the shareholders at 81 st AGM of the Company.
(c)	Vesting requirement	The options granted shall vest so long as the employee continues to be in the employment of the company. The options would vest not earlier than one year and later than three years from the date of grant of options as may be decided by Nomination, Remuneration & Compensation Committee.
(d)	Exercise Price or pricing formula	The "Exercise Price" shall be the face value of the Equity share (i.e. Rs. 10/-).



(e)	Maximum term of option granted	The options granted shall vest over a period of three years in the following manner subject to approval of the Nomination, Remuneration & Compensation Committee: i. 30% of the options at the end of one year from the date of grant. ii. 30% of the options at the end of the two year from the date of grant iii. 40% of the options at the end of the three year from the date of grant
(f)	Source of shares (Primary, secondary or combination)	Primary
(g)	Variation in terms of options	None

(ii) Option movement during the year:

(a)	Number of options outstanding at the beginning of year	37800
(b)	Number of options granted during the year	NIL
(c)	Number of options forfeited / lapsed during the year	NIL
(d)	Number of options vested during the year	NIL
(e)	Number of options exercised during the year	NIL
(f)	Number of shares arising as a result of exercise of options	NIL
(g)	Money realized by exercise of options (₹)	NIL
(h)	Loan repaid by the Trust during the year from exercise price received	NIL
(i)	Number of options outstanding at the end of the year	37800
(j)	Number of options exercisable at the end of the year	NIL

(iii) Employee wise details of options granted during the year:

- (a) Key managerial personnel and senior managerial personnel – NIL
- (b) Any other employee who receives a grant in any one year of options amounting to 5% or more of options granted during that year – NIL
- (c) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant - NIL



(iv) Method used to account for ESOP Scheme - 2016:

The Company shall follow intrinsic value method of accounting to records the employees compensation cost with respect to options/ shares issued under this scheme.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

Place: Vadodara
Date: 31st May, 2021

Sd/-
BHARAT PATEL
CHAIRMAN
DIN: 00039543



ANNEXURE – “H”

EMPLOYEES' REMUNERATION

The details of the remuneration paid to the employees pursuant to Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2021 are as under:

Sr. No.	Name	Age	Designation	Remuneration (Rs.in Lakhs)	Qualification & experience	Date of commencement of employment	Last employment Before joining the Company with designation
1.	Shri Bharatbhai U. Patel	67	Chairman & Managing Director	103.50	B.Text, M.B.A. (USA) (46)	12-05-1973	First Employment
2.	Shri Nimishbhai U. Patel	55	Managing Director	103.50	B.B.A. M.B.A. (Finance) (U.S.A) (28)	01-12-1990	– Do –

Notes:

1. Remuneration includes Salary, Allowances and Perquisites as per the terms of their appointments read with the Schedule V to the Companies Act, 2013 & Rules made thereunder.
2. Managing Directors at Sr. No.1 & 2 above are related to each other.
3. Nature of employment: Appointments of Managing Directors are contractual in nature. Other terms and conditions as per the Company's Rules.
4. No employee of the Company was in receipt of Remuneration during the financial year 2020–2021 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 along with his spouse and dependent children in excess of 2% of equity shares of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

Sd/-

Place: Vadodara
Date: 31st May, 2021

BHARAT PATEL
CHAIRMAN
DIN: 00039543



ANNEXURE – “I”

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

FORM FOR DISCLOSURE OF PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARM'S LENGTH TRANSACTIONS UNDER THE THIRD PROVISOR THERETO.

1. Details of contracts or arrangements or transactions not at arm's length basis: None
2. Details of material contracts or arrangements or transactions at arm's length basis:
There were no material contracts or arrangements or transactions entered into by the Company with any Related Party during the year review. However, the particulars of Related Party transactions carried out in the ordinary course of business and at arm's length basis are given in Note No. 38 forming part of the financial statements of this Annual Report.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

Sd/-

Place: Vadodara
Date: 31st May, 2021

BHARAT PATEL
CHAIRMAN
DIN: 00039543



Independent Auditor's Report

To the Members of Shri Dinesh Mills Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Shri Dinesh Mills Limited ("the Company"), which comprises of the balance sheet as at 31st March 2021, and the statement of Profit and Loss (including other comprehensive income), and the Statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note - 42 of the Financial Statements, which describes the uncertainties and the impact of COVID – 19 pandemic on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our opinion, there are no reportable Key Audit Matters for the standalone financial statements of the Company.



Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material



misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact, wherever necessary, of pending litigations on its financial position in its financial statements;
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.



3. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Dhirubhai Shah & Co LLP

Chartered Accountants

Firm's registration number: 102511W/W100298

Sd/-

Anik S Shah

Partner

Membership number: 140594

UDIN: 21140594AAAAPS9055

Place: Vadodara

Date: 31st May, 2021



Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2021, we report that:

- (i)
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The Company has a regular program of physical verification of its fixed assets. In accordance with this program, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. Discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) The Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, and therefore, the provisions of clauses (iii)(a) & (iii)(b) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits covered by the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- (vi) In our opinion and according to the information and explanations given to us and based on books of account, maintenance of cost records under section 148(1) of the Companies Act, 2013 is not applicable to the company and hence paragraph 3(vi) of the Order is not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, Goods and Service Tax and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us, in our opinion no undisputed amounts payable in respect of statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Value Added Tax, Central Sales Tax, Wealth Tax, Service Tax, Custom



Duty, Excise Duty, Cess, Goods and Service Tax and other statutory dues applicable to it were in arrears as at the balance sheet date for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and records of the company examined by us, the following dues of income tax and duty of excise as at March 31, 2021 which have not been deposited by the Company on account of any disputes.

Financial period to which it relates	Act	Nature of Dues	Forum where dispute is pending	Amount
				(Rs. In Lacs)
A.Y. 2009-2010	Income Tax Act, 1961	Disallowance under Business Income	Income Tax Assessing Officer	2.61
A.Y. 2014-2015	Income Tax Act, 1961	Disallowance under Business Income	CIT(Appeals)	50.43
A.Y. 2015-2016	Income Tax Act, 1961	Disallowance under Business Income	CIT(Appeals)	88.33
A.Y. 2017-2018	Income Tax Act, 1961	Disallowance under Business Income	Income Tax Assessing Officer	16.32
A.Y. 1998-1999	The Central Excise Act, 1944	Disallowed MODVAT credit taken on capital goods	Joint Commissioner of Central Excise, Surat - II	4.94
A.Y. 1998-1999	The Central Excise Act, 1944	Excise duty on blended yarn	Dy. Commissioner of Central Excise and Custom, Ankleshwar	2.73
A.Y. 2004-2008	The Central Excise Act, 1944	Excise duty on Polyester Tops	Central Excise and Customs Appellant Tribunal, Ahmedabad	200.64
A.Y. 2008-2009	The Central Excise Act, 1944	Excise duty on Polyester Tops	Central Excise and Customs Appellant Tribunal, Ahmedabad	2.47
A.Y. 2009-2010	The Central Excise Act, 1944	Excise duty on Polyester Tops	Central Excise and Customs Appellant Tribunal, Ahmedabad	3.31

- (viii) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution, banks, Government or debenture holder during the year.
- (ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. According to further information and explanations given to us, the term loans raised during the year were applied for the purpose for which those were raised.
- (x) Based upon the audit procedures performed and according to the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported



during the course of our audit.

- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Ind AS.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has complied with the provisions of section 42 of the Companies Act, 2013 in respect of preferential allotment of share warrants and its subsequent conversion to equity shares (at the issue price of Rs. 150 per share which includes Rs. 140 as security premium and Rs. 10 as face value of the share). During the year, Promoters and Promoters group, holding share warrants have fully converted their warrants into equity shares. The amount so raised have been used for the purpose for which the amount was raised.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Dhirubhai Shah & Co LLP

Chartered Accountants

Firm's registration number: 102511W/W100298

Anik S Shah

Partner

Membership number: 140594

Place: Vadodara

Date: 31st May, 2021



Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Shri Dinesh Mills Limited ("the Company") as of 31st March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Dhirubhai Shah & Co LLP

Chartered Accountants

Firm's registration number: 102511W/W100298

Sd/-

Anik S Shah

Partner

Membership number: 140594

Place: Vadodara

Date: 31st May, 2021

SHRI DINESH MILLS LIMITED

CIN: L17110GJ1935PLC000494

STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2021

	Note No.	As at 31-03-2021 Rs. In Lakhs	As at 31-03-2020 Rs. In Lakhs
ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	1,944.56	2,441.32
(b) Capital Work in Progress	4	-	-
(c) Financial Assets			
(i) Investments	5	1,364.36	1,330.48
(ii) Loans	6	93.30	104.12
(iii) Others	7	106.09	106.09
(d) Deferred tax assets (net)	19	17.51	-
		3,525.82	3,982.01
CURRENT ASSETS			
(a) Inventories	8	1,291.31	1,238.65
(b) Financial Assets			
(i) Investments	9	7,374.46	5,794.51
(ii) Trade Receivables	10	518.74	716.31
(iii) Cash and Cash Equivalents	11	179.46	134.94
(iv) Bank balances other than above (ii)	12	20.73	18.89
(vi) Others	13	78.69	69.88
(c) Other Current Assets	14	65.10	179.43
		9,528.49	8,152.61
TOTAL ASSETS		13,054.31	12,134.62
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	15	560.06	530.06
(b) Other Equity	16	10,760.63	9,554.24
		11,320.69	10,084.30
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(ii) Others	17	70.10	82.61
(b) Provisions	18	338.71	321.19
(a) Deferred Tax Liabilities (Net)	19	-	82.66
(c) Other Non Current Liabilities	20	63.49	63.49
		472.30	549.95
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	21	(60.70)	(33.75)
(ii) Trade Payables	22		
- total outstanding dues of MSME		0.30	2.15
- total outstanding dues other than of MSME		181.47	167.65
(iii) Other Financial Liabilities	23	92.90	91.11
(b) Other Current Liabilities	24	1,016.67	1,238.19
(c) Provisions	25	30.67	35.02
		1,261.31	1,500.37
TOTAL EQUITY & LIABILITIES		13,054.31	12,134.62

Corporate Information, Basis of Preparation &
Significant Accounting Policies

1-3

The accompanying notes 1 to 44 are an integral part of the Standalone Financial Statements

"As per our report of even date attached"

ON BEHALF OF THE BOARD OF DIRECTORS

For DHIRUBHAI SHAH & CO LLP

Chartered Accountants

Firm Registration Number: 102511W/W100298

Managing Director
(DIN: 00039549)

Chairman & Managing
Director & CEO
(DIN: 00039543)

Anik S Shah

Partner

Membership Number: 140594

Place: Vadodara

Dated : 31st May, 2021

Company Secretary
(ACS: 6351)

Chief Financial Officer

Dated : 31st May, 2021

SHRI DINESH MILLS LIMITED

CIN: L17110GJ1935PLC000494

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2021

	Note No.	2020-21 Rs. In Lakhs	2019-20 Rs. In Lakhs
INCOME			
Revenue from operations	26	4,912.41	4,681.32
Other income	27	464.47	742.46
TOTAL INCOME		5,376.89	5,423.78
EXPENSES			
Cost of Materials Consumed	28	1,145.71	1,327.24
Purchase of Stock-in-trade		-	-
Changes in inventories of finished goods, Stock-in-Trade and work-inprogress	29	8.78	(47.98)
Employee benefits expense	30	1,583.38	1,653.58
Finance Costs	31	20.15	20.85
Depreciation and amortization expenses	4	423.32	543.36
Other expenses	32	1,214.55	1,464.18
TOTAL EXPENSES		4,395.89	4,961.21
Profit/(Loss) before exceptional items and tax		981.00	462.57
Exceptional items (net)		-	-
Profit/(Loss) before tax		981.00	462.57
Tax items			
Current tax		200.00	3.10
Earlier years tax provisions (written back)		-	-
Deferred tax (asset) / liability		(100.16)	(63.80)
Total tax items		99.84	(60.70)
Profit/(Loss) for the year from continuing operations		881.16	523.27
Profit/(Loss) for the year from discontinuing operations		-	(349.71)
Tax expense of discontinuing operations		-	-
Profit/(Loss) for the period		881.16	173.56
Other Comprehensive Income			
Items that will not be re-classified to Profit or Loss			
Re-measurement gains/ (losses) on post employment benefit plans		37.74	30.27
Loss on fair valuation of investment in equity shares		(1.12)	(1.47)
Other Comprehensive Income/ (Loss) for the year		36.62	28.80
Total Comprehensive Income/ (Loss) for the year		917.78	202.36
Earnings Per Equity Share (Basic) for continued operations	33	16.05	9.94
Earnings Per Equity Share (Diluted) for continued operations	33	16.05	9.94
Earnings Per Equity Share (Basic) for discontinued operations		-	(6.64)
Earnings Per Equity Share (Diluted) for discontinued operations		-	(6.64)

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

The accompanying notes 1 to 44 are an integral part of the Standalone Financial Statements

"As per our report of even date attached"

ON BEHALF OF THE BOARD OF DIRECTORS

For DHIRUBHAI SHAH & CO LLP

Chartered Accountants

Firm Registration Number: 102511W/W100298

Managing Director
(DIN: 00039549)Chairman & Managing
Director & CEO
(DIN: 00039543)

Anik S Shah

Partner

Membership Number: 140594

Place: Vadodara

Dated : 31st May, 2021

Company Secretary
(ACS: 6351)

Chief Financial Officer

Dated : 31st May, 2021

SHRI DINESH MILLS LIMITED

CIN: L17110GJ1935PLC000494

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(A) CASH FLOW FROM OPERATING ACTIVITIES	Standalone	
	2020-21 Rs. In Lakhs	2019-20 Rs. In Lakhs
Profit/ (loss) Before Tax after Extraordinary items	981.00	112.86
Adjustments for:		
Depreciation and amortization	423.30	566.92
Interest and finance charges	20.15	20.85
Interest income	(14.30)	(12.54)
Dividend Income	-	(0.24)
Gain on Sale of Investments	(46.42)	(159.02)
Gain on sale of Fixed Asset	(113.41)	(259.74)
Employee Benefits	36.62	28.80
Fair Valuation of Employee Stock Options	(18.89)	(20.20)
Gain on Fair Valuation of Financial Instruments (Net)	(187.36)	(165.97)
Operating Profit before Working Capital Changes	1,080.68	111.70
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables	197.57	(22.63)
(Increase)/decrease in other assets	103.69	(78.31)
(Increase)/decrease in inventories	(52.66)	754.66
(Increase)/decrease in Trade Payables	11.97	(36.88)
(Increase)/decrease in Other Liabilities	(219.72)	(462.68)
Increase in Provision	(204.35)	(50.69)
Cash Generated from Operations	(163.51)	103.46
Net Cashflow from Operating Activities	917.17	215.16
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(44.90)	(100.93)
Disposal/Transfer of Fix Assets	231.77	650.34
Loan and Advances Repaid	10.82	1.27
Sale/(Purchase) of Investments	(1,380.07)	(784.91)
Dividend Income	-	0.24
Interest received	14.30	12.54
Net Cashflow from Investing Activities	(1,168.08)	(221.44)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings		
Receipts/(Payments)	(21.93)	(56.33)
Dividend Paid	-	(304.55)
Issue of Equity Share Capital	30.00	10.00
Conversion of Share Warrants	(112.50)	(37.50)
Interest and finance charges	(20.15)	(20.84)
Securities Premium Account	420.00	140.00
Net Cashflow from Financing Activities	295.43	(269.22)
Net Increase/(Decrease) in Cash and Cash Equivalents	44.52	(275.50)
Cash and bank balances at the beginning of the year	134.94	410.45
Cash and bank balances at the end of the year	179.46	134.94

NOTES:

