

The background of the cover is a collage of four circular images showing different parts of a textile mill. The top-left image shows a large industrial machine with multiple spindles. The top-right image shows a close-up of a woven fabric with a dark, repeating pattern. The bottom-left image shows a large, white, ribbed textile component, possibly a sock or a large tube. The bottom-right image shows a close-up of a woven fabric with a light-colored, repeating pattern.

Annual Report
2021-2022

The logo is a circular emblem with a white background. It features a small gear-like icon at the top. Below the icon, the word "dinesh" is written in a lowercase, sans-serif font. Underneath "dinesh", the words "shri dinesh mills ltd." are written in a larger, bold, sans-serif font, with "shri" in a smaller size above "dinesh".

dinesh
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	
Ms. Reshma Patel	
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. R. K. Doshi & Co., LLP
Chartered Accountants
Rajkot

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 87th 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 Friday, 2nd September, 2022 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, 2022.

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, 2022 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. 7.50 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 J. B. Sojitra (DIN-00036120), who retires by rotation and being eligible, offers himself for re-appointment.

Ordinary Resolution

"RESOLVED THAT Shri J. B. Sojitra (DIN-00036120), 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."

SPECIAL BUSINESS:

4. **TO CONSIDER REVISION IN REMUNERATION OF 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 by the Company, the Company hereby approves the payment of the managerial remuneration on the revised terms & conditions to Shri Bharatbhai Patel, Chairman & Managing Director (CMD) in accordance with the provisions of the Companies Act, 2013 along with relevant Schedules thereto from 1st June, 2022 to 31st March, 2023 as set out in the draft Deed of Variation to be executed with Shri Bharatbhai Patel, CMD 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, CMD containing various terms & conditions of his revised remuneration as placed before the meeting duly initialed by the Chairman for the purpose of identification be and is hereby approved and the same be executed under the Common Seal of the Company pursuant to the provisions of Articles of Association of the Company.”

5. TO CONSIDER REVISION IN REMUNERATION OF SHRI NIMISHBHAI PATEL, 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 by the Company, the Company hereby approves the payment of the managerial remuneration on the revised terms & conditions to Shri Nimishbhai Patel, Managing Director (MD) who is also the Chairman & Managing Director of the subsidiary company viz. Dinesh Remedies Ltd., in accordance with the provisions of the Companies Act, 2013 along with relevant Schedules thereto from 1st June, 2022 to 13th January, 2025 as set out in the draft Deed of Variation to be executed with Shri Nimishbhai Patel, MD in accordance with Schedule V to The Companies Act, 2013 or any amendment thereto subject to the re-consideration of the remuneration by the Nomination, Remuneration & Compensation Committee, the Board of Directors and Shareholders of the Company.

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

Regd. Office:

Near Indiabulls Mega Mall,
Akota Road,
Vadodara – 390 020
Dated: 23rd May, 2022

By Order of the Board

For SHRI DINESH MILLS LIMITED,
Sd/-

J. B. SOJITRA
COMPANY SECRETARY
M. No. A6351

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 87th 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 87th 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 (**Annexure: A**)
5. The Explanatory statement as required under section 102 of the Companies Act, 2013 is annexed hereto in respect of item Nos. 4 & 5. (**Annexure: B**)
6. The Register of Members and Share Transfer Books will remain closed from Saturday, 13th August, 2022 to Saturday, 20th August, 2022. (Both days inclusive)
7. The Company has transferred unclaimed dividend for the financial year 2013–2014 and also transferred 4700 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
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
86	28-08-2021	2020-2021	03-10-2028

8. The Company will have to transfer Dividend No.80 for the Financial Year 2014–2015 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, 2022.



9. The proposed dividend if approved in the 87th AGM will be paid on or before 1st October, 2022 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 87th 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 87th AGM along with Annual Report for F.Y. 2021–2022 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. 2021–2022 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 87th 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 87th AGM will be provided by NSDL.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING 87TH ANNUAL GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on Monday, 29th August, 2022 at 9.00 A.M. and ends on Thursday, 1st September, 2022 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. Wednesday, 24th August, 2022, 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.

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance



of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. 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 April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. 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 venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.dineshmills.com The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

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

The remote e-voting period begins on Monday, 29th August, 2022 at 9.00 A.M. and ends on Thursday, 1st September, 2022 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. Wednesday, 24th August, 2022, 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 the cut-off date, being 24th August, 2022.

How do I 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 December 9, 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.	- Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - If you are 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 - 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 hold 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 company name or e-Voting service provider i.e. 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. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store  Google Play  
Individual Shareholders holding securities in demat mode with CDSL	- 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. - 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. - If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration - 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. upon logging in, you will be able to see e-Voting option. 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 company name or e-Voting service provider i.e. 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 e-Voting and joining 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 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. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
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 22 44 30 or send a request to Mr. Sachin Kareliya at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to sojitra@dineshmills.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested



scanned copy of Aadhar Card) to sojitra@dineshmills.com If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/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 meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join 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.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting 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.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at sojitra@dineshmills.com The same will be replied by the company suitably.
6. 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 Monday, 29th August, 2022. 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.
7. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure the smooth conduct of the 87th AGM.

ANNEXURE TO THE NOTICE
ANNEXURE: A

DETAILS OF THE DIRECTOR SEEKING REAPPOINTMENT AT THE 87TH ANNUAL GENERAL MEETING (ITEM No. 3)

The details as required pursuant to the Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standards – 2 on General Meetings are as under:

Name of Director & Director Identification Number(DIN)	Shri J. B. Sojitra DIN: 00036120
Age	61 Years
Date of first appointment on the Board	28/11/1996
Qualification	B. Com., LL.B., D.L.P., A.C.S.
Expertise	Adequate knowledge of Corporate Laws.
Profile	He is a qualified Company Secretary having more than 34 years of experience in the areas viz. Corporate Laws, Legal matters and Corporate Affairs.
Directorship in other Companies as on 31 st March, 2022:	None
Name of Listed Companies from which the Director has resigned in past three years	None
Membership / Chairmanship of Committees in other Companies as on 31 st March, 2022:	None
No. of Board Meetings: (a) Held during F.Y. 2021-2022 (b) Attended	(a) 4 (Four) (b) 4 (Four)
Inter-se relationship with other Directors / KMP	He is not related to any Director or Key Managerial Personnel of the Company.
Terms & Conditions of appointment	Executive Director (Corporate Affairs) liable to retire by rotation.
Details of Remuneration last drawn (F. Y. 2021–2022)	Refer Corporate Governance Report for the Financial Year 2021 – 2022.



Details of Remuneration sought to be paid in F.Y, 2022 – 2023	As recommended by NRCC, Audit, Board & Shareholders of the Company.
No. of Shares held	
(a) For Own	(a) 11 equity shares of Rs.10/- each
(b) For other persons on beneficial basis	(b) NIL

ANNEXURE: B

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (ITEM Nos. 4 & 5)

ITEM NO.4 TO CONSIDER REVISION IN REMUNERATION OF 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 aware that, Shri Bharatbhai Patel was appointed as Chairman & Managing Director (CMD) of the Company for a period of five years from 1st April, 2018 to 31st March, 2023 upon the existing terms of remuneration. The Nomination, Remuneration & Compensation Committee and Board of Directors at their respective meetings held on 23rd May, 2022, approved the payment of Remuneration to him on revised terms & conditions as detailed hereunder w.e.f. 1st June, 2022 to 31st March, 2023 subject to approval of Shareholders of the Company.

1. Basic Salary: Rs. 6,00,000/- per month.

2. Allowances & Perquisites:

- i) The CMD 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 CMD.
- 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 CMD 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 87th Annual General Meeting.

The Board recommends the Special Resolution set out at Item No. 4 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. 4 of the Notice.

ITEM NO.5 TO CONSIDER REVISION IN REMUNERATION OF SHRI NIMISHBHAI PATEL, MANAGING DIRECTOR OF THE COMPANY

Shri Nimishbhai Patel after completing his M.B.A. (Finance), (U.S.A)., is rendering his valuable services to the Company since 1990. He has very rich experience of more than 32 years in the textile, chemical industry and more than fifteen years in Pharma industry. He is also rendering honorary services as Chairman & Managing Director of the Subsidiary Company viz. Dinesh Remedies Ltd. and has made significant contribution to the progress of these Companies. He was also elevated as Managing Director of the Company w. e. f. 1st April, 2010.

Members are aware that, Shri Nimishbhai Patel was reappointed as Managing Director (MD) of the Company for a period of five years from 14th January, 2020 to 13th January, 2025 upon the existing terms of remuneration The Nomination, Remuneration & Compensation Committee and Board of Directors at their respective meetings held on 23rd May, 2022, approved the payment of Remuneration to him on revised terms & conditions as detailed hereunder w.e.f. 1st June, 2022 to 13th January, 2025 subject to approval of Shareholders of the Company.

1. Basic Salary: Rs. 6,00,000/- per month.

2. Allowances & Perquisites:

- iv) The MD 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.
- v) 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 MD.
- vi) 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 MD 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 Nimishbhai Patel is available for inspection by members of the Company at the Registered Office between 11.00 a.m. to 1.00 p.m. on any working day before the date of the ensuing 87th Annual General Meeting.

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

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



THE DISCLOSURE AS PER RESULATUION 36(5) OF SEBI (LODR) REGULATIONS, 2015 RELATING TO STATUTORY AUDITORS

Members of the Company at their 86th AGM held on 28th August, 2021 passed the Ordinary Resolution for appointment of M/s. R. K. Doshi & Co., LLP, Chartered Accountants as Statutory Auditors for the term of five consecutive years from F.Y. 2021–2022 to F.Y. 2025–2026. As the appointment of the Statutory Auditors is an ordinary business, the explanatory statement pursuant to Section 102 of the Companies Act, 2013 is not required and therefore, the same was not given. However, in terms of Regulation 36(5) of SEBI (LODR) Regulations, 2015, disclosures are to be given as part of the explanatory statement as detailed hereunder:

- (a) Fees payable to the Statutory Auditor and rational for the change of Statutory Auditor: As the maximum tenure of 10 years pursuant to Section 139 of the Companies Act, 2013 of M/s. Dhirubhai Shah & Co. LLP as statutory Auditors were expiring and therefore, M/s. R. K. Doshi & Co., LLP was appointed as Statutory Auditors for the first term of five consecutive years from F.Y. 2021–2022 to F.Y. 2025–2026 upon the existing terms & conditions as to the Remuneration of Rs.6,63,000/- plus applicable GST and reimbursement of out of pocket expenses as set out in the Ordinary Resolution passed at the 86th AGM of the Company.
- (b) Basis of recommendation for appointment and the credentials of the Audit Firm: Based on the recommendation of Nomination & Remuneration Committee, Audit Committee and Board of Directors of the Company, the members of the Company at their 86th AGM held on 28th August, 2021 appointed M/s. R. K. Doshi & Co., LLP as Statutory Auditors of the Company.

M/s. R. K. Doshi & Co. LLP, a Chartered Accountants firm established in the year 1980 having Head Office at Rajkot branch offices at various places across the Country including at Vadodara. The firm is engaged in Audit & Accounting, Direct & Indirect Taxes, International transactions & Legal areas with its specialized team of more than 75 people across all offices in India and catering an extremely wide spectrum of prestigious companies.

Regd. Office:
Near Indiabulls Mega Mall,
Akota Road
Vadodara – 390 020
Dated 23rd May, 2022

By Order of the Board
For SHRI DINESH MILLS LIMITED,

Sd/-
J. B. SOJITRA
COMPANY SECRETARY
M. No. A6351



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, 2022

1. PERFORMANCE OF THE COMPANY

PARTICULARS	(Rs. In Lakhs)	
	2021–2022	2020–2021
Revenue from Operations	5511	4912
Profit before Depreciation, Interest & Tax (PBDIT)	3397	1424
Net Profit	2651	881

2. DIVIDEND

Your Directors have recommended for your consideration Dividend of Rs. 7.50 per Equity share (75%) (Previous year Rs.5.00 per Equity share i.e. 50%) on 56,00,582 equity shares of Rs.10/- each amounting to Rs. 4,20,04,365/- subject to approval of shareholders of the Company at their ensuing 87th Annual General Meeting.

3. TRANSFER TO GENERAL RESERVE

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 2013–2014 and also transferred 4700 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

(A) During the year under review, Revenue from Operations of the Company has been increased from 4912 Lakhs to 5511 Lakhs and the net profit has also been increased from Rs. 881 Lakhs to Rs. 2651 Lakhs as compared to the previous year mainly due to sale of surplus immovable properties and various concentrated efforts made by the Marketing & Production Team under the leadership of Mr. Aditya Patel.



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 and therefore, there was no adverse impact of second wave of COVID pandemic.

B. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

(Rs. In Lakhs)

Sr. No.	Particulars	2021 – 2022	2020 – 2021
1	Revenue from Operations	5511	4912
2	Operating profit (PBDIT)	3397	1424
3	Depreciation	341	423
4	Interest	12	20
5	Profit before Tax	3043	981
6	Provision for Taxation	392	100
7	Net Profit	2651	881

The various ratio analysis is given in Note No. 40 attached to the Annual Financial Statement for the year ended 31st March, 2022.

C. OVERALL OUTLOOK

Looking to the current trend, the sales turnover of the Felts (i.e. Technical Textiles) is likely to be increased but due to very high inflation, the net profit of the Company would likely to be under pressure. However, the Company will make every effort to contain the adverse impact on the performance of the Company.

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, inflation and 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 have remained cordial. There were 307 employees in the Company as at 31st March, 2022.