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

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

DETAIL OF CASH AND CASH EQUIVALENTS	As at 31-03-2021 Rs. In Lakhs	As at 31-03-2020 Rs. In Lakhs
Balances with banks		
In current accounts	178.09	134.04
Fixed Deposits	-	-
Cash on hand	1.37	0.90
	179.46	134.94

"As per our report of even date attached"

ON BEHALF OF THE BOARD OF DIRECTORS

For DHIRUBHAI SHAH & CO LLP

Chartered Accountants

Firm Registration Number: 102511W/W100298

Managing Director
(DIN: 00039549)Chairman & Managing
Director & CEO
(DIN: 00039543)

Anik S Shah

Partner

Membership Number: 140594

Place: Vadodara

Dated : 31st May, 2021

Company Secretary
(ACS: 6351)

Dated : 31st May, 2021

Chief Financial Officer

SHRI DINESH MILLS LIMITED**CIN: L17110GJ1935PLC000494****STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021****(A) EQUITY SHARE CAPITAL**

For the year ended 31st March, 2021

(Rs. In Lakhs)

Balance as at 1st April, 2020	Changes during the year	Balance as at 31st March, 2021
530.06	30.00	560.06

For the year ended 31st March, 2020

(Rs. In Lakhs)

Balance as at 1st April, 2019	Changes during the year	Balance as at 31st March, 2020
520.06	10.00	530.06

(A) OTHER EQUITY

For the year ended 31st March, 2021

Particulars	Capital Redemption Reserve	Securities Premium	General Reserve	ESOP Outstanding	Retained Earnings	Money received against share warrants	FVOCI Reserve	Total Equity
Balance as at 1st April, 2020	19.31	300.20	8,558.56	18.89	493.11	-	51.67	9,441.74
Profit/(Loss) for the year	-	-	-	-	881.16	-	-	881.16
Addition during the year	-	420.00	-	-	-	-	-	420.00
ESOP written back - Refer Note 17.1	-	-	-	(18.89)	-	-	-	(18.89)
Fair Valuation Gains / (loss) on Investments in Equity Instruments	-	-	-	-	-	-	(1.12)	(1.12)
Remeasurements gain/(loss) on defined benefit plans	-	-	-	-	-	-	37.74	37.74
Balance as at 31st March, 2021	19.31	720.20	8,558.56	-	1,374.27	-	88.29	10,760.63

"As per our report of even date attached"

For **DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration Number: 102511W/W100298

ON BEHALF OF THE BOARD OF DIRECTORS

Managing Director
(DIN: 00039549)Chairman & Managing
Director & CEO
(DIN: 00039543)Anik S Shah
Partner
Membership Number: 140594
Place: Vadodara
Dated : 31st May, 2021Company Secretary
(ACS: 6351)

Chief Financial Officer

Dated : 31st May, 2021

4 - PROPERTY, PLANT AND EQUIPMENT

(Rs in Lakhs)

	TANGIBLE ASSETS								INTANGIBLE ASSETS		
	Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Dead Stock	Vehicles	Electrical Installations	Tubewell and Water Works	Total	Softwares	CAPITAL WORK IN PROGRESS
Cost:											
As at 1st April, 2020	321.25	5.46	634.10	12,038.07	356.05	481.40	97.92	14.04	13,948.29	48.08	-
Additions	-	-	-	27.77	8.43	8.70	-	-	44.90	-	-
Disposals / transfers	-	-	-	873.44	-	8.69	-	-	882.13	-	-
As at 31st March, 2021	321.25	5.46	634.10	11,192.40	364.48	481.41	97.92	14.04	13,111.06	48.08	-
Accumulated depreciation:											
As at 1st April, 2020	-	0.09	514.84	10,272.17	319.76	317.31	92.92	13.01	11,530.10	24.95	-
Depreciation charged during the year	-	0.09	13.19	343.89	11.75	49.69	0.07	0.21	418.89	4.41	-
Disposals / transfers	-	-	-	755.47	-	8.30	-	-	763.77	-	-
As at 31st March, 2021	-	0.18	528.03	9,860.59	331.51	358.70	92.99	13.22	11,185.22	29.36	-
Net book value											
As at 31st March, 2020	321.25	5.37	119.26	1,765.90	36.29	164.09	5.00	1.03	2,418.19	23.13	-
As at 31st March, 2021	321.25	5.28	106.07	1,331.81	32.97	122.71	4.93	0.82	1,925.84	18.72	-

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

Note: 4.2 Amount written off Rs. 0.09 Lakhs of Leasehold Land has been debited to Profit and Loss Account under the head Depreciation and Amortization Expenses.

Note: 4.3 In the previous financial year, the company has discontinued the manufacturing of Yarns, Tops and Grey Fabrics at Ankleshwar unit and Woolen & Worsted fabrics at Vadodara unit. Net gain / (loss) on account of sale of discontinued business assets have been recognised during the previous financial year and disclosed under discontinued operations in the comparative financial results.

SHRI DINESH MILLS LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
5 - NON - CURRENT FINANCIAL ASSETS - INVESTMENTS		
Investments (Unquoted)		
(A) Investments at Cost, fully paid up		
(a) Investments in Equity Shares		
Investment in Subsidiaries	1,319.81	1,319.81
Others	0.05	0.05
	1,319.86	1,319.86
(b) Investments in Preference Shares		
Investment of Preference Shares in Subsidiaries	35.00	-
	35.00	-
	1,354.86	1,319.86
(B) Fair Value through Other Comprehensive Income		
(a) Investments in Equity Shares	9.50	10.62
	9.50	10.62
	1,364.36	1,330.48

Details of Investments

	Face value per unit in Rs. unless otherwise specified	No. of shares/units	As at 31-03-2021 (Rs. In Lakhs)	As at 31-03-2020 (Rs. In Lakhs)
Unquoted Investments:				
Investment in equity instruments				
Investment in subsidiary company (At cost)				
Dinesh Remedies Limited	Rs. 10	1,30,98,095	1,309.81	1,309.81
Fernway Technologies Limited	Rs. 10	50,000	5.00	5.00
Fernway Textiles Limited	Rs. 10	50,000	5.00	5.00
Others (At cost)				
Gujarat Sheep & Wool Development Corporation Limited	Rs. 100	50	0.05	0.05
Others (At FVOCI)				
Narmada Cleantech Limited	Rs. 10	1,86,265	9.50	10.62
			1,329.36	1,330.48
Investment in Preference Shares				
Investment in subsidiary company (At cost)				
0.01% Optionally Convertible Non-cumulative Preference Shares of Fernway Textiles Limited of Rs. 10 each at cost, fully paid up	Rs. 10	3,50,000	35.00	-
Total			1,364.36	1,330.48

PARTICULARS	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
Aggregate amount of quoted investments at cost	0.05	0.05
Market Value of the quoted investments at FVOCI	9.50	10.62
Aggregate amount of unquoted investments	1,354.86	1,319.86
Aggregate amount of impairment in the value of investment	-	-

During the financial year, the company has made investment in Preference shares of a subsidiary i.e. Fernway Textiles Limited amounting to Rs. 35 lakhs on 30th June, 2020. The said preference shares are optionally convertible non cumulative carrying coupon rate of 0.01%.

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
6 - NON - CURRENT FINANCIAL ASSETS - LOANS		
Unsecured, considered good, unless otherwise stated		
Security deposits	93.30	104.12
	93.30	104.12

Allowance for Doubtful Loans

Company has analysed any allowance for doubtful loans based on the 12 months expected credit loss model. - Refer Note - 40

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
7 - NON - CURRENT FINANCIAL ASSETS - OTHERS		
Fixed Deposit Account (having maturity period of more than 12 months)*	106.09	106.09
	106.09	106.09
* Includes margin deposit	104.00	104.00

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
8 - INVENTORIES		
(valued at lower of cost and net realizable value)		
Raw Material	206.28	194.77
Work in Progress	232.76	261.69
Finished Goods	564.31	544.17
Consumable Stores and Spares	287.96	238.03
	1,291.31	1,238.65

- As per inventory taken and valued by the Management

- Due to COVID - 19 outbreak in the previous financial year, the Management had taken up valuation of certain inventory items (incl. stores and spares) and have also done market analysis to determine NRV of the said items. As per their internal evaluation, certain items have significantly reduced their NRV for which impact has considered in valuing closing stock as at 31st March, 2020. Following is the stock wise bifurcation

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
Raw Material	-	11.89
Work in Progress	-	55.42
Finished Goods	-	63.35
Consumable Stores and Spares	-	133.99
Total	-	264.65

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
8.1 - DETAILS OF RAW MATERIAL		
Imported:		
Wool	-	-
Yarn	83.60	115.46
Fibre	70.99	46.44
Miscellaneous	0.10	0.10
Indigeneous:		
Wool	-	1.88
Yarn	44.88	28.03
Fibre	6.71	2.73
Miscellaneous	-	0.13
	206.28	194.77

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
8.2 - DETAILS OF WORK-IN-PROGRESS		
Woolen worsted	-	4.58
Felt	232.76	257.11
	232.76	261.69

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
8.3 - DETAILS OF FINISHED GOODS		
Woolen worsted fabrics	1.13	1.53
Felt	563.18	542.64
	564.31	544.17

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
9 - CURRENT FINANCIAL ASSETS - INVESTMENTS		
Unquoted investments		
A. Fair Value through Profit and Loss		
a. Investment in Mutual Funds	7,374.46	5,794.51
	7,374.46	5,794.51

Name of Fund	As at 31/03/2021		As at 31/03/2020	
	No. of Units	Amount (Rs. In Lakhs)	No. of Units	Amount (Rs. In Lakhs)
ICICI Prudential Equity Arbitrage Fund	84,08,358.11	2,253.46	78,39,251.56	2,031.29
IDFC Arbitrage Fund	15,24,265.91	388.31	15,24,265.91	376.14
Kotak Equity Arbitrage Fund	57,18,774.71	1,661.49	47,97,174.30	1,345.50
Nippon India Liquid Fund	6,111.20	305.40	37,547.96	1,810.75
ICICI Prudential Savings Fund	2,63,362.32	1,095.59	-	-
ICICI Prudential Short Term Fund	14,27,705.71	654.79	-	-
Axis Strategic Bond Fund	21,67,974.07	457.95	-	-
HDFC Medium Term Debt Fund	12,86,009.72	557.47	-	-
DSP Liquid Fund	-	-	8,179.02	230.82
Total		7,374.46		5,794.51

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
PARTICULARS		
Aggregate amount of quoted investments and Market value there of	-	-
Aggregate amount of unquoted investments	7,374.46	5,794.51

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
10 - TRADE RECEIVABLES		
Unsecured		
Considered good	518.74	716.31
Considered doubtful	-	-
	518.74	716.31
Less: Provision for doubtful debts	-	-
	518.74	716.31

Allowance for Doubtful Debts

Company has analysed any allowance for doubtful debts based on the lifetime expected credit loss model. - Refer Note - 40

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
11 - CASH AND CASH EQUIVALENTS		
A) Balances with Banks		
- In Current Accounts	178.09	134.04
	178.09	134.04
B) Cash on Hand	1.37	0.90
	1.37	0.90
	179.46	134.94

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
12 - BANK BALANCES OTHER THAN ABOVE		
A) Balances with Banks - Earmarked Balances		
Unpaid Dividend	20.73	18.89
	20.73	18.89

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
13 - CURRENT - OTHER FINANCIAL ASSETS		
Interest and Dividend receivable on Investments	11.93	5.89
Other receivables	44.12	42.56
Government Incentives receivable	22.64	21.43
	78.69	69.88

Other receivables pertains to insurance claims receivable by the company related to finished goods

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
14 - CURRENT ASSETS - OTHERS		
Unsecured, considered good, unless otherwise stated		
Advances other than Capital Advances		
Other Loans and Advances	0.14	0.14
Statutory Dues (net)	0.30	52.41
Advance to Suppliers	64.66	123.43
Prepaid Expenses	-	3.45
	65.10	179.43

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
15 - SHARE CAPITAL		
Authorised:		
95,00,000 (31st March, 2020 - 95,00,000) Equity Shares of Rs. 10 each	950.00	950.00
50,000 (31st March, 2020 - 50,000) unclassified shares of Rs. 100 each	50.00	50.00
Issued, Subscribed and paid-up:		
56,00,582 (March 31, 2019: 53,00,582) Equity Shares of Rs. 10 each fully paid up	560.06	530.06
	560.06	530.06

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

	As at 31/03/2021		As at 31/03/2020	
Particulars	No. of Shares	(Rs. In Lakhs)	No. of Shares	(Rs. In Lakhs)
At the beginning of the year	53,00,582	530.06	52,00,582	520.06
Add: Shares issued pursuant to conversion of warrants	3,00,000	30.00	1,00,000	10.00
Shares outstanding at the end of the year	56,00,582	560.06	53,00,582	530.06

Note:

1. Upon conversion of remaining equivalent warrants, 3,00,000 equity shares of Rs. 10 each at a premium of Rs. 140 per equity share were allotted to the Promoters group.

15.2. Terms/Rights attached to the equity shares

The Company has one class of shares referred to as equity shares having a par value of Rs. 10 each. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

	As at 31/03/2021		As at 31/03/2020	
Name of Shareholder	No. of Shares	% of Holding	No. of Shares	% of Holding
Shri B. U. Patel	7,95,088	14.20	7,20,088	13.59
Shri N. U. Patel	7,68,852	13.73	6,93,852	13.09
Shri N. N. Patel	5,04,490	9.01	4,29,490	8.10
Shri A. B. Patel	4,92,443	8.79	4,17,443	7.88

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
16 - OTHER EQUITY		
Capital Redemption Reserve		
Opening balance	19.31	19.31
Add: Addition during the year	-	-
Less: Written back during the year	-	-
Closing balance	19.31	19.31
Securities Premium		
Opening balance	300.20	300.20
Add: Addition during the year	420.00	-
Closing balance	720.20	300.20
General Reserve		
Opening balance	8,558.56	8,558.56
Add: Addition during the year	-	-
Less: Transfer to Retained Earnings	-	-
Closing balance	8,558.56	8,558.56
Retained Earnings		
Opening balance	493.11	624.10
Add: Net Profit/(Net Loss) For the current year	881.16	173.56
Add/(Less): Adjustments on account of Ind-AS		
- Transfer from General Reserves	-	-
- Interim dividend paid during the year	-	(191.70)
- Dividend paid during the year	-	(112.85)
Closing Balance	1,374.27	493.11
Share Options Outstanding Account		
Opening Balance	18.89	39.10
Less: Reversal of ESOP outstanding on account of not exercising rights	18.89	20.20
Closing balance	-	18.89
Fair Value through Other Comprehensive Income [FVTOCI] Reserve		
Opening balance	51.67	22.87
Adjusted from surplus in statement of profit and loss		
- Re-measurement gains / (losses) on employee benefits	37.74	30.27
- Fair valuation of equity investments	(1.12)	(1.47)
	88.29	51.67
Money received against share warrants	-	112.50
Total of other equity - as at 31st March, 2021	10,760.63	9,554.24

Notes to other equity**Securities Premium Account**

Securities premium is created due to premium on issue of shares and is utilised in accordance with the provisions of the Act.

Capital Redemption Reserve

Represent reserve created during buy back of Equity Shares and it is a non-distributable reserve.

Share Option Outstanding Account

The company after taking requisite approvals of the governing body and shareholders, approved grant of up to 54,000 options to eligible employees of the Company. In terms of the said approval, the eligible employees were entitled against each option to subscribe for one equity share of face value of Rs. 10 each at a price of Rs. 10 per share. Market value per share of the company as on grant date is Rs. 134.70 against which the eligible employees shall subscribe each share at a price of Rs. 10 per share.

The holders of the Employee Stock Options are entitled to exercise the option within a period of three years from the date of first vesting, failing which they stand cancelled. In the case of termination of employment by the Company, all options, vested or not, stand cancelled immediately. In case of voluntary resignation, all un-vested options stand cancelled. Please refer below table for details on vesting period. There are no other vesting conditions, apart from service condition.

During the current year, 21,600 options were vested to the employees but the same were not exercised by the employees which resulted into cancellation of such rights. On account of cancellation of such rights, a reversal entry amounting to Rs. 18.89 lakhs were made in the ESOP outstanding account.

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

^ 16,200 stock options were allotted to employees on 28.05.2018. The said warrants were subsequently converted into equity shares

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

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

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

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

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
17 - NON - CURRENT FINANCIAL LIABILITIES - OTHERS		
Unsecured		
Trade Deposits	70.10	82.61
	70.10	82.61

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
18 - NON - CURRENT PROVISIONS		
Provision for Employee Benefits		
Gratuity	56.68	52.08
Leave Encashment	121.08	104.13
Provisions for Medical/LTA/allowances, etc.	40.09	40.09
	217.85	196.30
Other Provisions		
Provision for Tax (net of advance tax, TDS, self asst. tax)	120.86	124.89
	338.71	321.19

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
19 - DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability on account of:		
(i) <i>Depreciation</i>		
Opening Deferred Tax Liability	144.64	210.20
Add/(Less): Charge or Credit during the year	(92.21)	(65.56)
Closing Deferred Tax Liability	52.43	144.64
Total Deferred Tax Liabilities	52.43	144.64
Deferred Tax Assets on account of:		
(i) <i>Expenses allowable for tax purposes when paid (Octroi)</i>		
Opening Deferred Tax Asset	12.27	12.27
Add/(Less): Charge or Credit during the year	4.00	-
Closing Deferred Tax Asset	16.27	12.27

(ii) Unencashed Leave (Employee or Director)

Opening Deferred Tax Asset	36.18	39.13
Add/(Less): Charge or Credit during the year	2.97	(2.95)
Closing Deferred Tax Asset	39.15	36.18
(ii) Gratuity		
Opening Deferred Tax Asset	13.54	12.34
Add/(Less): Charge or Credit during the year	0.98	1.20
Closing Deferred Tax Asset	14.52	13.54
Total Deferred Tax Assets	69.94	61.98
Net Deferred Tax (Assets) / Liabilities	(17.51)	82.66

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
20 - OTHER NON CURRENT LIABILITIES		
Others		
Octroi Liability	63.49	63.49
	63.49	63.49

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
21 - CURRENT FINANCIAL LIABILITIES - BORROWINGS		
Secured		
a. Loans repayable on demand		
From banks		
- Cash Credits	(60.70)	(33.75)
	(60.70)	(33.75)

a. Nature of Security

Cash credits from Banks, against hypothecation of Raw materials, Stores, Spare parts, Finished goods, Work-in-progress and receivable

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
22 - CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES		
Due to micro and small enterprises (MSME)	0.30	2.15
Due to other than micro and small enterprises	181.47	167.65
	181.77	169.80

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

The Company has received intimation from certain suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 regarding:

	As at 31/03/2021	As at 31/03/2020
(a) Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;	0.30	2.15
(b) Interest paid during the year	-	-
(c) Amount of payment made to the supplier beyond the appointed day during	-	-
(d) Interest due and payable for the period of delay in making payment;	-	-
(e) Interest accrued and unpaid at the end of the accounting year; and	-	-
(f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise;	-	-

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
23 - CURRENT - OTHER FINANCIAL LIABILITIES		
Interest accrued on deposits	52.68	54.01
Unpaid Dividends	20.73	18.89
Unclaimed matured deposits and interest thereon	0.45	0.45
Due to Directors	19.04	17.76
	92.90	91.11

a. There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as on March 31, 2021 (March 31, 2020: Nil).

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
24 - OTHER CURRENT LIABILITIES		
Advances received from Customers	425.25	636.20
Statutory liabilities	25.52	23.18
Provision for Expenses	395.45	408.71
Outstanding Expenses	164.89	164.94
Other Liabilities	5.56	5.16
	1,016.67	1,238.19

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
25 - SHORT TERM PROVISIONS		
Provision for employee benefit		
Gratuity	-	-
Leave Encashment	30.67	35.02
	30.67	35.02

Note:

As per the actuary valuation report, the company has fund balance amounting to Rs. 22.29 lakhs in the gratuity fund as at 31st March, 2021 hence there is no current liability to be disclosed separately. Please refer Note - 36 for details disclosure related to Employee Benefits.

	2020-21 (Rs. In Lakhs)	2019-20 (Rs. In Lakhs)
26 - REVENUE FROM OPERATIONS		
Sale of Products	4,912.41	4,681.32
	4,912.41	4,681.32

Note:

- For disaggregation of revenue and revenue based on Business Segment, please refer Note 35 to the Financial Statement
- As per evaluation of Ind AS 115, contract price / revenue from operations is recorded based on the performance obligations satisfied by the company.

	2020-21 (Rs. In Lakhs)	2019-20 (Rs. In Lakhs)
27 - OTHER INCOME		
Interest Received/Receivable		
From banks	10.42	10.02
From others	3.88	2.52
Dividend Income	-	0.24
Miscellaneous Income	98.99	140.13
Gain on sale of investments	46.42	159.02
Gain on sale of fixed assets	113.41	259.74
Sundry balances written back	3.99	4.80
Gain on Fair Valuation of Financial Instruments (Net)	187.36	165.97
	464.47	742.46

	2020-21 (Rs. In Lakhs)	2019-20 (Rs. In Lakhs)
28 - COST OF MATERIALS CONSUMED		
Wool	1.88	4.07
Synthetic Fibre	583.88	569.51
Yarn	549.31	713.06
Others	10.64	40.60
	1,145.71	1,327.24

	2020-21 (Rs. In Lakhs)	2019-20 (Rs. In Lakhs)
29 - CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK IN PROGRESS		
<u>Inventories (at close):</u>		
Work - in - Progress	232.76	261.69
Finished Goods	564.31	544.17
	797.07	805.85
<u>Inventories (at commencement):</u>		
Opening Work - in - Progress	261.69	527.21
Opening Finished Goods	544.17	534.13
	805.85	1,061.34
Decrease in inventories related to discontinued operations	-	303.47
	8.78	(47.98)

	2020-21 (Rs. In Lakhs)	2019-20 (Rs. In Lakhs)
30 - EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages	1,461.91	1,491.72
Contributions to -		
- Provident fund, Superannuation scheme & Other funds	110.60	134.38
- Employees' State Insurance Scheme	9.41	12.05
Staff Welfare Expense	1.47	15.43
	1,583.38	1,653.58

	2020-21 (Rs. In Lakhs)	2019-20 (Rs. In Lakhs)
31 - FINANCE COSTS		
Interest expenses	5.71	10.75
Other borrowing costs	14.44	10.09
	20.15	20.85

	2020-21	2019-20
	(Rs. In Lakhs)	(Rs. In Lakhs)
32 - OTHER EXPENSES		
OPERATING, ADMINISTRATION AND GENERAL EXPENSES		
Stores Consumed	196.95	187.91
Electricity, Power and Fuel	122.81	166.25
Rent	5.27	5.65
Commission	32.31	32.30
Cash Discount	140.19	110.23
Repairs and maintenance	239.02	321.99
Insurance	24.71	26.87
Rates and Taxes	29.43	42.91
Payments to Auditors	9.85	14.92
Advertisement and Publicity	2.37	0.56
Legal & Professional Fees	174.95	207.74
Travelling and Conveyance	64.86	268.74
Sundry Balances written off	52.39	-
Miscellaneous Expenses	119.43	78.12
	1,214.55	1,464.18
 * includes:		
Repairs to buildings	33.30	36.30
Repairs to machinery	179.00	247.97
Other Repairs	26.71	46.89
 **Payments to the auditors for		
- Statutory audit	6.64	6.64
-For taxation matters	2.92	3.82
- Others	0.29	2.23
	9.85	12.69

	2020-21	2019-20
	(Rs. In Lakhs)	(Rs. In Lakhs)
33 - EARNINGS PER EQUITY SHARE		
Profit/(loss) available for equity shareholders	881.16	523.27
Weighted average numbers of equity shares outstanding - Basic EPS	54,88,801	52,64,418
Weighted average numbers of equity shares outstanding - Diluted EPS	54,88,801	52,64,418
Nominal value per equity share (in Rupees)	10.00	10.00
Earnings /(loss) Per Equity Share- Basic (in Rupees)	16.05	9.94
Earnings /(loss) Per Equity Share- Diluted (in Rupees)	16.05	9.94

SHRI DINESH MILLS LIMITED**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021**

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
34 - CONTINGENT LIABILITIES AND COMMITMENTS - TO THE EXTENT NOT PROVIDED FOR		
CONTINGENT LIABILITIES		
(a) Workers' / Employee's demand - matter under appeal	2.25	18.11
(b) Additional Bonus liability owing to amendment introduced in The Payment of Bonus Act, 1965, the matter at this juncture is at subjudged stage with the various High Courts for the year 2014-15	28.48	28.48
(c) Income tax Demands / outstanding- matters under appeal	157.69	209.57
(d) Excise matters under appeal	214.08	214.08

Notes:

- (a) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters stated above, pending resolution of the proceedings.

COMMITMENTS

NIL

35 - SEGMENT REPORTING**(a) Primary segment - Business Segment**

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

(b) Secondary segment - Geographical Segment

Information of geographical segment:

Particulars	Year	In India (Rs. In Lakhs)	Outside India (Rs. In Lakhs)	Total (Rs. In Lakhs)
Segment Revenue	2020-21	4,326.82	585.59	4,912.41
	2019-20	4,160.09	521.23	4,681.32
Carrying cost of Assets by location of Assets	2020-21	13,054.31	-	13,054.31
	2019-20	12,134.62	-	12,134.62

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

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

(a) Defined contribution plans

- Provident fund

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

Employers' contribution to provident fund :- Current Year Rs. 54.59 Lakhs (Previous Year Rs. 67.79 Lakhs)

(b) Defined benefit plans

- Gratuity

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

(c) Leave Obligations

The leave obligations cover the Company's liability for sick and earned leave. The amount of the provision of Rs. 30.67 lakhs (31st March 2020 – Rs. 35.02 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

Economic Assumptions

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

Discount Rate

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefits/obligations works out to zero years. For the current valuation a discount rate of 6.86% p.a. (Previous Year 6.84% p.a.) compound has been used.

Salary Escalation Rate

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

The assumptions used are summarized in the following table:

	Gratuity (Funded)	
	As at 31-03-2021 (Rs. In Lakhs)	As at 31-03-2020 (Rs. In Lakhs)
Change in present value of the defined benefit obligation during the year		
Present value of obligation as at the beginning of the year	465.72	586.18
Interest Cost	31.85	45.55
Current Service Cost	20.87	23.04
Past Service Cost	-	-
Benefits Paid	(86.22)	(191.47)
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(0.44)	32.13
Actuarial (Gain)/Loss on arising from Experience Adjustment	(18.80)	(29.71)
Present value of obligation as at the end of the year	412.98	465.72
Change in fair value of plan assets during the year		
Fair Value of plan assets at the beginning of the year	470.79	557.55
Interest Income	32.20	43.32
Contributions by the employer	-	28.70
Benefits paid	(86.22)	(191.47)
Return on plan assets	18.51	32.69
Fair Value of plan assets at the end of the year	435.28	470.79
Net (Asset)/ Liability recorded in the Balance Sheet		
Present value of obligation as at the end of the year	412.98	465.72
Fund Balance	435.28	470.79
Net (Asset)/ Liability-Current	(22.30)	(5.07)
Net (Asset)/ Liability-Non-Current	-	-
Expenses recorded in the Statement of Profit & Loss during the year		
Interest Cost	(0.35)	2.23
Current Service Cost	20.88	23.04
Past Service Cost	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	-	-
Actuarial (Gain)/Loss on arising from Experience Adjustment	-	-
Total expenses included in employee benefit expenses	20.53	25.27
Recognized in Other Comprehensive Income during the year		
Actuarial Gain / (Loss) on Obligation for the period	19.24	(2.42)
Return on Planned Assets, Excluding Interest Income	18.50	32.69
Net Income / (Expense) for the period recognized in OCI	37.74	30.27
Maturity analysis of the benefit payments from the fund		
1st following year	130.59	136.65
2nd following year	17.52	49.25
3rd following year	42.81	26.44
4th following year	25.66	45.69
5th year and thereafter	457.01	503.76
Quantitative sensitivity analysis for significant assumption is as below:		
1 percentage point increase in discount rate	(20.43)	(22.98)
1 percentage point decrease in discount rate	23.34	26.32
1 percentage point increase in salary increase rate	22.67	25.85
1 percentage point decrease in salary increase rate	(20.47)	(23.15)
1 percentage point increase in employee turnover	3.36	3.74
1 percentage point decrease in employee turnover	(3.79)	(4.22)

37 - HEDGED AND UNHEDGED DERIVATIVE INSTRUMENTS

(a) The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise as at 31st March, 2021, 31st March, 2020.

	As at 31st March, 2021		As at 31st March, 2020	
	Foreign Currency	(Rs. In Lakhs)	Foreign Currency	(Rs. In Lakhs)
Payables				
Advance received from Customers				
(in USD)	-	-	-	-
(in EURO)	-	-	-	-

There are no outstanding receivable / payable in the foreign currency as at 31st March, 2021.

SHRI DINESH MILLS LTD**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021****38 - RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24****(a) Related Parties****i) Where significant influence exists:**

	Description of relationship
- Dinesh Remedies Limited	Subsidiary
- Fernway Textiles Limited	Subsidiary
- Fernway Technologies Limited	Subsidiary
- Stellant Chemical Industries Pvt. Ltd.	Subsidiary of Fernway Textiles Limited
- Shri Dinesh Foundation	Key Management Personnel are Trustee
- Shri Maganbhai B. Patel's Charity Trust	Key Management Personnel are Trustee

ii) Key Managerial Personnel

Name	Relationship/Designation
Mr. B.U.Patel	Chairman & Managing Director
Mr. J. B. Sojitra	Company Secretary
Mr. T M Patel	Non-executive Independent Director
Mr. Rakesh Agrawal	Non-executive Independent Director
Mr. Sanjiv M. Shah	Non-executive Independent Director
Mr. Apurva Shah	Chief Financial Officer (Resigned with effect from 4th February, 2021)
Mrs. Taruna Patel	Non-executive Independent Director

iii) Relatives Of Key Management Personnel / Executive Directors

Name	Relationship/Designation
Mrs. R. B. Patel	Wife of Mr. B. U. Patel
Mrs. A. N. Patel	Wife of Mr. N. U. Patel
Ms J. B. Patel	Daughter of Mr. B. U. Patel
Mr. A. B. Patel	Son of Mr. B. U. Patel
Mr. N. N. Patel	Son of Mr. N. U. Patel

(b) Transactions with related parties:

	Amount		Outstanding Balance	
	2020-21 (Rs. In Lakhs)	2019-20 (Rs. In Lakhs)	31/03/2021 (Rs. In Lakhs)	31/03/2020 (Rs. In Lakhs)
Remuneration paid to CMD - Shri B U Patel	111.11	110.40	4.23	3.23
Remuneration paid to MD - Shri N U Patel	111.11	110.40	4.46	3.71
Remuneration paid to relative of KMP	28.11	29.84	1.12	1.46
Director's Sitting Fees paid to Mr. T M Patel	1.12	1.31	-	-
Director's Sitting Fees paid to Mr. Sanjiv Shah	1.22	1.14	-	-
Director's Sitting Fees paid to Mr. Rakesh Agrawal	1.12	1.41	-	-
Director's Sitting Fees paid to Mrs. Tarunaben Patel	0.67	0.67	-	-
Remuneration paid to Chief Financial Officer	10.90	11.20	0.81	0.77
Remuneration paid to Company Secretary	20.27	20.84	0.67	1.18
Subscription of Preference Shares of Fernway Textiles Limited	35.00	-	35.00	-
Issue of Equity Shares to Shri B U Patel *	112.50	37.50	-	-
Issue of Equity Shares to Shri N U Patel *	112.50	37.50	-	-
Issue of Equity Shares to Shri A B Patel *	112.50	37.50	-	-
Issue of Equity Shares to Shri N N Patel *	112.50	37.50	-	-

* Upon conversion of equivalent warrants, total 3,00,000 equity shares of Rs. 10 each at a premium of Rs. 140 per equity share were allotted to the Promoters group.