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, 2022 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 (CSR)

Pursuant to the CSR policy and in compliance with requirements of Section 135 of the Act, the Company has spent Rs.4,00,000/- during the year under review as per the details given in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014 attached as **Annexure – “B”**. The CSR Policy, Annual Action Plan and the Annual Report on CSR in the prescribed format can be viewed at Company's website www.dineshmills.com in “Investors” Section

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company has not given any loans, guarantees and investments pursuant to Section 186 of the Companies Act, 2013. However, the Company has made investment in 55,00,000, 0.01% Optionally Convertible Non-Cumulative Preference Shares of Rs.10/- each in the Right Issue of Wholly Owned Subsidiary company viz. Stellent Chemicals Industries Limited (Formerly known as Fernway Textiles Limited) amounting to Rs.550/- Lakhs and 20,96,876 4% Optionally Convertible Cumulative Preference Shares (“**OCCPS**”) of Rs. 10/- (Rupees Ten) each in the Right issue of Subsidiary Company viz. Dinesh Remedies Limited.



13. AUDITORS REPORTS

The Auditors' Report issued by M/s. R. K. Doshi & 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.

M/s. Kashyap Shah & Co., Secretarial Auditor has made the following observations in their Secretarial Audit Report:

"the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. except (a) The Company could not file prescribed forms under IEPF to Investor Education Protection Fund authority, as clarified by the management pendency is due to technical problems being faced while filing the forms with the Ministry of Corporate Affairs. (b) Disclosure of appointment of auditors in the Explanatory Statements to the notice of AGM as per the Regulation 36(5) of the Listing Regulations were not available."

The explanation /comments by the Board viz. (a) the Company has filed the IEPF form-2 but the same are pending due to technical problems i.e. uploading the excel sheet with the MCA. (b) The Company has given the details of the Statutory Auditors and their remuneration in the Ordinary Resolution passed by the members of the Company at their 86th AGM held on 28th August, 2021. As the appointment of the Statutory Auditors is an ordinary business, the explanatory statement pursuant to Section 102 of the Companies Act, 2013 is not required and therefore, the same was not given. However, in terms of Regulation 36(5) of SEBI (LODR) Regulations, 2015, disclosures are to be given as part of the explanatory statement but through oversight the same was not given in the Explanatory statements to the Notice of 86th AGM which is being given in the explanatory statements to the Notice of the ensuing 87th AGM. The copy of the Secretarial Audit Report is attached as **Annexure – "C"**.

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 the status of the complaint during the financial year 2021-2022 is as under:



Details of Complaints	Status
No. of complaints as at 1 st April, 2021	Nil
Received during the year	Nil
Resolved during the year	Nil
No. of complaints as at 31 st March, 2022	Nil

16. ANNUAL RETURN

The extracts of Annual Return pursuant to Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in **Annexure – “D”** 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 Secretaries of India and approved by the Central Government.

18. THE MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, four meetings of Board of Directors of the Company were held on 31/05/2021, 05/08/2021, 08/11/2021 and 03/02/2022.

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 Mohan Akalkotkar, 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: 71:1
 - (2) Name: Shri Nimishbhai Patel (Managing Director)
Ratio: 71:1
- 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 Mohan Akalkotkar (w.e.f. 31/05/2021) – Chief Financial Officer: 8%
 - (4) Shri J. B. Sojitra – Company Secretary: 9%



- c) The percentage increase in the median remuneration of employees in the financial year: 4%
- d) There are 307 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 during the year ended 31st March, 2022.
- 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 Company believes in good Corporate Governance and the Report on the Corporate Governance as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 which forms an integral part of the Annual Report and the Auditors' certificate regarding compliance of conditions of Corporate Governance is attached to the Corporate Governance Report.

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 Stellent Chemicals Industries Ltd. are wholly owned subsidiary companies and the financial statements of the above referred subsidiary companies are consolidated. Stellent Chemicals Industries Ltd. holds 26% equity shares of Chem-Verse Consultants (India) Pvt. Ltd. (CVC) and therefore, CVC has become Associate Company and the separate statement containing the salient features of the financial statement of these subsidiary & Associate 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 2021 – 2022.

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 J B Sojitra, Executive Director (Corporate Affairs) of the Company would retire by rotation and being eligible, offer himself for re-appointment.

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 – “E”**.

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 3rd February, 2022 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 3rd February, 2022 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 Company had appointed M/s. R. K. Doshi & Co. LLP having Firm Registration No. 102745W/W100242 as Statutory Auditors for the term of five years from financial year 2021–2022 to 2025–2026, in the 86th Annual General Meeting of the Company held on 28th August, 2021 on a remuneration of Rs. 6,63,000/- p.a. plus applicable GST and reimbursement of out of pocket expenses based on the recommendation of Nomination & Remuneration Committee, Audit Committee and Board of Directors of the Company.

28. COMPOSITION OF AUDIT COMMITTEE AND VIGIL MECHANISM

The Audit Committee consists of four Independent Directors viz. Shri Rakesh Agrawal, Shri T. M. Patel and Shri Sanjiv Shah and Ms. Reshma 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):** “Shri Dinesh Mills Limited ESOP– 2016” scheme has been expired pursuant to the terms & conditions of the above referred scheme and during the year review, no ESOPs were granted by the Nomination, Remuneration & Compensation Committee.

30. EMPLOYEES’ REMUNERATION

The details of the remuneration paid to the employees during the year under review are given in the **Annexure – “F”** to this Report pursuant Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014. There is no other employee except shown in **Annexure – F**, drawing remuneration in excess of the limit prescribed under Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

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 the Related parties in the ordinary course of business and on Arms’ Length basis which have been approved by the Audit Committee and Board of Directors of the Company are given in Note No.37 attached to the Annual Financial Statement and also disclosed in Form AOC–2 attached as **Annexure – “G”**.

33. COST RECORDS & COST AUDIT

Maintenance of Cost Records & Audit as specified by the Central Government u/s. 148 of the Companies Act, 2013 read with Companies (Cost Records & Audit) Rules, 2014 are not applicable to the Company.

34. DIRECTORS RESPONSIBILITY STATEMENT

Your Directors confirm that:

- (a) in the preparation of the Annual Accounts for the financial year 2021–2022, 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.

35. 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: 23rd May, 2022

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
2021 – 2022	614.18	901.35

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. 21.07 Lakhs

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

Place: Vadodara
Date: 23rd May, 2022

Sd/-
BHARAT PATEL
CHAIRMAN
DIN: 00039543

ANNEXURE - "B"

Shri Dinesh Mills Ltd.

CIN: L17110GJ1935PLC000494

Regd. Office: Near Indiabulls Mega Mall, Akota Road, Vadodara – 390 020

Tel No. 0265 – 2960060 / 61 / 62 / 63 /64

Email: sojitra@dineshmills.com Website: www.dineshmills.com

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

1. Brief outline on CSR Policy of the Company:

The Company has framed a CSR policy in compliance with the provisions of the Companies Act, 2013. The CSR policy, inter alia, covers the concept (CSR philosophy, snapshot of activities undertaken by the Company and applicability, scope/area/localities to be covered and activities), resources, identification and approval process (resources/fund allocation, identification process and approval process) modalities of execution and implementation and monitoring.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Not Applicable				

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: <http://www.dineshmills.com/>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable

6. Average net profit of the Company as per section 135(5): Rs. 200/- Lakhs

7. a) Two percent of average net profit of the Company as per section 135(5): Rs. 4/- Lakhs

(b) Surplus arising out of the CSR projects or Programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: **Nil**

(d) Total CSR obligation for the financial year (7a+7b- 7c): **Rs. 4/- Lakhs**

8. a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Rs. in Lakhs)	Amount Unspent (Rs. in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
4/- Lakhs	Nil	-	-	Nil	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

Not Applicable

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(Rs. in Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity Identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency *
1	Mission Siksha Programme	Education	Various district of the Gujarat State	2.50 Lakhs	2.50 Lakhs	2.50 Lakhs	implementing agency - United Way of Baroda
2	PM CARES Fund	-	-	1.50 Lakhs	1.50 Lakhs	1.50 Lakhs	Direct
	TOTAL			4/- Lakhs	4/- Lakhs	4/- Lakhs	

- (d) Amount spent in Administrative Overheads: **Nil**
- (e) Amount spent on Impact Assessment, if applicable: **Nil (Not Applicable)**
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 4/- Lakhs**
- (g) Excess amount for set off, if any: **Nil**
9. (a) Details of Unspent CSR amount for the preceding three financial years: **Nil**
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable, since no amount is unspent.**
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):
- (a) Date of creation or acquisition of the capital asset(s): **Not Applicable**
- (b) Amount of CSR spent for creation or acquisition of capital asset: **Not Applicable**
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **Not Applicable**
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **Not Applicable**
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

For and on behalf of the Board of Directors,

Sd/-
Bharat Patel
Chairman & Managing Director
DIN:00039543
Date: May 23, 2022
Place: Vadodara



ANNEXURE – “C”

Secretarial Audit Report (For the Financial year ended on 31st March, 2022)

[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, 2022, 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, 2022, 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. ('Listing Regulations').

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above, except (a) *The Company could not file prescribed forms under IEPF to Investor Education Protection Fund authority, as clarified by the management pendency is due to technical problems being faced while filing the forms with the Ministry of Corporate Affairs.* (b) *Disclosure of appointment of auditors in the Explanatory Statements to the notice of AGM as per the Regulation 36(5) of the Listing Regulations were not available.*

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, the Board of Directors of the Company was constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the year under review, the shareholders at Annual General Meeting held on 28th August, 2021, inter alia, approved (i) re-appointment of Mr. Sanjiv Shah as an Independent Director for his second term of five years with effect from 29th March, 2021 (ii) appointment of Ms. Reshma Patel as an Independent Director for term of five years with effect from 15th March, 2021 (iii) Re-appointment of Mr. J B Sojitra as an Executive Director (Corporate Affairs) and Company Secretary for further period of five years from 1st June, 2021 (iv) Approval of remuneration of Mr. Bharatbhai Patel, Chairman and Managing Director from 1st April, 2021 to 31st March, 2023.

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 made investment of Rs. 5.50 crores in wholly owned subsidiary company, Stellant Chemicals Industries Limited for 0.01% 55,00,000 Optionally Convertible Non-Cumulative Preference Shares of Rs.10/- each for cash at Par on a Rights basis.

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

**Place: Vadodara
Date: 23.05.2022**

**Sd/-
(Kashyap Shah)
Proprietor
FCS No. 7662; CP No. 6672
UDIN: F007662D000371740**

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

Place: Vadodara
Date: 23.05.2022

ANNEXURE – “D”**FORM No. MGT-9****EXTRACT OF ANNUAL RETURN**as at the Financial Year ended on 31st March, 2022

[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. 1 st 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	Stellent Chemicals Industries Ltd (Formerly known as Fernway Textiles Limited) Post Box No. 2501, Padra Road, Vadodara – 390020	U17200GJ2017PLC099677	Subsidiary	100%	Section 2(46)

4	Chem-Verse Consultants (India) Pvt. Ltd.	U24231MH2000PTC130234	Associate	26.01%	
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IV. SHARE HOLDING PATTERN: (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (1 st April, 2021)				No. of Shares held at the end of the year (31 st March, 2022)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoters									
(1) Indian									
a) Individual/HUF	2788372	0	2788372	49.79	2788372	0	2788372	49.79	NIL
b) Central Govt.	0	0	0	0	0	0	0	0	NIL
c) State Govt.(s)	0	0	0	0	0	0	0	0	NIL
d) Bodies Corporate	0	0	0	0	0	0	0	0	NIL
e) Banks / FI	0	0	0	0	0	0	0	0	NIL
f) Any other	0	0	0	0	0	0	0	0	NIL
Sub Total (A) (1):-	2788372	0	2788372	49.79	2788372	0	2788372	49.79	NIL
(2) Foreign									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	NIL
b). Others - Individuals	0	0	0	0	0	0	0	0	NIL
c). Bodies Corporate	0	0	0	0	0	0	0	0	NIL
d). Banks/FI	0	0	0	0	0	0	0	0	NIL
e). Any Other.	0	0	0	0	0	0	0	0	NIL
Sub Total (B)(2):-	0	0	0	0	0	0	0	0	NIL
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	2788372	0	2788372	49.79	2788372	0	2788372	49.79	NIL
B.Public Shareholding									
1. Institutions									
a)Mutual Funds	0	10	10	0	0	10	10	0	NIL
b) Banks / FI	2770	990	3760	0	2770	840	3610	0	-0.001
c)Central Govt.									NIL
d)State Govt.(s)	0	0	0	0	0	0	0	0	NIL

e) Venture Capital Funds	0	0	0	0	0	0	0	0	NIL
f) Insurance Companies	0	0	0		0	0	0		NIL
g) FII's	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	2770	850	3620	0	-0.001
2.Non-Institutions									
a) Bodies Corporate									
i) Indian	173882	6020	179902	3.21	302426	6020	308446	5.51	2.30
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals:									
i) Individual shareholders holding nominal share capital upto Rs. 2/- Lakhs.	1147090	195300	1342390	23.97	1215676	169590	1385266	24.73	0.76
ii) Individual shareholders holding nominal share capital in excess of Rs. 2/- Lakhs.	1100001	0	1100001	19.64	1002501	0	1002501	17.90	-1.74
c) Others, (specify)									
Non Resident Indians	118107	350	118457	2.11	27367	270	27637	0.49	-1.62
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	84740	0	84740	1.51	0.23
Sub-total (B)(2):-	2606770	201670	2808440	50.15	2632710	173950	2806660	50.11	-0.04

Total Public Shareholding (B)= (B)(1)+ (B)(2)	2609540	202670	2812210	50.21	2635480	176730	2812210	50.21	NIL
C.Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	NIL
Grand Total (A+B+C)	5397912	202670	5600582	100	5423852	176730	5600582	100	NIL

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (i.e. 1 st April, 2021)			Shareholding at the end of the year (i.e. 31 st March, 2022)			% 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	795088	14.20	NIL	795088	14.20	NIL	NIL
2	NIMISH PATEL	768852	13.73	NIL	768852	13.73	NIL	NIL
3	NISHANK NIMISHBHAI PATEL	504490	9.01	NIL	504490	9.01	NIL	NIL
4	ADITYA B PATEL	492443	8.79	NIL	492443	8.79	NIL	NIL
5	ARUSHABEN NIMISHBHAI PATEL	83085	1.48	NIL	83085	1.48	NIL	NIL
6	ROOPABEN BHARATBHAI PATEL	54554	0.97	NIL	54554	0.97	NIL	NIL
7	MINAL SHEKHAR DESAI	34640	0.62	NIL	34640	0.62	NIL	NIL
8	RANAK KAMLESH LASKARI	34060	0.61	NIL	34060	0.61	NIL	NIL
9	JEMIKA KARNA PARIKH	21160	0.38	NIL	21160	0.38	NIL	NIL

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

Sr. No.		Shareholding at the beginning of the year (1 st April, 2021)		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, 2021)	27,88,372	49.79%	27,88,372	49.79%
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.)	NIL	NIL	NIL	NIL
3	At the end of the year (31 st March, 2022)	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. 01.04.2021)		Shareholding at the Ending of the year (i.e. 31.03.2022)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Popatlal Punamchand Shah	100000	1.79	172000	3.07
2	Monica Subodh Shah	5000	0.09	96200	1.72
3	Mafatlal Punamchand Shah	0	0	70500	1.26
4	Jayesh Pratapchand Shah	13602	0.24	63500	1.13
5	Amit Shantilal Motla	0	0	62473	1.12
6	Pranav Kumarpal Parekh	61304	1.09	58253	1.04
7	Urvashi Anubhai Zaveri	31750	0.57	57750	1.03
8	Vinodchandra Mansukhlal Parekh	90721	1.79	57418	1.02
9	Jayesh pratapchand Shah	0	0	56025	1.00
10	Urvashi Anubhai Zaveri	0	0	56000	0.99

(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 (01/04/2021) (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)= 11 shares (CS-KMP)	1565071	27.94%	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)..	Nil	-	-	-
	At the end of the year (31/03/2022) (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%	-	-

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. 01/04/2021)				
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
Change in Indebtedness during the financial year (2021 – 2022)				
* 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. 31/03/2022)				
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/WTM/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	1,10,40,000/-	1,10,40,000/-	20,31,443/-	2,21,11,443/-
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	7,60,770/-	7,60,770/-	1,86,231/-	6,46,231/-
	(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)	1,18,00,770/-	1,18,00,770/-	22,17,674/-	2,58,19,213/-
	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	103000	56000	112000	19000	75000	365000
	Commission	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)	103000	56000	112000	19000	75000	365000
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)	103000	56000	112000	19000	75000	365000
	Total Managerial Remuneration (A+B)	Rs. 2,61,84,213/-					
	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 (Resigned w.e.f 31-05-2021), RSP: Ms. Reshma Suresh Patel

Remuneration to Key Managerial Personnel other than MD /Manager / WTD during the financial year 2021-2022

Sr. No.		Particulars of Remuneration	Key Managerial Personnel						
			CEO	CS	CFO	Total			
1	Gross salary	As per the details given at Sr. VI hereinabove							
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961						NIL	845500/-	845500/-
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961						NIL	NIL	NIL
	(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	NIL	NIL			
4	Commission - as % of profit - others, specify	NIL	NIL	NIL	NIL	NIL			
5	Others, please specify	NIL	NIL	NIL	NIL	NIL			
	Total	NIL		845500/-	845500/-				

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: 23rd May, 2022

Sd/-
BHARAT PATEL
CHAIRMAN
DIN: 00039543



ANNEXURE – “E”

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,
Post Box No. 2501, Padra 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 Post Box No. 2501, Padra 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, 2022 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 Shivbhadwan Agrawal	00057955	10/02/2011
2	Mr. Tanuj Manubhai Patel	00016788	20/09/1984
3	Mr. Sanjiv Mahendralal Shah	00065796	29/03/2016
4	Mr. Bharatbhai Upendrabhai Patel	00039543	01/04/2010
5	Mr. Nimishbhai Upendrabhai Patel	00039549	14/01/1995
6	Mr. Jaman Boghabhai Sojitra	00036120	28/11/1996
7	Ms. Reshma Suresh Patel	00165162	15/03/2021

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: 23/04/2022
UDIN: A051007D000195547

For Nilesh Savaliya & Associates

Sd/-

NileshkumarShantibhai Savaliya

Membership No.: 51007

CP No.: 18632

ANNEXURE – “F”

EMPLOYEES’ REMUNERATION

The details of the remuneration paid to the employees pursuant to Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2022 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	68	Chairman & Managing Director	118.00	B. Text, M.B.A. (USA) (47)	12-05-1973	First Employment
2.	Shri Nimishbhai U. Patel	56	Managing Director	118.00	B.B.A. M.B.A. (Finance) (U.S.A) (29)	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 2021–2022 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,

Place: Vadodara
Date: 23rd May, 2022

**Sd/-
BHARAT PATEL
CHAIRMAN
DIN: 00039543**



ANNEXURE – “G”

(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 PROVISIO 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 which have been approved by the Audit Committee and Board of Directors of the Company are given in Note No.37 forming part of the financial statements of this Annual Report.

FOR AND ON BEHALF OF THE BOARD,

Place: Vadodara
Date: 23rd May, 2022

Sd/-
BHARAT PATEL
CHAIRMAN
DIN: 00039543

SHRI DINESH MILLS LIMITED

Regd. Office: Near Indiabulls Mega Mall, Akota Road, Vadodara – 390 020
CIN: L17110GJ1935PLC000494

REPORT ON CORPORATE GOVERNANCE

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, 2022, the Board of Directors of the Company consisted of 7 members as per the details given hereunder. The members of the Board are from diverse field and having experience in business, finance, techno-commercial and management. The Company has Executive Chairman and the composition of the Board is in conformity with the Regulation 17(1) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 and the provisions of the Companies Act, 2013 and Rules made thereunder.
- (ii) Other Directorship: Other Directorships/Committee memberships held by the Directors are as under:

Name of Director	Category of Director	Directorship held in other Companies		Committee membership held on other Companies	
		As a Director	As a Chairman	As a Member	As a Chairman
Shri B. U. Patel	C.M.D.	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
Ms. Reshma S Patel	I.D.	2	NIL	3	NIL
Shri J.B.Sojitra	E.D.	NIL	NIL	NIL	NIL

C.M.D. – Chairman & Managing Director, M.D. – Managing Director, I.D. – Independent Director,
E.D. – Executive Director (Corporate Affairs)

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

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

- (iii) Board Meetings held during the year & attendance of Directors: During the financial year ended 31st March 2022, four Board Meetings were held on 31/05/2021, 05/08/2021, 08/11/2021 and 03/02/2022. The attendance of Directors are as under:

Name of Director	No. of Board Meetings attended	Attendance at the last AGM held on 28/08/2021
Shri B. U. Patel	04	Yes
Shri N. U. Patel	04	Yes
Shri T. M. Patel	02	Yes
Shri Rakesh Agrawal	04	Yes
Shri Sanjiv Shah	04	Yes
Shri J. B. Sojitra	04	Yes
Ms. Reshma Patel	03	Yes
Mrs. Tarunaben Patel	01	No

- (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 87th 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, 2022, the Audit Committee of the Company comprises of four Independent Directors. All the members of the Audit Committee are qualified and having insight to interpret & understand financial statements. The Audit Committee comprises of the following members:

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

*Appointed as ID w.e.f. 31-05-2021

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, 2022, four meetings of the Audit Committee were held on 31/05/2021, 05/08/2021, 08/11/2021 and 03/02/2022 and the attendances of the Members are as follows:

Sr.	Name of member	No. of Meetings attended
1	Shri Rakesh Agrawal	04
2	Shri T. M. Patel	02
3	Shri Sanjiv Shah	04
4	Ms. Reshma Patel	03
3	Mrs. Tarunaben Patel	01

M/s. R. K. Doshi & 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, 2022, 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, 2022, two meetings of the Nomination, Remuneration & Compensation Committee were held on 31/05/2021 and 03/02/2022 and the attendances of the Members are as follows:

Sr.	Name of member	No. of Meetings attended
1	Shri T. M. Patel	01
2	Shri Sanjiv Shah	02
3	Shri Rakesh Agrawal	02

(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, 2022:

(Amount in Rs.)

Name of Director	Salary	Perks	Sitting Fees	Total
Shri B. U. Patel	1,10,40,000/-	7,60,770/-	NIL	1,18,00,770/-
Shri N. U. Patel	1,10,40,000/-	7,60,770/-	NIL	1,18,00,770/-
Shri T. M. Patel	NIL	NIL	56,000/-	56,000/-
Shri Rakesh Agrawal	NIL	NIL	1,12,000/-	1,12,000/-
Shri Sanjiv Shah	NIL	NIL	1,03,000/-	1,03,000/-
Shri J.B. Sojitra	21,60,674/-	57,000/-	NIL	22,17,674/-
Ms. Reshma Patel	NIL	NIL	75,000/-	75,000/-
Mrs. Tarunaben Patel	NIL	NIL	19,000/-	19,000/-

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, 2022 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
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, 2022, the Stakeholders Relationship Committee comprises the following three Independent Directors:

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

*Appointed w.e.f. 31-05-2021

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, 2022, one meeting of the Stakeholders Relationship Committee was held on 03/02/2022 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	Ms. Reshma Patel	01

(d) Status of Transmission / Name Deletion etc.: During the year ended 31st March, 2022, 26 request for 1480 equity shares were processed and no request was pending as on 31st March, 2022.

(e) Complaints: During the year ended 31st March, 2022, the Company had received 01 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 3rd February, 2022 to consider the following agenda:

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

All Independent Directors were present in the meeting held on 3rd February, 2022 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 3rd February, 2022 as per the Performance Evaluation Policy of the Company.

(D) SUBSIDIARY COMPANIES:

As on 31st March, 2022, Dinesh Remedies Ltd. (DRL). The Company holds 1,30,98,095 (i.e. 55.52%) equity shares of Rs. 10/- each and 20,96,876 4% Optionally Convertible Cumulative Preference Shares of Rs. 10/- each in the share capital of DRL as on 31st March, 2022. 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 2021–2022.

As on 31st March, 2022, the Company holds 50,000 equity share of Rs. 10/- each of its Wholly Owned Subsidiary Company namely Fernway Technologies Ltd (FTL). FTL is non material unlisted Company and the Company has yet to start its Business Operations.

As on 31st March, 2022, the Company holds 50,000 equity share of Rs. 10/- each and 58,50,000 0.01% Optionally Convertible Non-Cumulative Preference Shares of Rs. 10/- each ('OCPS') of its Wholly Owned Non-Material Unlisted Subsidiary Company namely Stellent Chemicals Industries Limited (formerly known as "Fernway Textiles Ltd."). The name of Fernway Textiles Limited has been changed to Stellent Chemicals Industries Limited upon amalgamation of its Wholly Owned Subsidiary viz. Stellent Chemicals Industries Private Limited with effect from 1st April, 2021. Stellent Chemicals Industries Limited ("Stellent") has acquired 26% shareholding from the promoters of Chem-Verse Consultants India Private Limited (CVC) amounting to Rs. 5,30,84,150/- (Rs. Five Crores Thirty Lakhs Eighty-Four Thousand One Hundred Fifty only) and as a result thereof, CVC has become Associate Company w.e.f 24th December, 2021. During the FY 2021-2022, the Company has subscribed 55,00,000 OCPS of Stellent so as to enable Stellent to fund the above referred Tranche – 1 acquisition of CVC.

(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
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
86 th	31/03/2021	Registered Office at Padra Road, Vadodara	Saturday, 28 th August, 2022 At 12.00 Noon	06

During the financial year 2021–2022, 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 2021–2022.
- 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 2021–2022 pursuant to Regulation 17(5) read with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as **Annexure–“I”**.

(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, 2022 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-imbursement 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 87th Annual General Meeting will be held at 12.00 Noon on 2nd September, 2022, at Registered Office of the Company situated at Near Indiabulls Mega Mall, Akota Road, Vadodara – 390 020.

2. Financial Calendar for the financial year 2022–2023:

First quarterly results	By 14 th August, 2022
Half Yearly results	By 14 th November, 2022
Third quarterly results	By 14 th February, 2023
Fourth quarterly results along with Audited Annual Results for the year 2021–2022	By 30 th May, 2023
Annual General Meeting for the year 2021–22	By 30 th September, 2023

3. Book Closure Dates:

The period for Book Closure is from 13th August, 2022 to 20th August, 2022 (both days inclusive).

4. Dividend Payment Date:

Dividend will be paid on or before 1st October, 2022.

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 2022–2023 to BSE Ltd.