- (i) There are no provisions for doubtful debts or amounts written off or written back in respect of debts due to or due from related parties, if any.
(ii) 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 LIMITED**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021****39. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS**

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

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

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

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

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

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

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

I. Figures as at March 31, 2021

Financial Instrument	Carrying Amount					Fair value			
	FVTPL	FVOCI	Total Fair Value	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non Current Assets									
Financial Assets									
(i) Investments	-	9.50	9.50	1,354.86	1,364.36	-	-	9.50	9.50
(ii) Loans	-	-	-	93.30	93.30	-	-	93.30	93.30
(iii) Others	-	-	-	106.09	106.09	-	-	-	-
Current Assets									
Financial Assets									
(i) Investments	7,374.46	-	7,374.46	-	7,374.46	7,374.46	-	-	7,374.46
(ii) Trade Receivables	-	-	-	518.74	518.74	-	-	-	-
(iii) Cash and Cash Equivalents	-	-	-	179.46	179.46	-	-	-	-
(iv) Bank balances other than above (ii)	-	-	-	20.73	20.73	-	-	-	-
(v) Others	-	-	-	78.69	78.69	-	-	-	-
	7,374.46	9.50	7,383.96	2,351.86	9,735.82	7,374.46	-	102.80	7,477.25
Non Current Liabilities									
Financial Liabilities									
(i) Borrowings	-	-	-	-	-	-	-	-	-
(ii) Others	-	-	-	70.10	70.10	-	-	70.10	70.10
Current Liabilities									
Financial Liabilities									
(i) Borrowings	-	-	-	(60.70)	(60.70)	-	-	-	-
(ii) Trade Payables	-	-	-	181.77	181.77	-	-	-	-
(iii) Other Financial Liabilities	-	-	-	92.90	92.90	-	-	-	-
	-	-	-	284.08	284.08	-	-	70.10	70.10

II. Figures as at March 31, 2020

Financial Instrument	Carrying Amount					Fair value			
	FVTPL	FVOCI	Total Fair Value	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non Current Assets									
Financial Assets									
(i) Investments	-	10.62	10.62	1,319.86	1,330.48	-	-	10.62	10.62
(ii) Loans	-	-	-	104.12	104.12	-	-	104.12	104.12
(iii) Others	-	-	-	106.09	106.09	-	-	-	-
Current Assets									
Financial Assets									
(i) Investments	5,794.51	-	5,794.51	-	5,794.51	5,794.51	-	-	5,794.51
(ii) Trade Receivables	-	-	-	716.31	716.31	-	-	-	-
(iii) Cash and Cash Equivalents	-	-	-	134.94	134.94	-	-	-	-
(iv) Bank balances other than above (ii)	-	-	-	18.89	18.89	-	-	-	-
(v) Others	-	-	-	69.88	69.88	-	-	-	-
	5,794.51	10.62	5,805.13	2,470.09	8,275.22	5,794.51	-	114.74	5,909.25
Non Current Liabilities									
Financial Liabilities									
(i) Borrowings	-	-	-	-	-	-	-	-	-
(ii) Others	-	-	-	82.61	82.61	-	-	82.61	82.61
Current Liabilities									
Financial Liabilities									
(i) Borrowings	-	-	-	(33.75)	(33.75)	-	-	-	-
(ii) Trade Payables	-	-	-	169.80	169.80	-	-	-	-
(iii) Other Financial Liabilities	-	-	-	91.11	91.11	-	-	-	-
	-	-	-	309.76	309.76	-	-	82.61	82.61

During the reporting period ending March 31, 2021 and March 31, 2020, there were no transfers between Level 1 and Level 2 fair value measurements.

SHRI DINESH MILLS LIMITED**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021****40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

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

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

Market risk

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

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

Interest rate risk

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

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

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

Foreign currency risk

The Company operates in domestic as well as international market, however, the nature of its operations requires it to transact in in several currencies and consequently the Company is exposed to foreign exchange risk in certain categories of foreign currencies. In current year, about 13 % of the Company's revenue is from export. The Company has laid down certain procedures to de-risk itself against currency volatility. It also out sources expert advice whenever required.

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

I. Foreign Currency Exposure

Refer Note 37 for foreign currency exposure as at March 31, 2021 and March 31, 2020.

II. Foreign Currency Sensitivity

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

Currency	2020-21		2019-20	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	-	-	-	-
EURO	-	-	-	-
Total	0.00	0.00	0.00	0.00

Credit risk

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

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

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

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

SHRI DINESH MILLS LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

I. Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)

(Rs. In lakhs)

Particulars	As at 31-03-2021	As at 31-03-2020
Non-current financial assets - Loans	93.30	104.12
Total (A)	93.30	104.12

II. Financial assets for which loss allowance is measured using 12 months Life Time Expected Credit Losses (ECL)

Particulars	As at 31-03-2021	As at 31-03-2020
Trade Receivables	518.74	716.31
Total (A)	518.74	716.31

Grand Total (A+B)

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

III. The ageing analysis of these receivables (gross of provision) has been considered from the date the invoice falls due

Particulars	As at 31-03-2021	As at 31-03-2020
Up to 6 months	485.13	655.07
More than 6 months	33.61	61.24
Total	518.74	716.31

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

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

Liquidity Risk

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

Maturity profile of financial liabilities

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

Particulars	As at 31-03-2021			As at 31-03-2020		
	Less than 1 year	1 to 5 years	Total	Less than 1 year	1 to 5 years	Total
Non-current financial liabilities - Borrowings	-	-	-	-	-	-
Non-current financial liabilities - Others	-	70.10	70.10	-	82.61	82.61
Current financial liabilities - Borrowings	(60.70)	-	(60.70)	(33.75)	-	(33.75)
Current financial liabilities - Trade Payables	181.77	-	181.77	169.80	-	169.80
Current financial liabilities - Others	92.90	-	92.90	91.11	-	91.11
Total	213.98	70.10	284.08	227.15	82.61	309.76

Capital management

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

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

Particulars	As at 31-03-2021	As at 31-03-2020
Total Debt	-	-
Equity	11,320.69	10,084.30
Capital and net debt	11,320.69	10,084.30
Gearing ratio	0.00%	0.00%

SHRI DINESH MILLS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

41. DISCONTINUED OPERATIONS

In the previous financial year, Fabric division of the company was in continued losses. In order to curtail losses and to sustain the business, with effect from 1st June, 2019, the company had discontinued the manufacturing of Yarns, Tops and Grey Fabrics at Ankleshwar unit and Woolen & Worsted fabrics at Vadodara unit.

The total revenue, expenses and pre-tax losses in respect of the ordinary activities attributable to the discontinued business operations during the previous financial year was Rs. (349.71) lakhs. No tax expenses or credit has been recognized in relation to this discontinuing operations.

Following is the detailed item wise disclosure in relation to discontinued as well as continued business for the current financial year

I. Figures as at March 31, 2021 and March 31, 2020

Particulars	Discontinued operations	Continued operations	Total	Discontinued operations	Continued operations	Total
	FY 2020-21	FY 2020-21		FY 2019-20	FY 2019-20	
INCOME						
Revenue from operations	-	4,912.41	4,912.41	440.19	4,681.32	5,121.51
Other income	-	464.47	464.47	104.71	742.46	847.17
TOTAL INCOME	-	5,376.89	5,376.89	544.90	5,423.78	5,968.68
EXPENSES						
Cost of Materials Consumed	-	1,145.71	1,145.71	-	1,327.24	1,327.24
Purchase of Stock-in-trade	-	-	-	6.95	-	6.95
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	-	8.78	8.78	632.75	(47.98)	584.77
Employee benefits expense	-	1,583.38	1,583.38	167.35	1,653.58	1,820.93
Finance Costs	-	20.15	20.15	-	20.85	20.85
Depreciation and amortization expenses	-	423.32	423.32	23.58	543.36	566.94
Other expenses	-	1,214.55	1,214.55	40.93	1,464.18	1,505.11
TOTAL EXPENSES	-	4,395.89	4,395.89	871.56	4,961.21	5,832.77
Profit/(Loss) before exceptional items and tax	-	981.00	981.00	(326.66)	462.57	135.91
Exceptional items (net)	-	-	-	23.05	-	23.05
Profit/(Loss) before tax	-	981.00	981.00	(349.71)	462.57	112.86
Tax items						
Current tax	-	200.00	200.00	-	3.10	3.10
Earlier years tax provisions (written back)	-	-	-	-	-	-
Deferred tax (asset) / liability	-	(100.16)	(100.16)	-	(63.80)	(63.80)
Total tax items	-	881.16	881.16	(349.71)	523.27	173.56
Items that will not be re-classified to Profit or Loss						
Re-measurement gains/ (losses) on post employment benefit plans	-	37.74	37.74	-	30.27	30.27
Loss on fair valuation of investment in equity shares	-	(1.12)	(1.12)	-	(1.47)	(1.47)
Other Comprehensive Income/ (Loss) for the year	-	36.62	36.62	-	28.80	28.80
Total Comprehensive Income/ (Loss) for the year	-	917.78	917.78	(349.71)	552.07	202.36

Note: 42

In March 2020, the World Health Organisation declared COVID-19 a global pandemic. Consequent to this, Government of India declared a nation-wide lockdown from 24th March 2020. Subsequently, the nation wide lockdown was lifted by the Government of India, but regional lockdowns continue to be implemented in areas with significant number of COVID - 19 cases. Although, the Company witnessed significant improvement in its operations during year, the Company remains watchful of the potential impact of COVID - 19 pandemic, particularly the current "second wave", on resuming normal business operations on a continuing basis. Accordingly, the Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, to determine the impact on the Company's revenue from operations for foreseeable future and the recoverability and carrying value of certain assets such as property, plant and equipment, investments, inventories, trade receivables and deferred tax assets. The impact of COVID - 19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Company's financial statements. The Company continues its business operations, in line with the guidelines issued by the Government authorities and does not anticipate any challenge in its ability to continue as going concern or meeting its financial obligations. As the situation is unprecedented, the Company is closely monitoring the situation as it evolves in the future.

Note: 43

Pursuant to the provisions of section 135(5) of the Companies Act, 2013 (the Act), the Company has formed its Corporate Social Responsibility (CSR) Committee. As per the relevant provisions of the Act read with Rule 2(1)(f) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company is required to spend at least 2% of the average net profits determined under section 198 of the Companies Act 2013 during the immediately preceding three financial years.

However, due to inadequacy of profits as per Section 198 of the Companies Act, 2013 i.e. average profit of immediately preceding three financial years not crossing required threshold, the company is not required to spend any amount on CSR activities for Financial Year 2020-21.

Gross amount required to be spent by the Company during the year: Rs. NIL (Previous year - Rs. NIL)

Note: 44

The figures for the previous periods have been regrouped whenever necessary to confirm to the current period presentation

"As per our report of even date attached"

ON BEHALF OF THE BOARD OF DIRECTORS

For DHIRUBHAI SHAH & CO LLP
Chartered Accountants
Firm Registration Number: 102511W/W100298

Managing Director
(DIN: 00039549)

Chairman & Managing Director & CEO
(DIN: 00039543)

Anik S Shah
Partner
Membership Number: 140594
Place: Vadodara
Dated : 31st May, 2021

Company Secretary
(ACS: 6351)

Chief Financial Officer

Place: Vadodara
Dated : 31st May, 2021



SHRI DINESH MILLS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

1. CORPORATE INFORMATION

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) Functional and presentation currency

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

c) Basis of measurement

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

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

Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- a. It is expected to be settled in normal operating cycle



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

All other liabilities are classified as non-current.

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

2A. USE OF ESTIMATES

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

Critical estimates and judgments

The areas involving critical estimates or judgments are:

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment:

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

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



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

Tangible Fixed Assets:

- (a) Premium on leasehold land is being amortized over the period of lease.
- (b) Depreciation on all other fixed asset is provided on written down value method except for plant & machinery, wherein straight-line method is followed. Rate of depreciation is accordance with the provisions of section 123 of the Companies Act, 2013 considering the useful life provided in part "C" of the schedule II. Depreciation on additions to the assets during the year is being provided on pro-rata basis with reference to the month of acquisition /installation. Depreciation on assets sold, discarded, demolished or scrapped during the year is being provided up to the month in which such assets are sold, discarded, demolished or scrapped.

Intangible Assets:

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

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

Capital Work- in- progress

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

3.2 Impairment of non-financial assets

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

3.3 Foreign Currency Transactions

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



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Initial Recognition

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

Conversion

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

Exchange Differences

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

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

3.4 Revenue recognition

The Company has adopted Indian Accounting Standard 115 (Ind AS 115) 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant. Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Specifically,

- (i) Domestic Sales are recognized as revenue on transfer of significant risk, rewards and control of ownership which is generally on dispatch of products to the customers.
- (ii) Export Sales are recognized as revenue on transfer of significant risk, rewards and control 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



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- (v) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable

3.5 Financial Instruments

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

A. Financial Assets

a. Initial recognition and measurement:

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

b. Subsequent measurement:

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

i. Debt instruments at amortized cost:

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

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

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

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

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

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

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


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

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

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

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

c. Derecognition:

A financial asset is primarily derecognized when:

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

B. Financial liabilities:
a. Initial recognition and measurement:

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

b. Subsequent measurement:

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

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes



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over the counter derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

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

ii. Loans and borrowings:

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

c. Derecognition:

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

C. Reclassification of financial assets:

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

D. Offsetting of financial instruments:

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



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3.6 Fair Value Measurement

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

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

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

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

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

3.7 Inventories

- i. Stores, Machinery Spares, Coal, etc. are valued at cost or net realizable value whichever is lower. Cost is arrived at on 'Moving Weighted Average Cost basis';
- ii. Raw Materials are valued at cost or net realizable value whichever is lower. Cost is arrived at on 'Specific Identification cost basis'
- iii. Materials in Process and Finished Goods are valued at cost or net realizable value, whichever is lower. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.
- iv. Materials in Customs Bonded Warehouse and in transit are stated at cost, up to the date of Balance Sheet.
- v. Due allowance is estimated and provided for defective and obsolete items, wherever necessary, based on the past experience of the Company.

3.8 Retirement benefits

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

- i. Defined Contribution Plan:

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



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ii. Defined Benefit Plan:

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

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

iii. Other defined benefits

Provision for other defined benefits for long term leave encashment is made based on an independent actuarial valuation on projected unit credit method at the end of each financial year. Actuarial gain and losses are recognized as give in (ii) above.

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

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

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

3.9 Taxes on Income

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

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

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

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



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

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

3.10 Borrowing costs

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

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

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

3.11 Earnings per equity share

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

3.12 Provisions, Contingent Liabilities and Contingent Assets:

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

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

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

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



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3.13 Cash and Cash Equivalents

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

3.14 Provisions

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

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

3.15 Government Subsidies

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

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

3.16 Exceptional items

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



Independent Auditor's Report

To the Members of Shri Dinesh Mills Limited

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Shri Dinesh Mills Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprises of the consolidated balance sheet as at 31st March 2021, and the consolidated statement of Profit and Loss (including other comprehensive income), and the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, and its consolidated profit, total consolidated comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 45 of the Financial Statements, which describes the uncertainties and the impact of COVID – 19 pandemic on the Company's / Group's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our opinion, there are no reportable Key Audit Matters for the consolidated financial statements of the Group.



Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Holding Company's management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Holding Company's management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those Holding Company's Board of Directors are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to



influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Holding Company management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- h. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- i. In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
- j. The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated cash flow statement and consolidated statement of changes in equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- k. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- l. On the basis of the written representations received from the directors of the Holding Company as on 31st March 2021 taken on record by the Board of Directors of the Holding Company and on the basis of written representations received by the management from directors of its subsidiaries as on 31st March, 2021, none of the directors of Holding Company and its subsidiary is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- m. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- n. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - iv. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - v. The Group did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - vi. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.



2. With respect to the matter to be included in the Auditors' report under Section 197(16) of the Act:

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company and its subsidiaries to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries are not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For Dhirubhai Shah & Co LLP

Chartered Accountants

Firm's registration number: 102511W/W100298

Sd/-

Anik S Shah

Partner

Membership number: 140594

UDIN: 21140594AAAAAPV2708

Place: Vadodara

Date: 31st May 2021



Annexure - A to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Shri Dinesh Mills Limited ("the Company") as of 31st March 2021 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

Group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal



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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiaries has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Dhirubhai Shah & Co LLP

Chartered Accountants

Firm's registration number: 102511W/W100298

Sd/-

Anik S Shah

Partner

Membership number: 140594

Place: Vadodara

Date: 31st May 2021

SHRI DINESH MILLS LIMITED**CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT 31st MARCH, 2021**

	Note No.	As at 31-03-2021 Rs. In Lakhs	As at 31-03-2020 Rs. In Lakhs
ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	3,918.82	4,519.44
(b) Capital Work in Progress	4	-	-
(c) Financial Assets			
(i) Investments	5	9.55	10.67
(ii) Loans	6	132.62	133.04
(iii) Others	7	106.09	106.09
(e) Other Non Current Assets	8	26.29	11.18
(f) Deferred Tax Assets (net)	21	17.51	-
		4,210.88	4,780.42
CURRENT ASSETS			
(a) Inventories	9	1,626.78	1,458.31
(b) Financial Assets			
(i) Investments	10	7,374.46	5,794.51
(ii) Trade Receivables	11	1,066.63	1,175.62
(iii) Cash and Cash Equivalents	12	217.24	174.99
(iv) Bank balances other than above (ii)	13	20.73	18.89
(vi) Others	14	78.70	69.88
(c) Other Current Assets	15	94.71	192.71
		10,479.25	8,884.90
TOTAL ASSETS		14,690.14	13,665.32
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	16	560.06	530.06
(b) Other Equity	17	10,496.18	9,189.42
		11,056.24	9,719.48
Non Controlling Interest		859.49	773.60
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	18	164.45	146.33
(ii) Others	19	70.10	82.61
(b) Provisions	20	361.70	349.80
(a) Deferred Tax Liabilities (Net)	21	-	82.66
(c) Other Non Current Liabilities	22	63.49	63.49
		659.74	724.89
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	23	323.77	387.64
(ii) Trade Payables	24		
- total outstanding dues to MSME		4.55	18.31
- total outstanding dues other than to MSME		523.49	612.11
(iii) Other Financial Liabilities	25	177.94	143.97
(b) Other Current Liabilities	26	1,042.09	1,245.77
(c) Provisions	27	42.83	39.55
		2,114.68	2,447.35
TOTAL EQUITY & LIABILITIES		14,690.14	13,665.32

Corporate Information, Basis of Preparation &
Significant Accounting Policies

1-3

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

"As per our report of even date attached"

ON BEHALF OF THE BOARD OF DIRECTORS

For DHIRUBHAI SHAH & CO LLP

Chartered Accountants

Firm Registration Number: 102511W/W100298

Managing Director
(DIN: 00039549)

Chairman & Managing
Director & CEO
(DIN: 00039543)

Anik S Shah

Partner

Membership Number: 140594

Place: Vadodara

Dated : 31st May, 2021

Chief Financial Officer

Dated : 31st May, 2021

Company Secretary
(ACS: 6351)

SHRI DINESH MILLS LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2021

	Note No.	2020-21 Rs. In Lakhs	2019-20 Rs. In Lakhs
INCOME			
Revenue from operations	28	7,415.89	6,616.01
Other income	29	479.63	759.57
TOTAL INCOME		7,895.52	7,375.58
EXPENSES			
Cost of Materials Consumed	30	2,092.01	2,227.89
Purchase of Stock-in-trade	31	30.68	-
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	32	83.75	(89.61)
Employee benefits expense	33	1,922.79	1,981.44
Finance Costs	34	82.06	81.82
Depreciation and amortization expenses	4	589.37	705.01
Other expenses	35	1,927.40	2,105.93
TOTAL EXPENSES		6,728.06	7,012.48
Profit/(Loss) before exceptional items and tax		1,167.46	363.10
Exceptional items (net)		-	-
Profit/(Loss) before tax		1,167.46	363.10
Tax items			
Current tax		200.00	-
Earlier years tax provisions (written back)		-	-
Deferred tax (asset) / liability	21	(100.16)	(63.80)
Total tax items		99.84	(60.70)
Profit/(Loss) for the year		1,067.62	423.80
Profit/(Loss) for the year from discontinuing operations			(349.71)
Tax expense of discontinuing operations		-	-
Profit/(Loss) for the period		1,067.62	74.09
Other Comprehensive Income			
Items that will not be re-classified to Profit or Loss			
Re-measurement gains/ (losses) on post employment benefit plans		37.50	27.66
Loss on fair valuation of investment in equity shares		(1.12)	(1.47)
Other Comprehensive Income/ (Loss) for the year		36.38	26.19
Total Comprehensive Income/ (Loss) for the year		1,104.00	100.27
Profit for the year attributable to:			
Equity holders of the parent		981.76	109.77
Non-controlling interest		85.86	(35.68)
Other Comprehensive Income for the year attributable to:			
Equity holders of the parent		36.49	27.35
Non-controlling interest		(0.11)	(1.16)
Total Comprehensive Income for the year attributable to:			
Equity holders of the parent		1,018.25	137.11
Non-controlling interest		85.75	(36.84)
Earnings Per Equity Share (Basic)	36	18.55	1.41
Earnings Per Equity Share (Diluted)	36	18.55	1.41

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

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

"As per our report of even date attached"

ON BEHALF OF THE BOARD OF DIRECTORS

For DHIRUBHAI SHAH & CO LLP
Chartered Accountants
Firm Registration Number: 102511W/W100298

Managing Director
(DIN: 00039549)

Chairman & Managing Director & CEO
(DIN: 00039543)

Anik S Shah
Partner
Membership Number: 140594
Place: Vadodara
Dated : 31st May, 2021

Chief Financial Officer

Company Secretary
(ACS: 6351)

Dated : 31st May, 2021

SHRI DINESH MILLS LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

	2020-21 Rs. In Lakhs	2019-20 Rs. In Lakhs
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (loss) Before Tax	1,167.44	13.39
Adjustments for:		
Depreciation and amortization	589.37	728.57
Interest and finance charges	82.05	81.82
Interest income	(16.68)	(14.74)
Dividend Income	-	(0.24)
Employee Benefits	36.38	26.18
Fair Valuation of Employee Stock Options	(18.89)	(20.20)
Fair Valuation of Financial Instrument	(187.36)	(165.97)
Profit on Sale of Fix Assets	(46.42)	(259.74)
Gain on sale of investments	(113.41)	(159.02)
Operating Profit before Working Capital Changes	1,492.49	230.04
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables	108.98	137.05
(Increase)/decrease in other assets	64.49	(31.51)
(Increase)/decrease in inventories	(168.46)	819.83
(Increase)/decrease in Trade Payables	(102.38)	(198.14)
(Increase)/decrease in Other Liabilities	(172.32)	(624.44)
Increase in Provision	(202.36)	(45.04)
Cash Generated from Operations	1,020.44	287.79
Net Cashflow from Operating Activities	1,020.44	287.79
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(107.11)	(220.36)
Disposal/Transfer of Fix Assets	231.77	650.34
Loans And Advances Repaid	10.82	1.27
Purchase of Investments	(1,345.07)	(784.91)
Dividend Income	-	0.24
Interest received	16.68	14.74
Net Cashflow from Investing Activities	(1,192.90)	(338.67)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings		
Receipts/(Payments)	(40.73)	75.22
Dividend Paid	-	(304.55)
Issue of Equity Share Capital	30.00	10.00
Securities Premium Received	420.00	140.00
Conversion of Share Warrants	(112.50)	(37.50)
Interest and finance charges	(82.05)	(81.82)
Net Cashflow from Financing Activities	214.72	(198.66)
Net Increase/(Decrease) in Cash and Cash Equivalents	42.25	(249.51)
Cash and bank balances at the beginning of the year	174.99	424.50
Cash and bank balances at the end of the year	217.24	174.99

NOTES:

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

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

DETAIL OF CASH AND CASH EQUIVALENTS	As at 31-03-2021 Rs. In Lakhs	As at 31-03-2020 Rs. In Lakhs
Balances with banks		
In current accounts	197.67	141.31
Fixed Deposits	-	32.22
Cash on hand	19.57	1.46
	217.24	174.99

"As per our report of even date attached"

For DHIRUBHAI SHAH & CO LLP

Chartered Accountants

Firm Registration Number: 102511W/W100298

ON BEHALF OF THE BOARD OF DIRECTORS

Managing Director
(DIN: 00039549)

Chairman & Managing
Director & CEO
(DIN: 00039543)

Anik S Shah

Partner

Membership Number: 140594

Place: Vadodara

Dated : 31st May, 2021

Chief Financial Officer

Company Secretary
(ACS: 6351)

Dated : 31st May, 2021

SHRI DINESH MILLS LIMITED**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021****(A) EQUITY SHARE CAPITAL**

For the year ended 31st March, 2021

(Rs. In Lakhs)

Balance as at 1st April, 2020	Changes during the year	Balance as at 31st March, 2021
530.06	30.00	560.06

For the year ended 31st March, 2020

(Rs. In Lakhs)

Balance as at 1st April, 2019	Changes during the year	Balance as at 31st March, 2020
520.06	10.00	530.06

(A) OTHER EQUITY

For the year ended 31st March, 2021

Particulars	Capital Redemption Reserve	Securities Premium	General Reserve	ESOP Outstanding	Retained Earnings	FVOCI Reserve	Total Equity
Balance as at 1st April, 2020	19.31	300.20	8,558.56	18.89	127.47	52.50	9,076.93
Profit/(Loss) for the year	-	-	-	-	981.76	-	981.76
Addition during the year	-	420.00	-	-	-	-	420.00
Written Back	-	-	-	18.89	-	-	-
Fair Valuation Gains on Investments in Equity Instruments	-	-	-	-	-	(1.12)	(1.12)
Remeasurements gain/(loss) on defined benefit plans	-	-	-	-	-	37.50	37.50
Balance as at 31st March, 2021	19.31	720.20	8,558.56	-	1,109.23	88.88	10,496.18

"As per our report of even date attached"

ON BEHALF OF THE BOARD OF DIRECTORS

For **DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration Number: 102511W/W100298

Anik S Shah

Partner

Membership Number: 140594

Place: Vadodara

Dated : 31st May, 2021

Managing Director
(DIN: 00039549)

Chief Financial Officer

Dated : 31st May, 2021

Chairman & Managing
Director & CEO
(DIN: 00039543)Company Secretary
(ACS: 6351)

4 - PROPERTY, PLANT AND EQUIPMENT

	TANGIBLE ASSETS									INTANGIBLE ASSETS		(Rs in Lakhs)	
	Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Dead Stock	Vehicles	Electrical Installations	Tubewell and Water Works	Weighing Scales	Total	Softwares	CAPITAL WORK IN PROGRESS	Total
Cost:													
As at 1st April, 2020	381.15	5.55	1,178.97	15,111.24	405.68	490.02	193.06	16.12	1.13	17,782.93	48.08	-	48.08
Additions	-	-	1.50	84.97	11.94	8.70	-	-	-	107.11	-	-	-
Disposals / transfers	-	-	-	873.44	-	8.69	-	-	-	882.13	-	-	-
As at 31st March, 2021	381.15	5.55	1,180.47	14,322.77	417.62	490.03	193.06	16.12	1.13	17,007.91	48.08	-	48.08
Accumulated depreciation:													
As at 1st April, 2020	-	0.09	719.95	11,724.37	357.68	319.56	150.64	13.74	0.58	13,286.62	24.95	-	24.95
Depreciation charged during the year	-	0.09	29.65	486.57	12.76	50.97	4.59	0.29	0.04	584.96	4.41	-	4.41
Disposals / transfers	-	-	-	755.47	-	8.30	-	-	-	763.77	-	-	-
As at 31st March, 2021	-	0.18	749.60	11,455.47	370.44	362.23	155.23	14.03	0.62	13,107.81	29.36	-	29.36
Net book value													
As at 31st March, 2020	381.15	5.46	459.02	3,386.87	48.00	170.46	42.42	2.38	0.55	4,496.31	23.13	-	23.13
As at 31st March, 2021	381.15	5.37	430.87	2,867.30	47.18	127.80	37.83	2.09	0.51	3,900.10	18.72	-	18.72

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

Note: 4.2 Amount written off Rs. 0.09 Lakhs of Leasehold Land has been debited to Profit and Loss Account under the head Depreciation and Amortization Expenses.

SHRI DINESH MILLS LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
5 - NON - CURRENT FINANCIAL ASSETS - INVESTMENTS		
Investments (Unquoted)		
(A) Investments at Cost		
(a) Investments in Equity Shares		
- Others	0.05	0.05
	<u>0.05</u>	<u>0.05</u>
(b) Investments in Bonds	-	-
	<u>0.05</u>	<u>0.05</u>
(B) Fair Value through Other Comprehensive Income		
(a) Investments in Equity Shares	9.50	10.62
	<u>9.50</u>	<u>10.62</u>
	<u>9.55</u>	<u>10.67</u>

Details of Investments

	Face value per unit in Rs. unless otherwise specified	No. of shares/units	As at 31-03-2021 (Rs. In Lakhs)	As at 31-03-2020 (Rs. In Lakhs)
Unquoted Investments:				
Investment in equity instruments				
Others (At cost)				
Gujarat Sheep & Wool Development Corporation Limited	Rs. 100	50	0.05	0.05
Others (At FVOCI)				
Narmada Cleantech Limited	Rs. 10	1,86,265	9.50	10.62
			<u>9.55</u>	<u>10.67</u>
Total			<u>9.55</u>	<u>10.67</u>

PARTICULARS	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
Aggregate amount of quoted investments at cost	0.05	0.05
Market Value of the quoted investments at FVOCI	9.50	10.62
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investment	-	-

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
6 - NON - CURRENT FINANCIAL ASSETS - LOANS		
Unsecured, considered good, unless otherwise stated		
Security deposits	132.62	133.04
	<u>132.62</u>	<u>133.04</u>

Allowance for Doubtful Loans

Group has analysed any allowance for doubtful loans based on the 12 months expected credit loss model. - Refer Note - 43

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
7 - NON - CURRENT FINANCIAL ASSETS - OTHERS		
Fixed Deposit Account (having maturity period of more than 12 months) *	106.09	106.09
	<u>106.09</u>	<u>106.09</u>
* Includes margin deposit	104.00	104.00

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
8 - NON - CURRENT ASSETS - OTHERS		
Other Assets		
- Gratuity Fund	11.29	11.18
Capital Advances	15.00	-
	<u>26.29</u>	<u>11.18</u>

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
9 - INVENTORIES		
(valued at lower of cost and net realizable value)		
Raw Material	440.68	248.60
Work in Progress	267.31	324.11
Finished Goods	589.11	616.07
Consumable Stores and Spares	312.99	258.43
Others	16.69	11.11
	<u>1,626.78</u>	<u>1,458.31</u>