6. Annual Custody Fees to Depositories:

The Annual Custody Fees for the year 2022–2023 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, 2021 to March, 2022 are given hereunder:

Month & Year	Price (Rs.)		Traded Quantity	BSE Sensex	
	High	Low		High	Low
April, 2021	439.00	332.00	172850	50375.77	47204.50
May, 2021	480.00	420.00	77237	52013.22	48028.07
June, 2021	544.90	470.00	329080	53126.73	51450.58
July, 2021	598.00	508.00	124050	53290.81	51802.73
August, 2021	648.00	535.10	142052	57625.26	52804.08
September, 2021	672.00	610.10	228518	60412.32	57263.90
October, 2021	685.00	622.10	159782	62245.43	58551.14
November, 2021	800.00	600.10	116540	61036.56	56382.93
December, 2021	850.00	741.05	30780	59203.37	55132.68
January, 2022	865.00	741.00	42030	61475.15	56409.63
February, 2022	900.00	652.10	53806	59618.51	54383.20
March, 2022	794.00	686.00	7659	58890.92	52260.82

9. Registrar & Share Transfer Agent:

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

MCS SHARE TRANSFER AGENT LIMITED

Administrative Office: 1st Floor, Neelam Apartments
88, Sampatrao Colony, Alkapuri, Vadodara – 390 007

Email: mcsltdbaroda@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, 2022 is as under:

Category	No. of Equity shares as at 31/03/2022	%
Directors & Relatives (Promoters Group)	27,88,372	49.79
Mutual Funds (UTI)	10	0.00
Banks	3610	0.06
Financial Institutions	NIL	NIL
Foreign Institutional Investors	NIL	NIL
Non-resident Indians	27,637	0.49
Bodies Corporate	3,08,446	5.51
I.E.P.F. Authority	84,740	1.51
Others (Public)	23,87,767	42.64
Total	56,00,582	100.00

13. Distribution of Shareholding:

Distribution of shareholding as on 31st March, 2022 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	7058	94.2323	5434120	9.7028
2	5001-10,000	190	2.5367	1556290	2.6410
3	10,001-20,000	100	1.3351	1527970	2.5177
4	20,001-30,000	38	0.5073	669230	1.6673
5	30,001-40,000	15	0.2003	568240	0.9321
6	40,001-50,000	16	0.2136	457430	1.2805
7	50,001-1,00,000	27	0.3605	1658030	3.3219
8	1,00,001-500000	25	0.3338	5664310	9.7585
9	500001-1000000	16	0.2136	8569890	19.3819
10	1000001 & Above	5	0.0668	29397500	48.7962
Total		7490	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, 2022 and 31st March, 2021 are as under:

Particulars	As at 31 st March, 2022		As at 31 st March, 2021	
	No. of Shares	%	No. of Shares	%
No. of Demat Shares				
– NSDL	1018948	18.19	1692921	39.32
– CDSL	4404904	78.65	3704991	56.83
No. of Physical Shares	176730	3.16	202670	3.85
Total	5600582	100	5600582	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 GDR/Warrants and Convertible Bonds during the F.Y. 2021 – 2022.

18. Plant Location is as under:

Location / Unit	Address
Vadodara Unit	Near Indiabulls Mega Mall, Akota Road, Vadodara – 390 020

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

- a. **Auditors Certificate:** The Certificate dated 23rd May, 2022 issued by M/s. R. K. Doshi & Co. LLP, Statutory Auditors of the Company regarding compliance of the conditions of the Corporate Governance by the Company during the year 2021 –2022 is attached herewith as **Annexure–“III”**.

FOR & ON BEHALF OF THE BOARD,

Place: Vadodara

Date: 23rd May, 2022

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, 2022.

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: 18th May, 2022

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, 2022 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 18, 2022

Annexure–“III”
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, 2022 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 31st March 2022.

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.

Place: Vadodara
Date: 23rd May, 2022

For, R K Doshi & Co LLP
Chartered Accountants
Firm Registration Number: 102745W/W100242
Sd/-
Rajiv K Doshi
Partner
Membership Number: 032542
UDIN:22032542AJKIOU1244

Independent Auditor's Report

To the Members of Shri Dinesh Mills Limited

Report on the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Shri Dinesh Mills Limited ("the Company"), which comprises of the balance sheet as at 31st March 2022, 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 2022, and its profits, 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 in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Companies Act, 2013 ("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 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 including Other Comprehensive Income and the Cash Flow statement and Statement of changes in Equity 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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 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 A”;
- g. With respect to the other matters to be included in the Auditor’s report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Company to its director’s during year is in accordance with the provisions of Section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact, wherever necessary, of pending litigations on its financial position in its financial statements;
 - ii. the Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv.
 - a. The Management has represented that, to the best of its knowledge and belief, other than as disclosed in notes to accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (‘Intermediaries’) with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (‘Ultimate Beneficiaries’) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- b. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ('Funding Parties') with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our attention that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e) as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 1 (under Statement of Changes to Equity) to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

- 2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For, R K Doshi & Co LLP
Chartered Accountants
Firm Registration Number: 102745W/W100242

Sd/-

Rajiv K Doshi
Partner
Membership Number: 032542
UDIN: 22032542AJKJVY2575

Place: Vadodara
Dated: 23rd May, 2022

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 2022 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

The 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. The company's internal financial control over financial reporting includes those policies and procedures which:

- (1) pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provides 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) provides 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 2022, 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, R K Doshi & Co LLP
Chartered Accountants
Firm Registration Number: 102745W/W100242

Sd/-

Rajiv K Doshi
Partner
Membership Number: 032542
UDIN: 22032542AJKJVY2575

Place: Vadodara
Dated: 23rd May, 2022

ANNEXURE - B TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

- (i) (a)
 - A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of physical verification of Property, Plant and Equipment so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on our examination of the property tax receipts and documents of land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were

noticed on such physical verification of inventories when compared with books of account.

- (b) As disclosed in Note 43 to the financial statements, the company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from banks during the year on the basis of security of current assets of the Company. The annual returns/statements filed by the Company with such banks and furnished to us for our verification does not have any material difference wherein compared with the books of accounts of the Company.
- (iii) The Company has made investments but have not provided any guarantee or security or granted any loans secured or unsecured to any companies, firms, Limited Liability Partnerships or any other parties.
 - (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
 - (b) The investments made during the year are, in our opinion, prima facie, not prejudicial to the Company's interest. As the Company has not provided any guarantee or security or granted any loans secured or unsecured, reporting to the extent under clause 3(iii)(b) of the Order is not applicable.
 - (c) As the Company has not provided any loans or advances in the nature of loans, reporting under clause 3(iii)(c) of the Order is not applicable.
 - (d) In view of 3(iii)(c) above, reporting under clause 3(iii)(d) of the Order is not applicable.
 - (e) In view of 3(iii)(c) above, reporting under clause 3(iii)(e) of the Order is not applicable.
 - (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of investments made. The Company has not granted any loans, given any guarantee and securities hence reporting to the extent on the compliance of provisions of section 185 and 186 of the Act is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

(vii) In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputed are given below:

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. 2012-2013	Income Tax Act, 1961	Penalty proceedings for disallowances made under Business Income	CIT(Appeals)	6.12
A.Y. 2013-2014	Income Tax Act, 1961	Penalty proceedings for disallowances made under Business Income	CIT(Appeals)	1.67
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)	73.14
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	200.63
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) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix)

(a) In our opinion, the Company has not defaulted in the repayment of loan or in the payment of interest thereon from the loans or borrowings taken from banks and financial institutions. The company has not issued debentures during the year hence reporting to that extent is not applicable.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, the company has not raised any term loans during the year hence reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, if any.

(f) The company has not raised any loans during the year by pledging of securities held in its subsidiaries.

(x)

(a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

(xi)

(a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As informed to us, the Company has not received any whistle blower complaints (up to the date of audit report)

(xii)

In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii)

According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv)

(a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv)

In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi)

(a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii)

The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii)

There has been no resignation of the statutory auditors of the Company during the year. The previous auditor has retired after completing their tenure as per the provisions of Companies Act, 2013.

(xix)

On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx)

(a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in Note 41 to the Standalone Financial Statements.

- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of the Act. This matter has been disclosed in Note 41 to the Standalone Financial Statements.

For, R K Doshi & Co LLP
Chartered Accountants
FRN: 102745W/W100242

Sd/-

Place: Vadodara
Date: 23rd May, 2022

Rajiv K. Doshi
Partner
M. No: 032542
UDIN: 22032542AJKJVY2575

SHRI DINESH MILLS LIMITED

CIN: L17110GJ1935PLC000494

STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2022

	Note No.	As at 31-03-2022 Rs. In Lakhs	As at 31-03-2021 Rs. In Lakhs
ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	1,687.67	1,925.84
(b) Intangible Assets	4	15.05	18.72
(c) Financial Assets			
(i) Investments	5	2,126.18	1,364.36
(ii) Others	6	246.61	199.39
(d) Deferred tax assets (net)	18	90.96	17.51
		4,166.46	3,525.82
CURRENT ASSETS			
(a) Inventories	7	1,335.87	1,291.31
(b) Financial Assets			
(i) Investments	8	8,661.67	7,374.46
(ii) Trade Receivables	9	493.87	518.74
(iii) Cash and Cash Equivalents	10	444.78	179.46
(iv) Bank balances other than above (ii)	11	26.48	20.73
(vi) Others	12	591.10	78.70
(c) Other Current Assets	13	136.06	65.10
		11,689.82	9,528.49
TOTAL ASSETS		15,856.29	13,054.31
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	14	560.06	560.06
(b) Other Equity	15	13,120.18	10,760.63
		13,680.23	11,320.69
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(ii) Others	16	59.50	70.10
(b) Provisions	17	530.33	338.71
(a) Deferred Tax Liabilities (Net)	18	-	-
(c) Other Non Current Liabilities	19	63.49	63.49
		653.32	472.30
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	20	(82.77)	(60.70)
(ii) Trade Payables	21		
- total outstanding dues of MSME		-	0.30
- total outstanding dues other than of MSME		248.62	181.47
(iii) Other Financial Liabilities	22	91.51	92.89
(b) Other Current Liabilities	23	1,229.69	1,016.68
(c) Provisions	24	35.69	30.67
		1,522.73	1,261.32
TOTAL EQUITY & LIABILITIES		15,856.29	13,054.31

Corporate Information, Basis of Preparation & Significant Accounting Policies

1-3

The accompanying notes 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, R K DOSHI & CO LLP

Chartered Accountants

Firm Registration Number: 102745W/W100242

Sd/-

Nimish Patel
Managing Director
(DIN: 00039549)

Sd/-

Bharat Patel
Chairman & Managing
Director & CEO
(DIN: 00039543)

Sd/-

Rajiv K Doshi

Partner

Membership Number: 032542

Place: Vadodara

Dated : 23rd May, 2022

Sd/-

J B Sojitra
Company Secretary
(ACS: 6351)

Sd/-

Mohan Akalkotkar
Chief Financial Officer

Dated : 23rd May, 2022

SHRI DINESH MILLS LIMITED

CIN: L17110GJ1935PLC000494

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2022

	Note No.	2021-22 Rs. In Lakhs	2020-21 Rs. In Lakhs
INCOME			
Revenue from operations	25	5,510.92	4,912.41
Other income	26	514.31	464.47
TOTAL INCOME		6,025.23	5,376.89
EXPENSES			
Cost of Materials Consumed	27	1,410.08	1,145.71
Purchase of Stock-in-trade		-	-
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	28	(5.19)	8.78
Employee benefits expense	29	1,664.47	1,583.38
Finance Costs	30	12.85	20.15
Depreciation and amortization expenses	4	340.51	423.32
Other expenses	31	1,574.73	1,214.54
TOTAL EXPENSES		4,997.45	4,395.89
Profit/(Loss) before exceptional items and tax		1,027.78	981.00
Exceptional items (net)	31A	2,015.23	-
Profit/(Loss) before tax		3,043.01	981.00
Tax items			
Current tax		450.00	200.00
Earlier years tax provisions (written back)		15.91	-
Deferred tax (asset) / liability		(73.46)	(100.16)
Total tax items		392.45	99.84
Profit/(Loss) for the year		2,650.56	881.16
Other Comprehensive Income			
Items that will not be re-classified to Profit or Loss			
Re-measurement gains/ (losses) on post employment benefit plans (net of tax impact)		(12.05)	37.74
Gain/ (Loss) on fair valuation of investment in equity shares (net of tax impact)		1.06	(1.12)
Other Comprehensive Income/ (Loss) for the year		(10.99)	36.62
Total Comprehensive Income/ (Loss) for the year		2,639.57	917.78
Earnings Per Equity Share (Basic)	32	47.33	16.05
Earnings Per Equity Share (Diluted)	32	47.33	16.05

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

The accompanying notes 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, R K DOSHI & CO LLP
Chartered Accountants
Firm Registration Number: 102745W/W100242

Sd/-
Nimish Patel
Managing Director
(DIN: 00039549)

Sd/-
Bharat Patel
Chairman & Managing
Director & CEO
(DIN: 00039543)

Sd/-
Rajiv K Doshi
Partner
Membership Number: 032542
Place: Vadodara
Dated : 23rd May, 2022

Sd/-
J B Sojitra
Company Secretary
(ACS: 6351)