- As per inventory taken and valued by the Management of respective companies

- Due to COVID - 19 outbreak in the previous financial year, the Management of the holding company had taken up valuation of certain inventory items (incl. stores and spares) and have also done market analysis to determine NRV of the said items. As per their internal evaluation, certain items have significantly reduced their NRV for which impact has considered in valuing closing stock as at 31st March, 2020. Following is the stock wise bifurcation

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
Raw Material	-	11.89
Work in Progress	-	55.42
Finished Goods	-	63.35
Consumable Stores and Spares	-	133.99
Total	<u>-</u>	<u>264.65</u>

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
10 - CURRENT FINANCIAL ASSETS - INVESTMENTS		
Quoted investments		
A. Fair Value through Profit and Loss		
a. Investment in Mutual Funds	7,374.46	5,794.51
	7,374.46	5,794.51

a. Details of Current Investments

Name of Fund	As at 31/03/2021		As at 31/03/2020	
	No. of Units	Amount (Rs. In Lakhs)	No. of Units	Amount (Rs. In Lakhs)
ICICI Prudential Equity Arbitrage Fund	84,08,358.11	2,253.46	78,39,251.56	2,031.29
IDFC Arbitrage Fund	15,24,265.91	388.31	15,24,265.91	376.14
Kotak Equity Arbitrage Fund	57,18,774.71	1,661.49	47,97,174.30	1,345.50
DSP Liquid Fund	-	-	8,179.02	230.82
Nippon India Liquid Fund	6,111.20	305.40	37,547.96	1,810.75
ICICI Prudential Savings Fund	2,63,362.32	1,095.59	-	-
ICICI Prudential Short Term Fund	14,27,705.71	654.79	-	-
Axis Strategic Bond Fund	21,67,974.07	457.95	-	-
HDFC Medium Term Debt Fund	12,86,009.72	557.47	-	-
Total		7,374.46		5,794.51

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
PARTICULARS		
Aggregate amount of quoted investments and Market value there of	-	-
Aggregate amount of unquoted investments	7,374.46	5,794.51

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
11 - TRADE RECEIVABLES		
Unsecured		
Considered good	1,066.63	1,175.62
Considered doubtful		
	1,066.63	1,175.62
Less: Provision for doubtful debts	-	-
	1,066.63	1,175.62

Allowance for Doubtful Debts

Group has analysed any allowance for doubtful debts based on the lifetime expected credit loss model. - Refer Note - 43

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
12 - CASH AND CASH EQUIVALENTS		
A) Balances with Banks		
- In Current Accounts	197.67	141.31
- In Fixed Deposits having a maturity period of less than 3 months	-	32.22
	197.67	173.53
B) Cash on Hand	19.57	1.46
	19.57	1.46
	217.24	174.99

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
13 - BANK BALANCES OTHER THAN ABOVE		
A) Balances with Banks		
- Unpaid Dividend	20.73	18.89
	20.73	18.89

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
14 - CURRENT - OTHER FINANCIAL ASSETS		
Interest and Dividend receivable on Investments	11.93	5.89
Other receivables	44.12	21.43
Government Incentives receivable	22.64	42.56
	78.70	69.88

Other receivables pertains to insurance claims receivable by the holding company related to finished good:

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
15 - CURRENT ASSETS - OTHERS		
Unsecured, considered good, unless otherwise stated		
Advances other than Capital Advances		
Other Loans and Advances	4.89	5.29
Statutory Dues (net)	9.22	52.41
Advance to Suppliers	77.84	128.86
Prepaid Expenses	0.11	6.15
Reimbursement of Expenses - Receivable	2.64	-
	94.71	192.71

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
16 - SHARE CAPITAL		
Authorised:		
95,00,000 Equity Shares of Rs. 10 each	950.00	950.00
50,000 unclassified shares of Rs. 100 each	50.00	50.00
Issued, Subscribed and paid-up:		
56,00,582 (March 31, 2020: 53,00,582) Equity Shares of Rs. 10 each fully paid up	560.06	530.06
	560.06	530.06

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

Particulars	As at 31/03/2021		As at 31/03/2020	
	No. of Shares	(Rs. In Lakhs)	No. of Shares	(Rs. In Lakhs)
At the beginning of the year	53,00,582	5,30,05,820	52,00,582	5,20,05,820
Add: Shares issued pursuant to conversion of warrants	3,00,000	30,00,000	1,00,000	10,00,000
Shares outstanding at the end of the year	56,00,582	5,60,05,820	53,00,582	5,30,05,820

Note:

1. Upon conversion of equivalent warrants, 3,00,000 equity shares of Rs. 10 each at a premium of Rs. 140 per equity share were allotted to the Promoters group.

16.2. Terms/Rights attached to the equity shares

The Group has one class of shares referred to as equity shares having a par value of Rs. 10 each. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential amounts, in proportion to their shareholding.

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

Name of Shareholder	As at 31/03/2021		As at 31/03/2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shri B. U. Patel	7,95,088	14.20	7,20,088	13.59
Shri N. U. Patel	7,68,852	13.73	6,93,852	13.09
Shri N. N. Patel	5,04,490	9.01	4,29,490	8.10
Shri A. B. Patel	4,92,443	8.79	4,17,443	7.88

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
17 - OTHER EQUITY		
Capital Redemption Reserve		
Opening balance	19.31	19.31
Add: Addition during the year	-	-
Less: Written back during the year	-	-
Closing balance	19.31	19.31
Securities Premium		
Opening balance	300.20	160.20
Add: Addition during the year	420.00	140.00
Less: Transfer to Retained Earnings	-	-
Closing balance	720.20	300.20
General Reserve		
Opening balance	8,558.56	8,558.56
Add: Addition during the year	-	-
Less: Transfer to Retained Earnings	-	-
Closing balance	8,558.56	8,558.56
Retained Earnings		
Opening balance	127.47	322.25
Add: Net Profit/(Net Loss) For the current year	981.76	109.77
Add/(Less): Adjustments on account of Ind-AS	-	-
- Interim dividend paid during the year	-	(191.70)
- Dividend paid during the year	-	(112.85)
- Proposed Dividend paid during the year	-	-
Closing Balance	1,109.23	127.47
Share Options Outstanding Account		
Opening Balance	18.89	39.09
Less: Transferred to Securities Premium on account of issue of Shares	-	20.20
Less: Reversal of ESOP outstanding on account of not exercising rights	18.89	-
Closing balance	-	18.89
Fair Value through Other Comprehensive Income (FVTOCI) Reserve		
Opening balance	52.50	25.15
Adjusted from surplus in statement of profit and loss	-	-
- Re-measurement gains / (losses) on employee benefits	37.50	28.82
- Fair valuation of equity investments	(1.12)	(1.47)
	88.88	52.50
Money received against share warrants	-	112.50
Total of other equity - as at 31st March, 2021	10,496.18	9,189.42

Notes to other equity**Securities Premium Account**

Securities premium is created due to premium on issue of shares and is utilised in accordance with the provisions of the Act.

Capital Redemption Reserve

Represent reserve created during buy back of Equity Shares and it is a non-distributable reserve.

*** 17.1 Share Option Outstanding Account**

The Holding company during previous year, after taking requisite approvals of the governing body and shareholders, approved grant of up to 54,000 options to eligible employees of the Company. In terms of the said approval, the eligible employees were entitled against each option to subscribe for one equity share of face value of Rs. 10 each at a price of Rs. 10 per share. Market value per share of the company as on grant date is Rs. 134.70 against which the eligible employees shall subscribe each share at a price of Rs. 10 per share.

The holders of the Employee Stock Options are entitled to exercise the option within a period of three years from the date of first vesting, failing which they stand cancelled. In the case of termination of employment by the Holding Company, all options, vested or not, stand cancelled immediately. In case of voluntary resignation, all un-vested options stand cancelled. Please refer below table for details on vesting period. There are no other vesting conditions, apart from service condition.

During the current year, 21,600 options were vested to the employees but the same were not exercised by the employees which resulted into cancellation of such rights. On account of cancellation of such rights, a reversal entry amounting to Rs. 18.89 lakhs were made in the ESOP outstanding account.

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

[^] 16,200 stock options were allotted to employees on 28.05.2018. The said warrants were subsequently converted into equity shares.

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

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

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

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

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
18 - NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS		
Secured		
a. Term Loans		
From banks		
- Rupee Term Loans	164.45	130.83
Unsecured		
Loan from related parties	-	15.50
	164.45	146.33

a. Nature of Security

Term loan under Technology Upgradation Fund Scheme is secured by way of hypothecation of machineries purchased therefrom

b. Rate of Interest and Terms of Repayment

Name of Institution	Instruments	Repayment Frequency	Firs installment due	Rate of Interest
South Indian Bank Ltd	Term Loan - 541	Monthly	Mar-14	10.50%
South Indian Bank Ltd	Term Loan - 40L	Monthly	Apr-19	10.75%
South Indian Bank Ltd	Term Loan - 40L	Monthly	Nov-19	10.40%
South Indian Bank Ltd	Term Loan - 63.50L	Monthly	Dec-19	10.15%
South Indian Bank Ltd	Emergency Credit Line Guarantee	Monthly	Jun-20	8.60%

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
19 - NON - CURRENT FINANCIAL LIABILITIES - OTHERS		
Unsecured		
Trade Deposits	70.10	82.61
	70.10	82.61

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
20 - NON - CURRENT PROVISIONS		
Provision for Employee Benefits		
Gratuity	74.34	73.69
Leave Encashment	126.40	111.13
Provisions for Medical/LTA/allowances, etc.	40.09	40.09
	240.83	224.91
Other Provisions		
Provision for Tax (net of advance tax, TDS, self asst. tax)	120.86	124.89
	361.70	349.80

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
21 - DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability on account of:		
(i) Depreciation		
Opening Deferred Tax Liability	144.64	210.20
Add/(Less): Charge or Credit during the year	(92.21)	(65.56)
Closing Deferred Tax Liability	52.43	144.64
Total Deferred Tax Liabilities	52.43	144.64
Deferred Tax Assets on account of:		
(i) Expenses allowable for tax purposes when paid (Octroi)		
Opening Deferred Tax Asset	12.27	12.27
Add/(Less): Charge or Credit during the year	4.00	-
Closing Deferred Tax Asset	16.27	12.27
(ii) Unencashed Leave (Employee or Director)		
Opening Deferred Tax Asset	36.18	39.13
Add/(Less): Charge or Credit during the year	2.97	-2.95
Closing Deferred Tax Asset	39.15	36.18
(iii) Gratuity		
Opening Deferred Tax Asset	13.54	12.34
Add/(Less): Charge or Credit during the year	0.98	1.20
Closing Deferred Tax Asset	14.52	13.54
Total Deferred Tax Assets	69.94	61.98
Net Deferred Tax (Assets) / Liabilities	(17.51)	82.66

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
22 - OTHER NON CURRENT LIABILITIES		
Others		
Octroi Liability	63.49	63.49
	63.49	63.49

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
23 - CURRENT FINANCIAL LIABILITIES - BORROWINGS		
Secured		
a. Loans repayable on demand		
From banks		
- Cash Credits	323.77	387.64
	323.77	387.64

a. Nature of Security

In case of Group, cash credits from Banks are secured against hypothecation of Raw materials, Stores, Spare parts, Stock in process, Finished goods, Work-in-progress and book debts.

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
24 - CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES		
Due to micro and small enterprises (MSME)	4.55	18.31
Due to other than micro and small enterprises	523.49	612.11
	528.04	630.42

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

The Group has received intimation from certain suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 regarding:

	As at 31/03/2021	As at 31/03/2020
(a) Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;	4.55	18.31
(b) Interest paid during the year	-	-
(c) Amount of payment made to the supplier beyond the appointed day during	-	-
(d) Interest due and payable for the period of delay in making payment;	-	-
(e) Interest accrued and unpaid at the end of the accounting year; and	-	-
(f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise;	-	-

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
25 - CURRENT - OTHER FINANCIAL LIABILITIES		
Current Maturities of Long Term Debts	45.52	20.50
Interest accrued on deposits	52.68	54.01
Unpaid Dividends	20.73	18.89
Unclaimed matured deposits and interest thereon	0.45	0.45
Due to Directors	19.04	17.76
Other Liabilities	39.53	32.37
	177.94	143.97

a. There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as on March 31, 2021 (March 31, 2020: Nil).

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
26 - OTHER CURRENT LIABILITIES		
Advances received from Customers	439.54	639.99
Statutory liabilities	36.66	26.96
Provision for Expenses	395.45	408.71
Outstanding Expenses	164.89	164.94
Other Liabilities	5.56	5.16
	1,042.09	1,245.77

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
27 - SHORT TERM PROVISIONS		
Provision for employee benefit		
Gratuity	10.36	1.85
Leave Encashment	32.47	37.71
	42.83	39.55

	2020-21 (Rs. In Lakhs)	2019-20 (Rs. In Lakhs)
28 - REVENUE FROM OPERATIONS		
Sale of Products	7,415.89	6,616.01
	7,415.89	6,616.01

Note:

- For disaggregation of revenue and revenue based on Business Segment, please refer Note 38 to the Financial Statement
- As per evaluation of Ind AS 115, contract price / revenue from operations is recorded based on the performance obligations satisfied by the Group.

	2020-21 (Rs. In Lakhs)	2019-20 (Rs. In Lakhs)
29 - OTHER INCOME		
Interest Received/Receivable		
From banks	12.80	12.22
From others	3.88	2.52
Dividend Income	-	0.24
Miscellaneous Income	99.10	150.09
Net gain on foreign currency transaction and translation	5.17	4.68
Gain on Sale of Investments	46.42	159.02
Gain on sale of Fixed Assets	113.41	259.74
Scrap Sale	0.35	0.27
Sundry balances written back	5.82	4.80
Gain on Fair Valuation of Financial Instruments (Net)	187.36	165.97
Duty Drawback and Other Export Incentives	5.32	-
	479.63	759.55

	2020-21 (Rs. In Lakhs)	2019-20 (Rs. In Lakhs)
30 - COST OF MATERIALS CONSUMED		
Wool	1.88	4.07
Synthetic Fibre	583.88	569.49
Yarn	549.31	713.06
Others	10.64	40.60
Gelatine & Others	946.30	900.67
	2,092.01	2,227.89

	2020-21 (Rs. In Lakhs)	2019-20 (Rs. In Lakhs)
31 - PURCHASES OF STOCK IN TRADE		
Ready-made Garments	30.68	-
	30.68	-

	2020-21 (Rs. In Lakhs)	2019-20 (Rs. In Lakhs)
32 - CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK IN PROGRESS		
Inventories (at close):		
Work - in - Progress	267.31	324.11
Finished Goods	589.11	616.07
	856.42	940.18
Inventories (at commencement):		
Work - in - Progress	324.11	577.66
Finished Goods	616.07	576.38
	940.17	1,154.04
Decrease in inventories related to discontinued operations	-	303.47
	83.75	(89.61)

	2020-21 (Rs. In Lakhs)	2019-20 (Rs. In Lakhs)
33 - EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages	1,779.71	1,801.95
Contributions to -		
- Provident fund, Superannuation scheme & Other funds	128.53	151.31
- Employees' State Insurance Scheme	9.41	12.05
Staff Welfare Expense	5.15	16.13
	1,922.79	1,981.44

	2020-21 (Rs. In Lakhs)	2019-20 (Rs. In Lakhs)
34 - FINANCE COSTS		
Interest expenses	59.77	67.99
Other borrowing costs	22.29	13.83
	82.06	81.82

	2020-21 (Rs. In Lakhs)	2019-20 (Rs. In Lakhs)
35 - OTHER EXPENSES		
OPERATING, ADMINISTRATION AND GENERAL EXPENSES		
Stores Consumed	280.62	274.24
Electricity, Power and Fuel	474.15	492.17
Rent	5.27	5.65
Commission & Brokerage	39.01	43.40
Cash Discount	140.19	110.23
Repairs*	272.61	354.46
Insurance	34.19	33.71
Freight Outward	103.73	64.32
Rates and Taxes	31.71	43.93
Payments to Auditors**	11.01	15.99
Advertisement and Publicity	2.37	0.56
Legal & Professional Fees	189.33	212.71
Travelling and Conveyance	64.86	268.74
Miscellaneous Expenses	221.57	185.81
Sundry Balances Written off	56.76	-
	1,927.40	2,105.93
* includes:		
Repairs to buildings	39.83	77.55
Repairs to machinery	206.06	455.28
Other Repairs	26.71	34.45
**Payments to the auditors for		
- Statutory audit	7.68	7.58
- For taxation matters	3.05	6.20
- Others	0.29	2.21
	11.01	15.99

	2020-21 (Rs. In Lakhs)	2019-20 (Rs. In Lakhs)
36 - EARNINGS PER EQUITY SHARE		
Profit/(loss) available for equity shareholders	1,018.25	74.09
Weighted average numbers of equity shares outstanding - Basic EPS	54,88,801	52,64,418
Weighted average numbers of equity shares outstanding - Diluted EPS	54,88,801	52,64,418
Nominal value per equity share (in Rupees)	10.00	10.00
Earnings / (loss) Per Equity Share- Basic (in Rupees)	18.55	1.41
Earnings / (loss) Per Equity Share- Diluted (in Rupees)	18.55	1.41

SHRI DINESH MILLS LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

	As at 31/03/2021 (Rs. In Lakhs)	As at 31/03/2020 (Rs. In Lakhs)
37 - CONTINGENT LIABILITIES AND COMMITMENTS - NOT PROVIDED FOR		
CONTINGENT LIABILITIES		
(a) Workers' demand - matter under appeal	2.25	18.11
(b) Additional Bonus liability owing to amendment introduced in The Payment of Bonus Act, 1965, the matter at this juncture is at subjudiced stage with the various High Courts for the year 2014-15	28.48	28.48
(c) Income tax Demands / outstanding- matters under appeal	157.69	209.57
(d) Excise matters under appeal	214.08	214.08
(e) Arrears of Bonus to employess for FY 2014-15, as amended by Factories Act, not provided for in case of one of the subsidiary	1.66	1.66

Notes:

(a) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters stated above, pending resolution of the proceedings.

COMMITMENTS

NIL

38 - SEGMENT REPORTING

In case of Group, , the provisions of Ind-AS 108, 'Operating Segments' are applicable. The same is presented as under into two primary operating segments

(a) Primary segment - Business Segment

	TEXTILE		PHARMACEUTICALS		CONSOLIDATED SEGMENTS	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue						
External Sales	4,912.41	4,681.32	2,503.48	1,934.69	7,415.89	6,616.01
Total Revenue	4,912.41	4,681.32	2,503.13	1,934.69	7,415.89	6,616.01
Segment Results						
Profit before Interest and Tax (incl. discontinued and continued operations)	1,001.14	133.70	254.93	(19.24)	1,256.08	114.47
Interest Expense (Net)	20.15	20.85	61.91	60.98	82.05	81.82
Other un-allocable income, net of unallocable Expenditure					-	-
Profit before tax	981.00	112.86	193.03	(80.21)	1,174.02	32.64
(1) Current tax	200.00	3.10	-	-	200.00	3.10
(2) Deferred tax	(100.16)	(63.80)	-	-	(100.16)	(63.80)
Profit / (Loss) for the year	874.60	173.56	193.03	(80.21)	1,067.62	93.34
Less: Share of Minority Interest	-	-	(85.86)	(35.68)	(85.86)	(35.68)
Other Comprehensive Income for the year	36.62	28.80	(0.24)	(2.61)	36.38	26.19
Less: Share of Minority Interest	-	-	(0.11)	(1.16)	(0.11)	(1.16)
Total Comprehensive Income for the year	837.97	202.36	192.79	(82.83)	1,030.76	119.53
Less: Share of Minority Interest	-	-	(85.75)	(36.84)	(85.75)	(36.84)
Segment Fixed Assets	1,944.56	2,441.32	1,974.18	2,078.05	3,918.82	4,519.37
Total Assets						
Segment Liabilities	1,733.62	2,050.32	1,038.81	1,104.13	2,774.42	3,154.45
Total Liabilities						
Depreciation & Amortisation (incl. discontinued and continued operations)	423.32	543.36	166.07	161.65	589.37	705.01

(b) Secondary segment - Geographical Segment

Information of geographical segment:

Particulars	Year	In India (Rs. In Lakhs)	Outside India (Rs. In Lakhs)	Total (Rs. In Lakhs)
Segment Revenue	2020-21	6,531.83	884.06	7,415.89
	2019-20	6,094.78	521.23	6,616.01
Carrying cost of Assets by location of Assets	2020-21	14,690.14	-	14,690.14
	2019-20	13,665.32	-	13,665.32
Additions to Assets and Intangible (Net)	2020-21	107.11	-	107.11
	2019-20	220.36	-	220.36

Other disclosures:

- 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.
- Company has disclosed Business Segment as the Primary Segment.
- Composition of Business Segment:
Name of Segment comprises of:
(a) Textile Woollen Textiles
(b) Pharmaceuticals Empty Hard Gelatin Capsules

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

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

(a) Defined contribution plans

- Provident fund

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

(b) Defined benefit plans

- Gratuity

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

Economic Assumptions

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

Discount Rate

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefits/obligations works out to zero years. For the current valuation a discount rate of 7.73% p.a. (Previous Year 7.27% p.a.) compound has been used.

Salary Escalation Rate

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

The assumptions used are summarized in the following table:

	Gratuity (Funded)	
	As at 31-03-2021 (Rs. In Lakhs)	As at 31-03-2020 (Rs. In Lakhs)
Change in present value of the defined benefit obligation during the year		
Present value of obligation as at the beginning of the year	489.18	606.33
Interest Cost	33.31	47.12
Current Service Cost	23.76	26.00
Past Service Cost	0.22	-
Benefits Paid	(86.23)	(194.89)
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(0.44)	33.60
Actuarial (Gain)/Loss on arising from Experience Adjustment	(18.80)	(31.91)
Present value of obligation as at the end of the year	412.98	489.18
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	2.93
Change in fair value of plan assets during the year		
Fair Value of plan assets at the beginning of the year	487.33	576.36
Interest Income	33.23	44.79
Contributions by the employer	0.12	28.80
Benefits paid	(86.22)	(194.89)
Return on plan assets	18.48	32.28
Fair Value of plan assets at the end of the year	452.94	487.33
Net Asset/ (Liability) recorded in the Balance Sheet		
Present value of obligation as at the end of the year	441.00	489.18
Fund Balance	435.28	470.79
Net Asset/ (Liability)- Holding Company - As having excess gratuity fund	-	-
Net Asset/ (Liability)-Current - Subsidiary	10.36	1.85
Net Asset/ (Liability)-Non-Current	17.66	16.54
Expenses recorded in the Statement of Profit & Loss during the year		
Interest Cost	1.09	3.39
Current Service Cost	23.77	26.00
Past Service Cost	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	-	2.61
Actuarial (Gain)/Loss on arising from Experience Adjustment	-	-
Total expenses included in employee benefit expenses	24.86	29.38
Recognized in Other Comprehensive Income during the year		
Actuarial Gain / (Loss) on Obligation for the period	19.48	(27.66)
Return on Planned Assets, Excluding Interest Income	18.50	
Net Income / (Expense) for the period recognized in OCI	37.74	
Maturity analysis of the benefit payments from the fund		
1st following year	135.87	141.09
2nd following year	20.84	52.03
3rd following year	46.49	29.55
4th following year	29.57	48.45
5th year and thereafter	479.42	523.28
Quantitative sensitivity analysis for significant assumption is as below:		
Increase/ (decrease) on present value of defined benefit obligation at the end of the year		
1 percentage point increase in discount rate	(21.60)	(23.96)
1 percentage point decrease in discount rate	24.63	27.40
1 percentage point increase in salary increase rate	23.96	26.93
1 percentage point decrease in salary increase rate	(21.66)	(24.15)
1 percentage point increase in employee turnover	3.36	3.74
1 percentage point decrease in employee turnover	(3.79)	(4.22)

40 - HEDGED AND UNHEDGED DERIVATIVE INSTRUMENTS

(a) The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise as at 31st March, 2021, 31st March, 2020.

	As at 31st March, 2021		As at 31st March, 2020	
	Foreign Currency	(Rs. In Lakhs)	Foreign Currency	(Rs. In Lakhs)
Receivables				
Trade Receivables				
(in USD)	57,470.00	42.19	38,643.58	29.11
Payables				
Advance received from Customers				
(in USD)	3,750.00	2.75	-	-

SHRI DINESH MILLS LTD

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41 - RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24**(a) Related Parties****i) Where significant influence exists:**

- Shri Dinesh Foundation	Key Management Personnel are Trustee
- Shri Maganbhai B. Patel's Charity Trust	Key Management Personnel are Trustee

ii) Key Managerial Personnel

Name	Relationship/Designation in Holding Company	Relationship/Designation in Subsidiary Companies
Mr. B.U.Patel	Chairman & Managing Director	Director
Mr. N.U.Patel	-	Chairman & Managing Director
Mr. J. B. Sojitra	Company Secretary	-
Mr. T M Patel	Non-executive Independent Director	-
Mr. Rakesh Agrawal	Non-executive Independent Director	-
Mr. Sanjiv M. Shah	Non-executive Independent Director	-
Mr. Apurva Shah	Chief Financial Officer	-
Mrs. Taruna Patel	Non-executive Independent Director	-
Mr. Bindesh Patel	-	Chief Financial Officer
Mr. Shukla	-	Company Secretary
Shri Pareshbhai Manilal Saraiya	-	Non-executive Independent Director
Shri Sujitbhai Jaysukhbhai Bhayani	-	Non-executive Independent Director
Shri Sanjivkumar Mahendralal Shah	-	Non-executive Independent Director

iii) Relatives Of Key Management Personnel

Name	Relationship/Designation
Mrs. R.B.Patel	Wife of Mr. B.U.Patel
Mrs. A.N.Patel	Wife of Mr. N.U.Patel
Ms J.B.Patel	Daughter of Mr. B.U.Patel
Mr. A.B.Patel	Son of Mr. B.U.Patel
Mr. N.N.Patel	Son of Mr. N.U.Patel

(b) Transactions with related parties:

	Amount		Outstanding Balance	
	2020-21	2019-20	2020-21	2019-20
	(Rs. In Lakhs)	(Rs. In Lakhs)	(Rs. In Lakhs)	(Rs. In Lakhs)
Remuneration paid to CMD - Shri B U Patel	111.11	110.40	4.23	3.23
Remuneration paid to MD - Shri N U Patel	111.11	110.40	4.46	3.71
Remuneration paid to relative of KMP	28.11	29.84	1.12	1.46
Director's Sitting Fees paid to Mr. T M Patel	1.12	1.31	-	-
Director's Sitting Fees paid to Mr. Sanjiv Shah	1.22	1.14	-	-
Director's Sitting Fees paid to Mr. Rakesh Agrawal	1.12	1.41	-	-
Director's Sitting Fees paid to Director of subsidiaries	0.82	0.50	-	-
Director's Sitting Fees paid to Mrs. Tarunaben Patel	0.67	0.67	-	-
Remuneration paid to Chief Financial Officer of Holding Company	10.90	11.20	0.81	0.77
Remuneration paid to Chief Financial Officer of Subsidiary Company	6.64	6.35	-	-
Remuneration paid to Company Secretary of Holding Company	20.27	20.84	0.67	1.18
Remuneration paid to Company Secretary of Subsidiary Company	1.02	1.02	-	-
Issue of Equity Shares to Shri B U Patel *	112.50	37.50	-	-
Issue of Equity Shares to Shri N U Patel *	112.50	37.50	-	-
Issue of Equity Shares to Shri A B Patel *	112.50	37.50	-	-
Issue of Equity Shares to Shri N N Patel *	112.50	37.50	-	-

* Upon conversion of equivalent warrants, total 3,00,000 equity shares of Rs. 10 each at a premium of Rs. 140 per equity share were allotted to the Promoters group.

- (i) There are no provisions for doubtful debts or amounts written off or written back in respect of debts due to or due from related parties
- (ii) Related party relationship is as identified by the Company on the basis of information available with them and relied upon by the Auditors

42. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

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

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

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

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

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

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

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

I. Figures as at March 31, 2021

Figures as at March 31, 2021

Financial Instrument	Note No.	Carrying Amount					Fair value			
		FVTPL	FVOCI	Total Fair Value	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non Current Assets										
Financial Assets										
(i) Investments		-	9.50	9.50	0.05	9.55	-	-	9.50	9.50
(ii) Loans		-	-	-	132.62	132.62	-	-	132.62	132.62
(iii) Others		-	-	-	106.09	106.09	-	-	-	-
Current Assets										
Financial Assets										
(i) Investments		7,374.46	-	7,374.46	-	7,374.46	7,374.46	-	-	7,374.46
(ii) Trade Receivables		-	-	-	1,066.63	1,066.63	-	-	-	-
(iii) Cash and Cash Equivalents		-	-	-	217.24	217.24	-	-	-	-
(iv) Bank balances other than above (ii)		-	-	-	20.73	20.73	-	-	-	-
(v) Others		-	-	-	78.70	78.70	-	-	-	-
		7,374.46	9.50	7,383.96	1,622.05	9,006.01	7,374.46	-	142.12	7,516.57
Non Current Liabilities										
Financial Liabilities										
(i) Borrowings		-	-	-	164.45	164.45	-	-	-	-
(ii) Others		-	-	-	70.10	70.10	-	-	70.10	70.10
Current Liabilities										
Financial Liabilities										
(i) Borrowings		-	-	-	323.77	323.77	-	-	-	-
(ii) Trade Payables		-	-	-	528.04	528.04	-	-	-	-
(iii) Other Financial Liabilities		-	-	-	177.94	177.94	-	-	-	-
		-	-	-	1,264.31	1,264.31	-	-	70.10	70.10

II. Figures as at March 31, 2020

n. Figures as at March 31, 2020										
Financial Instrument	Note No.	Carrying Amount					Fair value			
		FVTPL	FVOCI	Total Fair Value	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non Current Assets										
Financial Assets										
(i) Investments		-	10.62	10.62	0.05	10.67	-	-	10.62	10.62
(ii) Loans		-	-	-	133.04	133.04	-	-	133.04	133.04
(iii) Others		-	-	-	106.09	106.09	-	-	-	-
Current Assets										
Financial Assets										
(i) Investments		5,794.51	-	5,794.51	-	5,794.51	5,794.51	-	-	5,794.51
(ii) Trade Receivables		-	-	-	1,175.62	1,175.62	-	-	-	-
(iii) Cash and Cash Equivalents		-	-	-	174.99	174.99	-	-	-	-
(iv) Bank balances other than above (ii)		-	-	-	18.89	18.89	-	-	-	-
(v) Others		-	-	-	69.88	69.88	-	-	-	-
		5,794.51	10.62	5,805.13	1,678.56	7,483.69	5,794.51	-	143.66	5,938.17
Non Current Liabilities										
Financial Liabilities										
(i) Borrowings		-	-	-	146.33	146.33	-	-	-	-
(ii) Others		-	-	-	82.61	82.61	-	-	82.61	82.61
Current Liabilities										
Financial Liabilities										
(i) Borrowings		-	-	-	387.64	387.64	-	-	-	-
(ii) Trade Payables		-	-	-	630.42	630.42	-	-	-	-
(iii) Other Financial Liabilities		-	-	-	143.97	143.97	-	-	-	-
		-	-	-	1,390.97	1,390.97	-	-	82.61	82.61

During the reporting period ending March 31, 2021 and March 31, 2020, there were no transfers between Level 1 and Level 2 fair value measurements.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Market risk

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

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

One of the group's subsidiaries, i.e., Dinesh Remedies Limited, is a company that is expecting to derive a good part of its revenues from outside India. Within India, the Company' have an extensive marketing network and goodwill among the customers. The Company is optimistic that with its quality product and good customer relations will enable it to enhance its presence in its chosen markets. The Company is concentrating on serving a rationalized customer base in the domestic market accompanied by higher satisfaction and retention levels as an effective counter to the new entrant in the business.