Sd/-
Mohan Akalkotkar
Chief Financial Officer

Dated : 23rd May, 2022

SHRI DINESH MILLS LIMITED

CIN: L17110GJ1935PLC000494

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2022

(A) CASH FLOW FROM OPERATING ACTIVITIES	Standalone	
	2021-22 Rs. In Lakhs	2020-21 Rs. In Lakhs
Profit/ (loss) Before Tax after Extraordinary items	3,043.01	981.00
Adjustments for:		
Depreciation and amortization	340.51	423.30
Interest and finance charges	12.85	20.15
Interest income	(8.81)	(14.30)
Dividend Income	(8.39)	-
Gain on Sale of Investments	(68.57)	(46.42)
Gain on sale of Fixed Asset	(95.03)	(113.41)
Employee Benefits	(10.99)	36.62
Fair Valuation of Employee Stock Options	-	(18.89)
Gain on Fair Valuation of Financial Instruments (Net)	(240.58)	(187.36)
Operating Profit before Working Capital Changes	2,964.01	1,080.68
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables	24.88	197.57
(Increase)/decrease in other assets	(136.67)	103.69
(Increase)/decrease in inventories	(44.56)	(52.66)
(Increase)/decrease in Trade Payables	66.84	11.97
(Increase)/decrease in Other Liabilities	211.63	(219.72)
Increase in Provision	(460.89)	(204.35)
Cash Generated from Operations	(338.77)	(163.51)
Net Cashflow from Operating Activities	2,625.24	917.17
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(111.41)	(44.90)
Sale of Fixed Assets	(391.88)	231.77
Loan and Advances Repaid	-	10.82
Sale/(Purchase) of Investments	(1,739.89)	(1,380.07)
Dividend Income	8.39	-
Interest received	8.81	14.30
Net Cashflow from Investing Activities	(2,225.99)	(1,168.08)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings		
Receipts/(Payments)	158.95	(21.93)
Dividend Paid	(280.03)	-
Issue of Equity Share Capital	-	30.00
Conversion of Share Warrants	-	(112.50)
Interest and finance charges	(12.85)	(20.15)
Securities Premium Account	-	420.00
Net Cashflow from Financing Activities	(133.93)	295.43
Net Increase/(Decrease) in Cash and Cash Equivalents	265.32	44.52
Cash and bank balances at the beginning of the year	179.46	134.94
Cash and bank balances at the end of the year	444.78	179.46

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 31-03-2021 Rs. In Lakhs
Balances with banks		
In current accounts	443.81	178.09
Fixed Deposits	-	-
Cash on hand	0.96	1.37
	444.78	179.46

"As per our report of even date attached"

For DHIRUBHAI SHAH & CO LLP
Chartered Accountants
Firm Registration Number: 102745W/W100242

Sd/-
Rajiv K Doshi
Partner
Membership Number: 032542
Place: Vadodara
Dated : 23rd May, 2022

ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
Nimish Patel
Managing Director
(DIN: 00039549)

Sd/-
J B Sojitra
Company Secretary
(ACS: 6351)
Dated : 23rd May, 2022

Sd/-
Bharat Patel
Chairman & Managing
Director & CEO
(DIN: 00039543)

Sd/-
Mohan Akalkotkar
Chief Financial Officer

SHRI DINESH MILLS LIMITED**CIN: L17110GJ1935PLC000494****STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022****(A) EQUITY SHARE CAPITAL****For the year ended 31st March, 2022**

(Rs. In Lakhs)				
Balance as at 1st April, 2021	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes during the year	Balance as at 31st March, 2022
560.06	-	-	-	560.06

For the year ended 31st March, 2021

(Rs. In Lakhs)				
Balance as at 1st April, 2020	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes during the year	Balance as at 31st March, 2021
530.06	-	-	30.00	560.06

(A) OTHER EQUITY**For the year ended 31st March, 2022**

Particulars	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	FVOCI Reserve	Total Equity
Balance as at 1st April, 2021	19.31	720.20	8,558.56	1,374.27	88.29	10,760.63
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-
Profit/(Loss) for the year	-	-	-	2,650.56	-	2,650.56
Fair Valuation Gains / (loss) on Investments in Equity Instruments	-	-	-	-	1.06	1.06
Dividend paid during the year	-	-	-	(280.03)	-	(280.03)
Remeasurements gain/(loss) on defined benefit plans	-	-	-	-	(12.05)	(12.05)
Balance as at 31st March, 2022	19.31	720.20	8,558.56	3,744.80	77.30	13,120.18

Note 1:

As approved by the shareholders a dividend of Rs. 5 per equity share aggregating to Rs. 280.03 lakhs in respect of year ended 31st March 2021 has been paid during the year. Further, the Board of Directors has recommended a final dividend of Rs. 7.5 per equity share in respect of year ended 31st March 2022.

"As per our report of even date attached"

For, R K DOSHI & CO LLP**Chartered Accountants****Firm Registration Number: 102745W/W100242****Sd/-****Rajiv K Doshi****Partner****Membership Number: 032542****Place: Vadodara****Dated : 23rd May, 2022****ON BEHALF OF THE BOARD OF DIRECTORS****Sd/-****Nimish Patel****Managing Director****(DIN: 00039549)****Sd/-****J B Sojitra****Company Secretary****(ACS: 6351)****Dated : 23rd May, 2022****Sd/-****Bharat Patel****Chairman & Managing****Director & CEO****(DIN: 00039543)****Sd/-****Mohan Akalkotkar****Chief Financial Officer**

4 - PROPERTY, PLANT AND EQUIPMENT

(Rs in Lakhs)

	TANGIBLE ASSETS								INTANGIBLE ASSETS			
	Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Dead Stock	Vehicles	Electrical Installations	Tubewell and Water Works	Total	Softwares	CAPITAL WORK IN PROGRESS	Total
Cost:												
As at 1st April, 2021	321.25	5.46	634.10	11,192.40	364.48	481.41	97.92	14.04	13,111.06	48.08	-	48.08
Additions	-	-	19.21	61.86	20.37	9.20	-	-	110.64	0.77		0.77
Disposals / transfers	3.02	-	280.10	-	-	6.54	-	-	289.66	-		-
As at 31st March, 2022	318.23	5.46	373.21	11,254.26	384.85	484.07	97.92	14.04	12,932.04	48.85	-	48.85
Accumulated depreciation:												
As at 1st April, 2021	-	0.18	528.03	9,860.59	331.51	358.70	92.99	13.22	11,185.22	29.36	-	29.36
Depreciation charged during the year	-	0.09	17.13	270.25	12.66	35.78	0.05	0.11	336.07	4.44	-	4.44
Disposals / adjustments	-	-	270.91	-	-	6.01	-	-	276.92	-	-	-
As at 31st March, 2022	-	0.27	274.25	10,130.84	344.17	388.47	93.04	13.33	11,244.37	33.80	-	33.80
Net book value												
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	-	18.72
As at 31st March, 2022	318.23	5.19	98.96	1,123.42	40.68	95.60	4.88	0.71	1,687.67	15.05	-	15.05

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 Leasehold land of the company is taken on 99 years lease terms from the Government Authorities

	As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (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	794.69	35.00
	794.69	35.00
	2,114.55	1,354.86
(B) Fair Value through Other Comprehensive Income		
(a) Investments in Equity Shares	11.63	9.50
	11.63	9.50
	2,126.18	1,364.36

Details of Investments

	Face value per unit in Rs. unless otherwise specified	No. of shares/units	As at 31-03-2022 (Rs. In Lakhs)	31-03-2022 (Rs. In Lakhs)	31-03-2021 (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	11.63	9.50	
			1,331.49	1,329.36	
Investment in Preference Shares					
Investment in subsidiary company (At cost)					
0.01% Optionally Convertible Non-cumulative Preference Shares of Stellent Chemicals Industries Limited (Formerly known as Fernway Textiles Limited) of Rs. 10 each at cost, fully paid up (Refer note below *)	Rs. 10	58,50,000	585.00	35.00	
4% Optionally Convertible Cumulative Preference Shares of Dinesh Remedies Limited of Rs. 10 each at cost, fully paid up	Rs. 10	20,96,876	209.69	-	
			794.69	35.00	
Total			2,126.18	1,364.36	

* The Regional Director (RD) vide his Order dated 25/08/2021 approved the scheme of Amalgamation between Stellent Chemicals Industries Limited (Formerly known as Fernway Textiles Limited) and Stellent Chemicals Industries Private Limited. As the scheme is effective from 1st April, 2021 both the entities are merged with the said effective date. Accordingly, earlier investment of preference shares in Fernway Textiles Limited amounting to Rs. 35 lakhs is included in the above total investment.

	As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
PARTICULARS		
Aggregate amount of quoted investments at cost	0.05	0.05
Fair Value of the unquoted investments at FVOCI	11.63	9.50
Aggregate amount of unquoted investments	2,114.55	1,354.86
Aggregate amount of impairment in the value of investment	-	-

During the financial year, the company has made investment in Preference shares of two subsidiaries i.e. Dinesh Remedies Limited and Stellent Chemicals Industries Limited amounting to Rs. 209.69 and Rs. 550.00 respectively. As per the terms of the preference shares, both the preference share optionally convertible. Preference shares of Dinesh Remedies Limited are cumulative and carries a coupon rate of 4% whereas preference shares of Stellent Chemicals Industries Limited are non-cumulative and carried coupon rate of 0.01%.

6 - NON - CURRENT FINANCIAL ASSETS - OTHERS

Fixed Deposit Account (having maturity period of more than 12 months)*

Security deposits

As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
155.89	106.09
90.71	93.30
246.61	199.39

* Includes margin deposit

7 - INVENTORIES

(valued at lower of cost and net realizable value)

Raw Material

Work in Progress

Finished Goods

Consumable Stores and Spares

As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
243.28	206.28
189.01	232.76
613.25	564.31
290.33	287.96
1,335.87	1,291.31

- As per inventory valued and certified by the Management

- During the year, the company has not written off and written back any material inventory items in the profit and loss account.

7.1 - DETAILS OF RAW MATERIAL

Imported:

Wool

Yarn

Fibre

Miscellaneous

As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
-	-
36.69	83.60
88.81	70.99
8.72	0.10

Indigenous:

Yarn

Fibre

105.47	44.88
3.59	6.71

243.28	206.28
---------------	---------------

7.2 - DETAILS OF WORK-IN-PROGRESS

	As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
Felt	189.01	232.76
	189.01	232.76

7.3 - DETAILS OF FINISHED GOODS

	As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
Woolen worsted fabrics	0.86	1.13
Felt	612.39	563.18
	613.25	564.31

8 - CURRENT FINANCIAL ASSETS - INVESTMENTS

Quoted investments

A. Fair Value through Profit and Loss

a. Investment in Mutual Funds

As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
8,661.67	7,374.46
8,661.67	7,374.46

a. Details of Current Investments

Name of Fund	As at 31-03-2022		As at 31-03-2021	
	No. of Units	Amount (Rs. In Lakhs)	No. of Units	Amount (Rs. In Lakhs)
ICICI Prudential Equity Arbitrage Fund	94,89,907.93	2,641.27	84,08,358.11	2,253.46
IDFC Arbitrage Fund	7,06,013.22	186.31	15,24,265.91	388.31
Kotak Equity Arbitrage Fund	75,48,677.47	2,280.44	57,18,774.71	1,661.49
Nippon India Liquid Fund	-	-	6,111.20	305.40
ICICI Prudential Savings Fund	2,63,362.32	1,141.32	2,63,362.32	1,095.59
ICICI Prudential Short Term Fund	14,27,705.71	682.26	14,27,705.71	654.79
Axis Strategic Bond Fund	38,75,006.51	864.70	21,67,974.07	457.95
HDFC Medium Term Debt Fund	17,82,136.26	815.39	12,86,009.72	557.47
Axis Arbitrage Fund	3,27,906.22	49.98	-	-
Total		8,661.67		7,374.46

PARTICULARS

Aggregate amount of quoted investments and Market value there of

Aggregate amount of unquoted investments

As at 31-03-2021 (Rs. In Lakhs)	As at 31-03-2020 (Rs. In Lakhs)
8,661.67	7,374.46
-	-

9 - FINANCIAL ASSET - TRADE RECEIVABLES

Unsecured

Considered good

Considered doubtful

Less: Provision for doubtful debts

As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
493.87	518.74
-	-
493.87	518.74
-	-
493.87	518.74

Trade receivable ageing schedule as at 31st March, 2022

	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	Total
i. Undisputed Trade Receivables - considered good	493.48	0.39	-	-	-	493.87
ii. Undisputed Trade Receivables - which has significant increase in credit risk	-	-	-	-	-	-
iii. Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
iv. Disputed Trade Receivables - considered good	-	-	-	-	-	-
v. Disputed Trade Receivables - which has significant increase in credit risk	-	-	-	-	-	-
vi. Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
	493.48	0.39	-	-	-	493.87

Trade receivable ageing schedule as at 31 March, 2021

	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	Total
i. Undisputed Trade Receivables - considered good	515.74	-	3.00	-	-	518.74
ii. Undisputed Trade Receivables - which has significant increase in credit risk	-	-	-	-	-	-
iii. Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
iv. Disputed Trade Receivables - considered good	-	-	-	-	-	-
v. Disputed Trade Receivables - which has significant increase in credit risk	-	-	-	-	-	-
vi. Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
	515.74	-	3.00	-	-	518.74

Allowance for Doubtful Debts

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

10 - FINANCIAL ASSET - CASH AND CASH EQUIVALENTS
A) Balances with Banks

- In Current Accounts

As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
---------------------------------------	---------------------------------------

443.81 178.09

443.81 178.09

0.96 1.37

0.96 1.37

444.78 179.46

B) Cash on Hand

	As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
11 - FINANCIAL ASSET - BANK BALANCES OTHER THAN ABOVE		
A) Balances with Banks - Earmarked Balances		
Unpaid Dividend	26.48	20.73
	26.48	20.73

	As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
12 - CURRENT - OTHER FINANCIAL ASSETS		
Unsecured, considered good, unless otherwise stated		
Interest and Dividend receivable on Investments ^	26.10	11.93
Other receivables #	45.30	44.12
Government Incentives receivable	20.04	22.64
Consideration receivable towards sale of land	499.65	-
	591.10	78.70

^ Includes dividend receivable amounting to Rs. 8.38 lakhs pertaining to 4% cumulative preference shares invested in Dinesh Remedies Limited