Interest rate risk

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

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

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

Foreign currency risk

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

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

I. Foreign Currency Exposure

Refer Note 41 for foreign currency exposure as at March 31, 2021 and March 31, 2020.

II. Foreign Currency Sensitivity

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

Currency	2020-21		2019-20	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	0.39	(0.39)	5.58	(5.58)
EURO	-	-	-	-
Total	0.39	(0.39)	5.58	(5.58)

Credit risk

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

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

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

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

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

I. Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)

Particulars	(Rs. In lakhs)	
	As at 31-03-2021	As at 31-03-2020
Non-current financial assets - Loans	132.62	133.04
Total (A)	132.62	133.04

II. Financial assets for which loss allowance is measured using 12 months Life Time Expected Credit Losses (ECL)

Particulars		
	As at 31-03-2021	As at 31-03-2020
Trade Receivables	1,066.63	1,175.62
Total (A)	1,066.63	1,175.62

Grand Total (A+B)

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

III. The ageing analysis of these receivables (gross of provision) has been considered from the date the invoice falls due

Particulars		
	As at 31-03-2021	As at 31-03-2020
Up to 6 months	1,008.44	1,038.57
More than 6 months	58.18	137.04
Total	1,066.63	1,175.61

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

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

Liquidity Risk

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

Maturity profile of financial liabilities

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

Particulars	As at 31-03-2021				As at 31-03-2020			
	Less than 1 year	1 to 5 years	More Than 5 years	Total	Less than 1 year	1 to 5 years	More Than 5 years	Total
Non-current financial liabilities - Borrowings	66.02	276.99	7.33	350.34	20.50	119.87	10.96	151.33
Non-current financial liabilities - Others	-	70.10	-	70.10	-	103.11	-	103.11
Current financial liabilities - Borrowings	323.77	-	-	323.77	387.64	-	-	387.64
Current financial liabilities - Trade Payables	528.04	-	-	528.04	630.42	-	-	630.42
Current financial liabilities - Others	175.95	-	-	175.95	141.67	-	-	141.67
Total	213.98	70.10	-	1,448.21	1,180.23	222.98	10.96	1,414.17

Capital management

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

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

Particulars		
	As at 31-03-2021	As at 31-03-2020
Total Debt	164.45	146.33
Equity	11,056.24	9,719.48
Capital and net debt	11,220.69	9,865.81
Gearing ratio	1.47%	1.48%

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44. DISCONTINUED OPERATIONS

Fabric division of the holding company was in continued losses. In order to curtail losses and to sustain the business, with effect from 1st June, 2019, the holding company has discontinued the manufacturing of Yarns, Tops and Grey Fabrics at Ankleshwar unit and Woolen & Worsted fabrics at Vadodara unit.

The total revenue, expenses and pre-tax losses in respect of the ordinary activities attributable to the discontinued business operations during the current financial year are Rs. (349.71) lakhs. No tax expenses or credit has been recognized in relation to this discontinuing operations.

Following is the detailed item wise disclosure in relation to discontinued as well as continued business for the current financial year

I. Figures as at March 31, 2021

Particulars	Discontinued operations	Continued operations	Total	Discontinued operations	Continued operations	Total
	FY 2020-21	FY 2020-21		FY 2019-20	FY 2019-20	
INCOME						
Revenue from operations	-	4,912.41	4,912.41	440.19	4,681.32	5,121.51
Other income	-	464.47	464.47	104.71	742.46	847.17
TOTAL INCOME	-	5,376.89	5,376.89	544.90	5,423.78	5,968.68
EXPENSES						
Cost of Materials Consumed	-	1,145.71	1,145.71	-	1,327.24	1,327.24
Purchase of Stock-in-trade	-	-	-	6.95	-	6.95
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	-	8.78	8.78	632.75	(47.98)	584.77
Employee benefits expense	-	1,583.38	1,583.38	167.35	1,653.58	1,820.93
Finance Costs	-	20.15	20.15	-	20.85	20.85
Depreciation and amortization expenses	-	423.32	423.32	23.58	543.36	566.94
Other expenses	-	1,214.55	1,214.55	40.93	1,464.18	1,505.11
TOTAL EXPENSES	-	4,395.89	4,395.89	871.56	4,961.21	5,832.77
Profit/(Loss) before exceptional items and tax	-	981.00	981.00	(326.66)	462.57	135.91
Exceptional items (net)	-	-	-	23.05	-	23.05
Profit/(Loss) before tax	-	981.00	981.00	(349.71)	462.57	112.86
Tax items						
Current tax	-	200.00	200.00	-	3.10	3.10
Earlier years tax provisions (written back)	-	-	-	-	-	-
Deferred tax (asset) / liability	-	(100.16)	(100.16)	-	(63.80)	(63.80)
Total tax items	-	881.16	881.16	(349.71)	523.27	173.56
Items that will not be re-classified to Profit or Loss						
Re-measurement gains/ (losses) on post employment benefit plans	-	37.74	37.74	-	30.27	30.27
Loss on fair valuation of investment in equity shares	-	(1.12)	(1.12)	-	(1.47)	(1.47)
Other Comprehensive Income/ (Loss) for the year	-	36.62	36.62	-	28.80	28.80
Total Comprehensive Income/ (Loss) for the year	-	917.78	917.78	(349.71)	552.07	202.36

Note: 45

In March 2020, the World Health Organisation declared COVID-19 a global pandemic. Consequent to this, Government of India declared a nation-wide lockdown from 24th March 2020. Subsequently, the nation wide lockdown was lifted by the Government of India, but regional lockdowns continue to be implemented in areas with significant number of COVID - 19 cases. Although, the Group witnessed significant improvement in its operations during year, the Group remains watchful of the potential impact of COVID - 19 pandemic, particularly the current "second wave", on resuming normal business operations on a continuing basis. Accordingly, the Group has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, to determine the impact on the Group's revenue from operations for foreseeable future and the recoverability and carrying value of certain assets such as property, plant and equipment, investments, inventories, trade receivables and deferred tax assets. The impact of COVID - 19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Group's financial statements. The Group continues its business operations, in line with the guidelines issued by the Government authorities and does not anticipate any challenge in its ability to continue as going concern or meeting its financial obligations. As the situation is unprecedented, the Group is closely monitoring the situation as it evolves in the future.

Note: 46

The figures for the previous periods have been regrouped whenever necessary to confirm to the current period presentation

"As per our report of even date attached"

ON BEHALF OF THE BOARD OF DIRECTORS

For DHIRUBHAI SHAH & CO LLP

Chartered Accountants

Firm Registration Number: 102511W/W100298

Managing Director
(DIN: 00039549)

Chairman & Managing
Director & CEO
(DIN: 00039543)

Anik S Shah

Partner

Membership Number: 140594

Place: Vadodara

Dated : 31st May, 2021

Chief Financial Officer

Dated : 31st May, 2021

Company Secretary
(ACS: 6351)



SHRI DINESH MILLS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

1. CORPORATE INFORMATION

Shri Dinesh Mills Limited (the Holding Company) is a company having composite textile mill with a very strong presence in the textile industry for more than 60 years; manufacturing worsted fabrics (menswear), paper makers felts and industrial textiles. For International market, it has been manufacturing and exporting worsted fabrics to various overseas markets since last 30 Years. It maintains the highest standards of quality to meet the requirements of its discerning customers. The Holding Company has three subsidiaries as on the balance sheet date namely Dinesh Remedies Limited (DRL) which is into manufacturing high quality two-piece hard gelatin capsules for the pharmaceutical and dietary supplement markets; Fernway Technologies Limited which was acquired by the Holding Company on 30th October, 2017 and Fernway Textiles Limited which was acquired by the Holding Company on 6th November, 2017. Stellent Chemicals Industries Pvt Ltd is a company incorporated on 25th October, 2019. It is a wholly owned subsidiary of Fernway Textile Ltd., which is a wholly owned subsidiary of Shri Dinesh Mills Limited.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017.

b) Functional and presentation currency

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

c) Basis of measurement

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

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

Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.


SHRI DINESH MILLS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

A liability is current when:

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

All other liabilities are classified as non-current.

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

2A Principles of Consolidation

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

Name of the Company	Country of Incorporation	Effective % of holding as at 31 st March, 2021	Effective % of holding as at 31 st March, 2020
Dinesh Remedies Limited	India	55.52%	55.52%
Fernway Textiles Limited	India	100.00%	100.00%
Fernway Technologies Limited	India	100.00%	100.00%
Stellent Chemicals Industries Pvt Ltd #	India	100.00%	-

Wholly owned subsidiary of Fernway Textile Ltd., which is a wholly owned subsidiary Shri Dinesh Mills Limited hence effective holding becomes 100%.

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

- the financial statements of the Holding Company and its Indian Subsidiaries have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions, if any, based on the audited financial statements received from the Indian Subsidiaries for the year ended 31st March 2021, in Indian Rupees as per the Ind AS provisions.
- These consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements.
- The difference between the cost of investment in the subsidiaries and the Holding Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognized in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.
- Goodwill arising out of consolidation is tested for impairment at each balance sheet date.



SHRI DINESH MILLS LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

- (v) Non-controlling interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately from liabilities and equity of the Holding Company's shareholders.

Non-controlling interest in the net assets of consolidated subsidiaries consists of: -

- (a) the amount of equity attributable to non-controlling interest at the date on which investment in Subsidiary is made; and
- (b) the noncontrolling' share of movements in equity since the date the parent – subsidiary relationship came into existence.

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

2B. USE OF ESTIMATES

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

Critical estimates and judgments

The areas involving critical estimates or judgments are:

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment:

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


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

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

Tangible Fixed Assets:

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

Intangible Assets:

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

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

Capital Work- in- progress

Capital work- in- progress represents directly attributable costs of construction to be capitalized. All other expenses including interest incurred during construction period are capitalized as a part



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of the construction cost to the extent to which these expenditures are attributable to the construction as per Ind AS-23 "Borrowing Costs". Interest income earned on temporary investment of funds brought in for the project during construction period are set off from the interest expense accounted for as expenditure during the construction period.

3.2 Impairment of non-financial assets

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

3.3 Foreign Currency Transactions

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

Initial Recognition

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

Conversion

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

Exchange Differences

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

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

3.4 Revenue recognition

Effective 01 April 2018, the Group has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to



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contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant. Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services. The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Specifically,

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

3.5 Financial Instruments

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

A. Financial Assets

a. Initial recognition and measurement:

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

b. Subsequent measurement:

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

i. Debt instruments at amortized cost:

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

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


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

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

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

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

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

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

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

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

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

c. Derecognition:

A financial asset is primarily derecognized when:

- i. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either [a] the Group has transferred substantially all the risks and rewards of the asset, or [b] the Group



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has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

B. Financial liabilities:

a. Initial recognition and measurement:

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

b. Subsequent measurement:

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

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

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

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

ii. Loans and borrowings:

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

c. Derecognition:

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

C. Reclassification of financial assets:

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity



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instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses [including impairment gains or losses] or interest.

D. Offsetting of financial instruments:

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

3.6 Fair Value Measurement

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

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

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

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

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

3.7 Inventories

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



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- v. Due allowance is estimated and provided for defective and obsolete items, wherever necessary, based on the past experience of the Group.

3.8 Retirement benefits

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

i. Defined Contribution Plan:

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

ii. Defined Benefit Plan:

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

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

iii. Other defined benefits

Provision for other defined benefits for long term leave encashment is made based on an independent actuarial valuation on projected unit credit method at the end of each financial year. Actuarial gain and losses are recognized as give in (ii) above.

- iv. Group recognizes the undiscounted amount of short term employee benefits during the accounting period based on service rendered by employees.
- v. Compensation and gratuity paid on account of Voluntary Retirement Scheme (VRS) is treated as revenue expenditure as and when the scheme is announced by the Group which is in line with the provisions related to constructive obligations as stated in Ind AS 37.

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

3.9 Taxes on Income

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



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Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized on the basis of reasonable certainty that the Group will be having sufficient future taxable profits and based on the same the DTA has been recognized in the books.

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

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

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

3.10 Borrowing costs

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

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

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

3.11 Earnings per equity share

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

3.12 Provisions, Contingent Liabilities and Contingent Assets:

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

A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in



SHRI DINESH MILLS LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

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

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

3.13 Cash and Cash Equivalents

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

3.14 Provisions

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

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

3.15 Government Subsidies

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

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

3.16 Exceptional items

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



Form: AOC – I

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

Statement containing salient features of the Financial Statement of Subsidiaries / Associate companies / Joint Ventures as at 31/03/2021

Part – “A”: Subsidiaries

Sr. No.	Particulars	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
1	Name of the Subsidiary	Dinesh Remedies Ltd.	Fernway Technologies Ltd.	Fernway Textiles Ltd.	Stellent Chemicals Industries Pvt. Ltd.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting period is same i.e. 31 st March of every year	Reporting period is same i.e. 31 st March of every year	Reporting period is same i.e. 31 st March of every year	Reporting period is same i.e. 31 st March of every year
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable	Not Applicable	Not Applicable
4	Share Capital	2359.16	5.00	40.00	26.00
5	Reserves & Surplus	-427.33	-3.06	-8.45	-15.59
6	Total Assets	2970.64	2.02	31.58	12.53
7	Total Liabilities	1038.81	0.08	0.04	2.13
8	Investments	0.00	0.00	26.00	0.00
9	Turnover	2503.13	0.00	0.34	0.00
10	Profit / (Loss) Before Tax	193.03	-0.42	1.64	-7.81
11	Provision for Taxation	0.00	0	0.00	0.00
12	Profit/ (Loss) after Tax	193.03	-0.42	1.64	-7.81
13	Proposed Dividend	NIL	NIL	NIL	NIL
14	% of shareholding	55.52%	100%	100%	100%

Notes:

- (1) Names of subsidiaries which are yet to commence operations: Fernway Technologies Ltd. and Fernway Textiles Ltd. and Stellent Chemicals Industries Pvt. Ltd (Subsidiary of Fernway Textiles Limited).
- (2) Names of subsidiaries which have been liquidated or sold during the year: None

Part – “B”: Associates and Joint Ventures: – None

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

Sd/-
BHARAT PATEL
Chairman & Managing Director

Sd/-
NIMISH PATEL
Managing Director

Sd/-
J. B. SOJITRA
Company Secretary

Sd/-
MOHAN AKALKOTKAR
Chief Financial Officer

Vadodara, 31st May, 2021



IMPORTANT NOTICE TO SHAREHOLDERS

Sub: Mandatory Updation of PAN and Bank details

Dear Shareholder(s),

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

ACTION REQUIRED FROM Shareholder(s):

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

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

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

The Company Secretary SHRI DINESH MILLS LIMITED Regd. Office: Near Indiabulls Mega Mall, Akota Road, Vadodara – 390 020 E-Mail: sojitra@dineshmills.com Contact: 0265-2960060-65 CIN: L17110GJ1935PLC000494	MCS Share Transfer Agent Limited 1 st Floor, Neelam Apartment, 88, Sampatrao Colony, Above Chappanbhog Sweet, Alkapuri, Vadodara – 390 007 Tel:(0265) 2314757, 2350490 Fax: (0265) 2341639 CIN NO. U67120WB2011PLC165872
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If you have already informed /updated your details relating to PAN & Bank details to the Company / RTA, kindly ignore this communication.

Thanking you,
Yours Faithfully,
Shri Dinesh Mills Limited,
Sd/-
J B Sojitra
Company Secretary