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

	As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
13 - CURRENT ASSETS - OTHERS		
Unsecured, considered good, unless otherwise stated		
Other Loans and Advances	0.21	0.14
Statutory Dues (net)	19.63	0.30
Advance to Suppliers	116.21	64.66
	136.06	65.10

	As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
14 - SHARE CAPITAL		
Authorised:		
95,00,000 (31st March, 2021 - 95,00,000) Equity Shares of Rs. 10 each	950.00	950.00
50,000 (31st March, 2021 - 50,000) unclassified shares of Rs. 100 each	50.00	50.00
Issued, Subscribed and paid-up:		
56,00,582 (March 31, 2021: 56,00,582) Equity Shares of Rs. 10 each fully paid up	560.06	560.06
	560.06	560.06

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

Particulars	As at 31-03-2022		As at 31-03-2021	
	No. of Shares	(Rs. In Lakhs)	No. of Shares	(Rs. In Lakhs)
At the beginning of the year	56,00,582	560.06	53,00,582	530.06
Add: Issued during the year	-	-	3,00,000	30.00
Shares outstanding at the end of the year	56,00,582	560.06	56,00,582	560.06

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

Name of Shareholder	As at 31-03-2022		As at 31-03-2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shri Bharatbhai U. Patel	7,95,088	14.20	7,20,088	13.59
Shri Nimishbhai U. Patel	7,68,852	13.73	6,93,852	13.09
Shri Nishank N. Patel	5,04,490	9.01	4,29,490	8.10
Shri Aditya B. Patel	4,92,443	8.79	4,17,443	7.88

15.3. Number of Shares held by Promoters

Name of Promoter	No. of Shares	% of total shares	% change during the year
Shri Bharatbhai U. Patel	7,95,088	14.20	-
Shri Nimishbhai U. Patel	7,68,852	13.73	-
Shri Nishank N. Patel	5,04,490	9.01	-
Shri Aditya B. Patel	4,92,443	8.79	-
Mrs. Arusha N. Patel	83,085	1.48	-
Mrs. Roopa B. Patel	54,554	0.97	-
Mrs. Minal S. Desai	34,640	0.62	-
Mrs. Ranak Lashkari	34,060	0.61	-
Mrs. Jemika Karna Parikh	21,160	0.38	-

The above details are as certified by the Registrar and Share transfer Agents .

15 - OTHER EQUITY

	31-03-2022 (Rs. In Lakhs)	31-03-2021 (Rs. In Lakhs)
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	720.20	300.20
Add: Addition during the year	-	420.00
Closing balance	720.20	720.20
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	1,374.27	493.11
Add: Net Profit/(Net Loss) For the current year	2,650.56	881.16
Add/(Less): Adjustments on account of Ind-AS		
- Transfer from General Reserves	-	-
- Interim dividend paid during the year	-	-
- Dividend paid during the year @	(280.03)	-
Closing Balance	3,744.80	1,374.27
Share Options Outstanding Account		
Opening Balance	-	18.89
Less: Reversal of ESOP outstanding on account of not exercising rights	-	18.89
Closing balance	-	-
Fair Value through Other Comprehensive Income [FVTOCI] Reserve (Part of Retained Earnings)		
Opening balance	88.29	51.67
Adjusted from surplus in statement of profit and loss		
- Re-measurement gains / (losses) on employee benefits	(12.05)	37.74
- Gain/ (Loss) on fair valuation of investment in equity shares	1.06	(1.12)
	77.30	88.29
Total of other equity - as at 31st March, 2022	13,120.18	10,760.63

@ As approved by the shareholders a dividend of Rs. 5 per equity share aggregating to Rs. 280.03 lakhs in respect of year ended 31st March 2021 has been paid during the year.

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.

Retained Earnings

Retained earnings are the profits/(losses) that the Company has earned/(incurred) till date, less any dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Company and eligible for distribution to shareholders, in case where it is having positive balance representing net earnings till date.

General Reserve

General Reserve is a free reserve created by the Company out of free distributable profits.

Other Comprehensive Income

It Includes other comprehensive income on account of "Re-measurement gains/ (losses) on post employment benefit plans" & "Gain / (Loss) on fair valuation of investments at FVOCI"

16 - NON - CURRENT FINANCIAL LIABILITIES - OTHERS**Unsecured**

Trade Deposits

31-03-2022	31-03-2021
(Rs. In Lakhs)	(Rs. In Lakhs)
59.50	70.10
59.50	70.10

17 - NON - CURRENT PROVISIONS**Provision for Employee Benefits**

Gratuity
Leave Encashment
Provisions for Medical/LTA/allowances, etc.

As at	As at
31-03-2022	31-03-2021
(Rs. In Lakhs)	(Rs. In Lakhs)
61.28	56.68
101.85	121.08
40.09	40.09
203.22	217.85

Other Provisions

Provision for Tax (net of advance tax, TDS, self asst. tax)

327.11	120.86
530.33	338.71

Provision for Gratuity pertains to gratuity payable to Directors

Provision for Leave Encashment includes amount of Rs. 29.45 lakhs pertaining to payable to Directors

	As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
18 - DEFERRED TAX LIABILITIES (NET)		
<u>Deferred Tax Liability on account of:</u>		
<i>(i) Depreciation</i>		
Opening Deferred Tax Liability	52.43	144.64
Add/(Less): Charge or Credit during the year	(79.43)	(92.21)
Closing Deferred Tax Liability	(27.00)	52.43
Total Deferred Tax Liabilities	(27.00)	52.43
<u>Deferred Tax Assets on account of:</u>		
<i>(i) Expenses allowable for tax purposes when paid (Octroi)</i>		
Opening Deferred Tax Asset	16.27	12.27
Add/(Less): Charge or Credit during the year	(0.29)	4.00
Closing Deferred Tax Asset	15.98	16.27
<i>(ii) Unencashed Leave (Employee or Director)</i>		
Opening Deferred Tax Asset	39.15	36.18
Add/(Less): Charge or Credit during the year	(6.59)	2.97
Closing Deferred Tax Asset	32.56	39.15
<i>(ii) Gratuity</i>		
Opening Deferred Tax Asset	14.52	13.54
Add/(Less): Charge or Credit during the year	0.90	0.98
Closing Deferred Tax Asset	15.42	14.52
Total Deferred Tax Assets	63.96	69.94
Net Deferred Tax (Assets) / Liabilities	(90.96)	(17.51)

18A. Reconciliation of Income tax expense with accounting profit

The table below explains the differences between the expected tax expense, at the applicable Indian Statutory tax rate for all the reporting periods payable by corporate entities in India on taxable profits under tax laws in India, and the company's total tax expense for the year.

Particulars	As at	As at
	31-03-2022 (Rs. In Lakhs)	31-03-2021 (Rs. In Lakhs)
Profit before tax	1,027.78	981.00
Corporate tax rate as per Income Tax Act, 1961	25.17%	25.17%
Income tax calculated (A)	258.67	246.90
Tax impact - Adjustments to reconcile expected income tax expense to reported income tax expense (item * tax rate):		
Non-Deductible Expenses for Tax Purposes	6.04	-
Deductible Expenses for Tax Purposes	(15.05)	(41.06)
Depreciation impact as per tax purposes	23.43	46.70
Effect of deductions allowed under Income Tax	(3.52)	-
Impact on account of depreciable assets	(304.37)	(25.36)
Others	(22.40)	(27.18)
Total Adjustments (B)	(315.87)	(46.90)
Income Tax Expense Recognised (A+B)	(57.19)	200.00
Effective Income Tax Rate	-5.56%	20.39%

* The Company has opted for concessional tax rate under Section 115BAA of the Income Tax Act

19 - OTHER NON CURRENT LIABILITIES**Others**

Octroi Liability

As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
63.49	63.49
63.49	63.49

20 - CURRENT FINANCIAL LIABILITIES - BORROWINGS**Secured**

a. Loans repayable on demand

From banks

- Cash Credits

As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
(82.77)	(60.70)
(82.77)	(60.70)

a. Nature of Security

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

21 - CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

Due to micro and small enterprises (MSME)

Due to other than micro and small enterprises

As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
-	0.30
248.62	181.47
248.62	181.77

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 31-03-2022	As at 31-03-2021
(a) Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;	-	0.30
(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;	-	-

Trade payable ageing schedule as on 31 March, 2022

	< 1 year	1-2 years	2-3 years	> 3 years	Total
MSME	-	-	-	-	-
Others	223.47	-	5.40	19.75	248.62
Disputed dues (MSME)	-	-	-	-	-
Disputed dues (Others)	-	-	-	-	-
	223.47	-	5.40	19.75	248.62

Trade payable ageing schedule as on 31 March, 2021

	< 1 year	1-2 years	2-3 years	> 3 years	Total
MSME	0.30	-	-	-	0.30
Others	165.67	-	5.79	10.01	181.47
Disputed dues (MSME)	-	-	-	-	-
Disputed dues (Others)	-	-	-	-	-
	165.97	-	5.79	10.01	181.77

	As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
22 - CURRENT - OTHER FINANCIAL LIABILITIES		
Interest accrued on deposits	50.50	52.68
Unpaid Dividends	26.48	20.73
Unclaimed matured deposits and interest thereon	-	0.45
Due to Directors	14.53	19.04
	91.51	92.89

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, 2022 (March 31, 2021: Nil).

	As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
23 - OTHER CURRENT LIABILITIES		
Advances received from Customers	537.02	425.25
Advances received against capital assets	72.00	-
Statutory liabilities	23.17	25.52
Provision for outstanding expenses	592.09	560.35
Other Liabilities	5.39	5.56
	1,229.69	1,016.68

	As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
24 - SHORT TERM PROVISIONS		
Provision for employee benefit		
Provision for Gratuity	8.20	-
Provision for Leave Encashment	27.49	30.67
	35.69	30.67

Note:

As per the actuary valuation report, the company has current liability of Rs. 8.20 lakhs as at 31st March, 2022 Please refer Note related to Employee Benefits for further details.

	2021-22 (Rs. In Lakhs)	2020-21 (Rs. In Lakhs)
25 - REVENUE FROM OPERATIONS		
Sale of Products	5,510.92	4,912.41
	5,510.92	4,912.41

Note:

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

	2021-22 (Rs. In Lakhs)	2020-21 (Rs. In Lakhs)
26 - OTHER INCOME		
Interest Received/Receivable		
From banks	8.81	10.42
From others	-	3.88
Dividend Income	8.39	-
Miscellaneous Income	78.83	98.99
Gain on sale of investments	68.57	46.42
Gain on sale of fixed assets	95.03	113.41
Sundry balances written back	14.12	3.99
Gain on Fair Valuation of Financial Instruments (Net)	240.58	187.36
	514.31	464.47

	2021-22 (Rs. In Lakhs)	2020-21 (Rs. In Lakhs)
27 - COST OF MATERIALS CONSUMED		
Wool	-	1.88
Synthetic Fibre	634.83	583.88
Yarn	764.68	549.31
Others	10.57	10.64
	1,410.08	1,145.71

	2021-22 (Rs. In Lakhs)	2020-21 (Rs. In Lakhs)
28 - CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK IN PROGRESS		
<u>Inventories (at close):</u>		
Work - in - Progress	189.01	232.76
Finished Goods	613.25	564.31
	802.26	797.07
<u>Inventories (at commencement):</u>		
Opening Work - in - Progress	232.76	261.69
Opening Finished Goods	564.31	544.17
	797.07	805.85
Decrease in inventories related to discontinued operations	-	-
	(5.19)	8.78

	2021-22 (Rs. In Lakhs)	2020-21 (Rs. In Lakhs)
29 - EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages	1,527.98	1,461.91
Contributions to -		
- Provident fund, Superannuation scheme & Other funds	125.57	110.60
- Employees' State Insurance Scheme	9.65	9.41
Staff Welfare Expense	1.28	1.47
	<u>1,664.47</u>	<u>1,583.38</u>

	2021-22 (Rs. In Lakhs)	2020-21 (Rs. In Lakhs)
30 - FINANCE COSTS		
Interest expenses	1.08	5.71
Other borrowing costs	11.76	14.44
	<u>12.85</u>	<u>20.15</u>

	2021-22 (Rs. In Lakhs)	2020-21 (Rs. In Lakhs)
31 - OTHER EXPENSES		
OPERATING, ADMINISTRATION AND GENERAL EXPENSES		
Stores Consumed	254.85	196.95
Electricity, Power and Fuel	122.14	122.81
Rent	4.49	5.27
Commission	19.24	32.31
Cash Discount	153.86	140.19
Repairs and maintenance	390.72	239.02
Insurance	21.08	24.71
Rates and Taxes	47.22	29.43
Payments to Auditors	6.64	9.85
Donations	20.00	-
Contribution towards CSR expenses	4.00	-
Advertisement and Publicity	4.05	2.37
Legal & Professional Fees	204.05	174.95
Travelling and Conveyance	149.74	64.86
Sundry Balances written off	-	52.39
Seminar, Training and Exhibition expenses	31.46	-
Miscellaneous Expenses	141.19	119.43
	1,574.73	1,214.54
* includes:		
Repairs to buildings	65.43	36.30
Repairs to machinery	279.85	247.97
Other Repairs	45.43	46.89
**Payments to the auditors for		
- Statutory audit	6.64	6.64
-For taxation matters	-	2.92
- Others	-	0.29
	6.64	9.85
31A - EXCEPTIONAL ITEMS		
Gain on sale of land parcels *	2,015.23	-
	2,015.23	-

* Exceptional items represents sale of certain land parcels during the year ended 31st March, 2022.

	2021-22 (Rs. In Lakhs)	2020-21 (Rs. In Lakhs)
32 - EARNINGS PER EQUITY SHARE		
Profit/(loss) available for equity shareholders	2,650.56	881.16
Weighted average numbers of equity shares outstanding - Basic EPS	56,00,582	54,88,801
Weighted average numbers of equity shares outstanding - Diluted EPS	56,00,582	54,88,801
Nominal value per equity share (in Rupees)	10.00	10.00
Earnings /(loss) Per Equity Share- Basic (in Rupees)	47.33	16.05
Earnings /(loss) Per Equity Share- Diluted (in Rupees)	47.33	16.05

SHRI DINESH MILLS LIMITED
CIN: L17110GJ1935PLC000494

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2022

	As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
33 - CONTINGENT LIABILITIES AND COMMITMENTS - TO THE EXTENT NOT PROVIDED FOR		
CONTINGENT LIABILITIES		
(a) Workers' / Employee's demand - matter under appeal	20.61	2.25
(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
(c) Income tax Demands / outstanding- matters under appeal (excludes accrued interest thereon)	150.29	157.69
(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

The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately or relate to a present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made. The Company has been advised that it has strong legal positions against such disputes

34 - 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	2021-22	4,896.69	614.23	5,510.92
	2020-21	4,326.82	585.59	4,912.41
Carrying cost of Assets by location of Assets	2021-22	15,856.29	-	15,856.29
	2020-21	13,054.31	-	13,054.31

35 - 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. 61.96 Lakhs (Previous Year Rs. 54.59 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. 27.49 lakhs (31st March 2020 – Rs. 30.67 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 6.98% p.a. (Previous Year 6.86% p.a.) compound has been used.

Salary Escalation Rate

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

The assumptions used are summarized in the following table:

	Gratuity (Funded)	
	As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (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	412.98	465.72
Interest Cost	28.33	31.85
Current Service Cost	19.95	20.87
Past Service Cost	-	-
Benefits Paid	(53.07)	(86.22)
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	(0.17)	
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(2.53)	(0.44)
Actuarial (Gain)/Loss on arising from Experience Adjustment	(6.15)	(18.80)
Present value of obligation as at the end of the year	399.34	412.98
Change in fair value of plan assets during the year		
Fair Value of plan assets at the beginning of the year	435.28	470.79
Interest Income	29.86	32.20
Contributions by the employer	-	-
Benefits paid	(53.07)	(86.22)
Return on plan assets	(20.93)	18.51
Fair Value of plan assets at the end of the year	391.14	435.28
Net (Asset)/ Liability recorded in the Balance Sheet		
Present value of obligation as at the end of the year	399.34	465.72
Fund Balance	391.14	435.28
Net (Asset)/ Liability-Current	8.20	(5.07)
Net (Asset)/ Liability-Non-Current	-	-
Expenses recorded in the Statement of Profit & Loss during the year		
Interest Cost	(1.53)	(0.35)
Current Service Cost	19.96	20.88
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	18.43	20.53
Recognized in Other Comprehensive Income during the year		
Actuarial Gain / (Loss) on Obligation for the period	(8.87)	19.24
Return on Planned Assets, Excluding Interest Income	20.92	18.50
Net Income / (Expense) for the period recognized in OCI	(12.05)	37.74
Maturity analysis of the benefit payments from the fund		
1st following year	109.76	130.59
2nd following year	44.74	17.52
3rd following year	27.17	42.81
4th following year	35.60	25.66
5th year and thereafter	433.29	457.01
Quantitative sensitivity analysis for significant assumption is as below:		
1 percentage point increase in discount rate	(19.65)	(20.43)
1 percentage point decrease in discount rate	22.36	23.34
1 percentage point increase in salary increase rate	22.58	22.67
1 percentage point decrease in salary increase rate	(20.18)	(20.47)
1 percentage point increase in employee turnover	3.06	3.36
1 percentage point decrease in employee turnover	(3.41)	(3.79)

36 - 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, 2022, 31st March, 2021.

	As at 31st March, 2022		As at 31st March, 2021	
	Foreign Currency	(Rs. In Lakhs)	Foreign Currency	(Rs. In Lakhs)
Payables				
Advance received from Customers				
(in USD)	44,611.60	33.44	23,075.80	16.68

SHRI DINESH MILLS LTD**CIN: L17110GJ1935PLC000494****NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2022****37 - RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24****(a) Related Parties****i) Where significant influence exists:**

Description of relationship	
- Dinesh Remedies Limited	Subsidiary
- Stellant Chemical Industries Limited (Formerly known as Fernwat Textiles Limited) #	Subsidiary
- Fernway Technologies Limited	Subsidiary
- 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. N.U.Patel	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. Mohan Akalkotkar	Chief Financial Officer (appointed with effect from 31st May, 2021)
Ms. Tarunaben Patel	Non-executive Independent Director (resigned with effect from 31st May, 2021)
Ms. Reshmaben Patel	Non-executive Independent Director (appointed with effect from 15th March, 2021)

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	
	2021-22 (Rs. In Lakhs)	2020-21 (Rs. In Lakhs)	31-03-2022 (Rs. In Lakhs)	31-03-2021 (Rs. In Lakhs)
Remuneration paid to CMD - Shri B U Patel	118.00	111.11	1.63	4.23
Remuneration paid to MD - Shri N U Patel	118.00	111.11	1.86	4.46
Remuneration paid to relative of KMP	72.39	28.11	5.95	1.12
Director's Sitting Fees paid to Mr. T M Patel	0.56	1.12	-	-
Director's Sitting Fees paid to Mr. Sanjiv Shah	1.03	1.22	-	-
Director's Sitting Fees paid to Mr. Rakesh Agrawal	1.12	1.12	-	-
Director's Sitting Fees paid to Mrs. Tarunaben Patel	0.19	0.67	-	-
Director's Sitting Fees paid to Ms. Reshmaben Patel	0.75	-	-	-
Remuneration paid to Chief Financial Officer	8.45	10.90	0.68	0.81
Remuneration paid to Company Secretary	22.17	20.27	1.17	0.67
Subscription of Cumulative Preference Shares of Dinesh Remedies Limited	209.69	-	209.69	-
Dividend receivable on cumulative preference shares of Dinesh Remedies Limited	8.39	-	8.39	-
Subscription of Non-cumulative Preference Shares of Stellant Chemicals Industries Limited	550.00	35.00	585.00	35.00
Issue of Equity Shares to Shri B U Patel *	-	112.50	-	-
Issue of Equity Shares to Shri N U Patel *	-	112.50	-	-
Issue of Equity Shares to Shri A B Patel *	-	112.50	-	-
Issue of Equity Shares to Shri N N Patel *	-	112.50	-	-

* 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.

The Regional Director (RD) vide his Order dated 25/08/2021 approved the scheme of Amalgamation between Stellant Chemicals Industries Limited (Formerly known as Stellant Chemicals Industries Private Limited) and Fernway Textiles Limited. As the scheme is effective from 1st April, 2021 both the entities are merged with the said effective date.

(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

38. 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, 2022

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	-	11.63	11.63	2,114.55	2,126.18	-	-	11.63	11.63
(ii) Others	-	-	-	246.61	246.61	-	-	-	-
Current Assets									
Financial Assets									
(i) Investments	8,661.67	-	8,661.67	-	8,661.67	8,661.67	-	-	8,661.67
(ii) Trade Receivables	-	-	-	493.87	493.87	-	-	-	-
(iii) Cash and Cash Equivalents	-	-	-	444.78	444.78	-	-	-	-
(iv) Bank balances other than above (ii)	-	-	-	26.48	26.48	-	-	-	-
(v) Others	-	-	-	591.10	591.10	-	-	-	-
	8,661.67	11.63	8,673.30	3,917.37	12,590.67	8,661.67	-	11.63	8,673.30
Non Current Liabilities									
Financial Liabilities									
(i) Borrowings	-	-	-	-	-	-	-	-	-
(ii) Others	-	-	-	59.50	59.50	-	-	59.50	59.50
Current Liabilities									
Financial Liabilities									
(i) Borrowings	-	-	-	(82.77)	(82.77)	-	-	-	-
(ii) Trade Payables	-	-	-	248.62	248.62	-	-	-	-
(iii) Other Financial Liabilities	-	-	-	91.51	91.51	-	-	-	-
	-	-	-	316.86	316.86	-	-	59.50	59.50

II. 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
(iii) Others	-	-	-	199.39	199.39	-	-	-	-
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	-	-	-	78.70	78.70	-	-	-	-
	7,374.46	9.50	7,383.96	2,351.88	9,735.83	7,374.46	-	9.50	7,383.96

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	-	-	-	92.89	92.89	-	-	-	-
	-	-	-	284.07	284.07	-	-	70.10	70.10

During the reporting period ending March 31, 2022 and March 31, 2021, there were no transfers between Level 1 and Level 2 fair value measurements.

Determination of Fair Values:

The following are the basis of assumptions used to estimate the fair value of financial assets and liabilities that are measured

Investment in mutual funds : The fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors

Equity investments : Equity investments traded in an active market determined by reference to their quoted market prices. Other equity investments where quoted prices are not available, fair values are determined by reference to the expected discounted cash flows from the underlying net assets or current market value of net assets.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise of trade & other payables related to goods and expenses and principal financial assets comprises of investment in Mutual Funds, Trade receivables and cash and bank balances that derive directly from its operations. 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 11 % 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 36 for foreign currency exposure as at March 31, 2022 and March 31, 2021

II. Foreign Currency Sensitivity

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

Currency	(in Lakhs)			
	2021-22		2020-21	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	0.33	(0.33)	0.17	(0.17)
Total	0.33	(0.33)	0.17	(0.17)

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. Also, as a counter measure, the company has strictly implemented policy of taking advance from customers before delivering the order.

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

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

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

SHRI DINESH MILLS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2022
I. Financial assets for which loss allowance is measured using 12 months Life Time Expected Credit Losses (ECL)

Particulars	As at 31-03-2022	As at 31-03-2021
Trade Receivables	493.87	518.74
Total (A)	493.87	518.74

Grand Total (A+B)

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

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

Particulars	As at 31-03-2022	As at 31-03-2021
Up to 6 months	493.48	515.74
More than 6 months	0.39	3.00
Total	493.87	518.74

III. Provision for expected credit losses again "I" and "II" 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 31-03-2022			As at 31-03-2021		
	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	-	59.50	59.50	-	82.61	82.61
Current financial liabilities - Borrowings	-	-	-	-	-	-
Current financial liabilities - Trade Payables	248.62	-	248.62	181.77	-	169.80
Current financial liabilities - Others	91.51	-	91.51	91.11	-	91.11
Total	340.13	59.50	399.63	272.88	82.61	343.52

Security Price Risk Management

The Company manages the surplus funds majorly through investments in debt based mutual fund schemes. The price of investment in these mutual fund schemes is reflected through Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Company is exposed to price risk on such Investments.

The sensitivity analysis below have been determined based on Mutual Fund Investment at the end of the year. If NAV has been 1% higher / lower:

Profit for the year ended March 31, 2022 would increase / decrease by Rs. 86.61 lakhs (March 31, 2021 by Rs. 73.74 lakhs) as a result of the changes in fair value of mutual fund investments.

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 31-03-2022	As at 31-03-2021
Total Debt	-	-
Equity	13,680.23	11,320.69
Capital and net debt	13,680.23	11,320.69
Gearing ratio	0.00%	0.00%

NOTE - 40

Ratios as per Schedule III requirements

Ratios	Numerator	Denominator	As at 31-03-2022	As at 31-03-2021	Variance	Remarks where variance more than 25%
Current ratio	Current assets	Current liabilities	7.68	7.55	1.62%	Not applicable
Debt equity ratio (Note - 1)	Total debt	Shareholder's equity**	0.00	0.00	0.00	Not applicable
Debt service coverage ratio	Earnings available for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease payments + Principal repayments	206.35	43.74	371.75%	Debt Service coverage ratio - Higher on account of profit on sale of fixed assets during FY 2021-22
Return on equity	Profit / (loss) attributable to owners of the Company	Shareholder's equity**	20.15%	8.54%	11.60%	Not applicable
Inventory turnover ratio	Revenue from Operations (Net)	Inventory	4.13	3.80	8.44%	Not applicable
Trade receivable turnover ratio	Revenue from Operations (Net)	Trade receivable	11.16	9.47	17.83%	Not applicable
Trade Payable turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Trade payables	5.82	6.37	-8.57%	Not applicable
Net capital turnover ratio	Revenue from Operations (Net)	Working capital = Current assets – Current liabilities	0.54	0.59	-8.78%	Not applicable
Net profit percentage	Net profit	Revenue from Operations (Net)	47.90%	18.68%	29.21%	Current year profit higher on account of sale of fixed assets
Return on capital employed	Earnings before interest and taxes	Capital employed = Shareholder's Equity + Non Current Borrowing	23.33%	9.32%	14.01%	Not applicable
Return on Investment	Earnings before interest and taxes	Total Assets	19.27%	7.67%	11.60%	Not applicable

Note - 1 : The company does not have any debt outstanding as on 31st March, 2022 and 31st March, 2021 hence the ratio is not worked out

During the year, the company has earned income from sale of fixed assets amounting to Rs. 2,110.26 lakhs compared to previous year income i.e. Rs. 113.41 lakhs and hence certain ratios are showing material improvements.

NOTE: 41

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 three financial years. The details of provisions and contributions made by Company is as follows.

Particulars	31-Mar-22	31-Mar-21
Gross amount required to be spent by the Company during the year as per the provisions of Section 135 of the Companies Act, 2013	4.00	-
Gross amount spent by the Company during the year		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above		
Contribution to PM Cares Fund	1.50	-
Integrated Rural Development Project - United Way of Baroda	2.50	-
Total amount spent during the year	4.00	-

The Integrated Rural Development Project is a CSR project initiated by United Way of Baroda which focuses on six main components which are Education, Health, Infrastructure, Livelihood & Empowerment, Environment, and Volunteering. This project is inclusive and provides opportunities to the rural areas in multiple areas which can be availed by anyone.

NOTE - 42 - OTHER DISCLOSURES

- There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at 31st March, 2022
- The Company has not given any loans or advances to any of its subsidiaries, hence, disclosure in terms of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is not applicable
- The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact after the Code becomes effective.

NOTE: 43: ADDITIONAL STATUTORY INFORMATION

- The Company has not carried out any revaluation of Property, Plant and Equipment in any of the period reported in this Financial Statements hence reporting is not applicable.
- There have been no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- The quarterly returns/statements of current assets filed by the Company with banks or financial institutions in relation to secured borrowings wherever applicable, are in agreement with the books of accounts and there are no material differences required to be reported.
- As per the internal assessment of the Management, the Company does not have any transactions with companies struck off.
- There no charges or satisfaction of charges yet to be registered with Registrar of Companies beyond the statutory period.
- There are no undisclosed Income surrendered or disclosed as income during the period / year in the tax assessments under the Income Tax Act, 1961

g. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

h. The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

i. The Company is not declared as willful defaulter by any bank or Financial Institution as on the balance sheet date.

j. During the year, the Company has not traded or invested in Crypto Currency or Virtual Currency

Note: 43

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"

For, R K DOSHI & CO LLP
Chartered Accountants
Firm Registration Number: 102745W/W100242

Sd/-
Rajiv K Doshi
Partner
Membership Number: 032542
Place: Vadodara
Dated : 23rd May, 2022

ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
Nimish Patel
Managing Director
(DIN: 00039549)

Sd/-
Bharat Patel
Chairman & Managing
Director & CEO
(DIN: 00039543)

Sd/-
J B Sojitra
Company Secretary
(ACS: 6351)

Sd/-
Mohan Akalkotkar
Chief Financial Officer

Place: Vadodara
Dated : 23rd May, 2022

SHRI DINESH MILLS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

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.

SHRI DINESH MILLS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

SHRI DINESH MILLS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

recognized separately as independent items and are depreciated over their estimated economic useful lives.

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

Tangible Fixed Assets:

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

Intangible Assets:

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

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

SHRI DINESH MILLS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

3.3 Foreign Currency Transactions

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

Initial Recognition

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

Conversion

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

Exchange Differences

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

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

3.4 Revenue recognition

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.

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- (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

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:

SHRI DINESH MILLS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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- The asset is held with objective of both - for collecting contractual cash flows and selling the financial assets
- The asset's contractual cash flows represent SPPI.

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

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

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

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

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

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b. Subsequent measurement:

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

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

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

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

ii. Loans and borrowings:

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

c. Derecognition:

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

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.

SHRI DINESH MILLS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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D. Offsetting of financial instruments:

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

3.6 Fair Value Measurement

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

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

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

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

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

3.7 Inventories

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

SHRI DINESH MILLS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

3.8 Employee 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.

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.

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

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.

Company's contributions during the year towards Government administered Provident Fund and ESIC are charged to the Statement of Profit & Loss as incurred.

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.

SHRI DINESH MILLS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

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

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

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

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

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

3.10 Borrowing costs

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

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

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

SHRI DINESH MILLS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

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

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

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

3.13 Cash and Cash Equivalents

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

3.14 Provisions

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

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

3.15 Government Subsidies

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

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

3.16 Exceptional items

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

Independent Auditor's Report

To the Members of Shri Dinesh Mills Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Shri Dinesh Mills Limited ("the Parent Company") and its subsidiaries (the Parent 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.

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 consolidated 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 Parent 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, compare with the financial statements of the subsidiaries, audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by other auditors.

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 Parent'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, Parent'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 Parent's management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those Parent's Board of Directors are also responsible for overseeing the Group's financial reporting process.

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

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 Parent's management 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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.

Other Matters

We did not audit the financial statements of 2 subsidiaries included in the Group whose financial statements reflect total assets of Rs. 568.97 lakhs as at March 31, 2022, total revenue of Rs. 0.29 lakhs and net cash inflows amounting to Rs. 28.12 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these aforesaid subsidiaries and our report in terms of subsection (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report of the other auditors.

The consolidated financial statements also include the Group's share of profit including other comprehensive income of Rs. 19.58 lakhs for the year ended March 31, 2022 in respect of an associate. This financial statements and other financial information have been audited by other auditor whose audit report for the year ended March 31, 2022 have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of this associate and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid associate, is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors of the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c. The consolidated balance sheet, the consolidated statement of profit and loss, 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;
- d. 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;
- e. On the basis of the written representations received from the directors of the Parent Company as on 31st March 2021 taken on record by the Board of Directors of the Parent Company and on the basis of written representations received by the management from directors of its subsidiaries and associate company as on 31st March, 2021, none of the directors of the Group Companies and its associate 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies and associate company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies;
- g. With respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Parent Company to its directors during year is in accordance with the provisions of Section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii. The Group and its associate 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 Parent, its subsidiary companies and associate company.
- iv.
 - a. The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, that, to the best of their knowledge and belief, other than as disclosed in notes to accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company or any such subsidiaries to or in any other person or entity, including foreign entity ('Intermediaries') with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company or any of such subsidiaries ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b. The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Parent Company or any of such subsidiaries from any person or entity, including foreign entity ('Funding Parties') with the understanding, whether recorded in writing or otherwise, that the Parent Company or any of such subsidiaries shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our attention or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e) as provided under (a) and (b) above, contain any material misstatement.
 - v. The final dividend proposed in the previous year, declared and paid by the Parent Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 1 (under Statement of Changes to Equity) to the consolidated financial statements, the Board of Directors of the Parent Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

For, R K Doshi & Co LLP
Chartered Accountants
Firm Registration Number: 102745W/W100242

Sd/-

Rajiv K Doshi
Partner
Membership Number: 032542
UDIN: 22032542AJKJSB9785

Place: Vadodara
Dated: 23rd May, 2022

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 and the audit evidence obtained by other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint venture, which are companies incorporated in India.

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 to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 2 subsidiaries and 1 associate which is company incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For, R K Doshi & Co LLP

Chartered Accountants

Firm Registration Number: 102745W/W100242

Sd/-

Rajiv K Doshi

Partner

Membership Number: 032542

UDIN: 22032542AJKJSB9785

Place: Vadodara

Dated: 23rd May, 2022

SHRI DINESH MILLS LIMITED
CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT 31st MARCH, 2022

	Note No.	As at 31-03-2022 Rs. In Lakhs	As at 31-03-2021 Rs. In Lakhs
ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	4,359.58	3,900.10
(b) Intangible Assets	4	15.05	18.72
(c) Financial Assets			
(i) Investments	5	562.10	9.55
(ii) Others	7	314.81	238.71
(e) Other Non Current Assets	8	7.44	26.29
(f) Deferred Tax Assets (net)	21	90.96	17.51
		5,349.94	4,210.88
CURRENT ASSETS			
(a) Inventories	9	1,886.60	1,626.78
(b) Financial Assets			
(i) Investments	10	8,661.67	7,374.46
(ii) Trade Receivables	11	1,382.26	1,066.63
(iii) Cash and Cash Equivalents	12	481.46	217.24
(iv) Bank balances other than above (ii)	13	26.48	20.73
(vi) Others	14	582.71	78.70
(c) Other Current Assets	15	273.07	94.71
		13,294.25	10,479.26
TOTAL ASSETS		18,644.19	14,690.14
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	16	560.06	560.06
(b) Other Equity	17	13,211.40	10,496.18
		13,771.46	11,056.24
Non Controlling Interest		1,124.78	859.49
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	18	645.27	164.45
(ii) Others	19	59.50	70.10
(b) Provisions	20	548.17	361.70
(a) Deferred Tax Liabilities (Net)	21	-	-
(c) Other Non Current Liabilities	22	63.49	63.49
		1,316.43	659.74
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	23	95.07	369.29
(ii) Trade Payables	24		
- total outstanding dues to MSME		14.06	4.55
- total outstanding dues other than to MSME		788.97	523.49
(iii) Other Financial Liabilities	25	193.73	132.42
(b) Other Current Liabilities	26	1,278.61	1,042.09
(c) Provisions	27	61.08	42.83
		2,431.52	2,114.67
TOTAL EQUITY & LIABILITIES		18,644.19	14,690.14

Corporate Information, Basis of Preparation &
Significant Accounting Policies

1-3

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

"As per our report of even date attached"

ON BEHALF OF THE BOARD OF DIRECTORS

R.K. Doshi & Co LLP

Chartered Accountants

Firm Registration Number: 102745W/W100242

Sd/-

Nimish Patel
Managing Director
(DIN: 00039549)

Sd/-

Bharat Patel
Chairman & Managing
Director & CEO
(DIN: 00039543)

Sd/-

Rajiv K. Doshi

Partner

Membership Number: 032542

Place: Vadodara

Dated : 23rd May, 2022

Sd/-

Mohan Akalkotkar
Chief Financial Officer

Sd/-

J B Sojitra
Company Secretary
(ACS: 6351)

Dated : 23rd May, 2022

SHRI DINESH MILLS LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2022

	Note No.	2021-22 Rs. In Lakhs	2020-21 Rs. In Lakhs
INCOME			
Revenue from operations	28	9,015.04	7,415.89
Other income	29	543.59	479.63
TOTAL INCOME		9,558.63	7,895.52
EXPENSES			
Cost of Materials Consumed	30	2,762.63	2,092.01
Purchase of Stock-in-trade	31	0.19	30.68
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	32	(29.05)	83.75
Employee benefits expense	33	2,136.73	1,922.79
Finance Costs	34	64.57	82.06
Depreciation and amortization expenses	4	516.63	589.37
Other expenses	35	2,461.74	1,927.40
TOTAL EXPENSES		7,913.44	6,728.06
Profit/(Loss) before exceptional items and tax		1,645.19	1,167.46
Exceptional items (net)		2,015.23	-
Profit/(Loss) before tax		3,660.42	1,167.46
Tax items			
Current tax		450.00	200.00
Earlier years tax provisions (written back)		15.91	-
Deferred tax (asset) / liability	21	(73.46)	(100.16)
Total tax items		392.45	99.84
Profit/(Loss) for the year		3,267.97	1,067.62
Profit/(Loss) for the year from discontinuing operations			
Tax expense of discontinuing operations		-	-
Profit/(Loss) for the period		3,267.97	1,067.62
Other Comprehensive Income			
Items that will not be re-classified to Profit or Loss			
Re-measurement gains/ (losses) on post employment benefit plans		(15.79)	37.50
Loss on fair valuation of investment in equity shares		1.06	(1.12)
Other Comprehensive Income/ (Loss) for the year		(14.73)	36.38
Total Comprehensive Income/ (Loss) for the year		3,253.24	1,104.00
Profit for the year attributable to:			
Equity holders of the parent		3,002.68	981.76
Non-controlling interest		265.29	85.86
Other Comprehensive Income for the year attributable to:			
Equity holders of the parent		(13.05)	36.49
Non-controlling interest		(1.67)	(0.11)
Total Comprehensive Income for the year attributable to:			
Equity holders of the parent		2,989.62	1,018.25
Non-controlling interest		263.62	85.75
Earnings Per Equity Share (Basic)	36	53.38	18.55
Earnings Per Equity Share (Diluted)	36	53.38	18.55

Corporate Information, Basis of Preparation & Significant Accounting Policies

1-3

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

"As per our report of even date attached"

ON BEHALF OF THE BOARD OF DIRECTORS

R.K. Doshi & Co LLP

Chartered Accountants

Firm Registration Number: 102745W/W100242

Sd/-

Nimish Patel

Managing Director

(DIN: 00039549)

Sd/-

Bharat Patel

Chairman & Managing

Director & CEO

(DIN: 00039543)

Sd/-

Rajiv K. Doshi

Partner

Membership Number: 032542

Place: Vadodara

Dated : 23rd May, 2022

Sd/-

Mohan Akalkotkar

Chief Financial Officer

Dated : 23rd May, 2022

Sd/-

J B Sojitra

Company Secretary

(ACS: 6351)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

	2021-22 Rs. In Lakhs	2020-21 Rs. In Lakhs
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (loss) Before Tax	3,660.42	1,167.44
Adjustments for:		
Depreciation and amortization	516.63	589.37
Interest and finance charges	64.57	82.05
Interest income	(11.94)	(16.68)
Dividend Income	-	-
Employee Benefits	(14.73)	36.38
Fair Valuation of Employee Stock Options	-	(18.89)
Fair Valuation of Financial Instrument	(240.58)	(187.36)
Profit on Sale of Fix Assets	(2,102.44)	(113.41)
Gain on sale of investments	(68.57)	(46.42)
Non Cash adjustment	10.41	-
Operating Profit before Working Capital Changes	1,813.77	1,492.49
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables	(315.56)	108.98
(Increase)/decrease in other assets	(169.62)	64.49
(Increase)/decrease in inventories	(259.83)	(168.46)
Increase/(decrease) in Trade Payables	274.99	(102.38)
Increase/(decrease) in Other Liabilities	297.83	(172.32)
Increase in Provision	(334.63)	(202.36)
Cash Generated from Operations	1,306.96	1,020.44
Net Cashflow from Operating Activities	1,306.96	1,020.44
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(995.65)	(107.11)
Disposal/Transfer of Fix Assets	1,626.00	231.77
Loans And Advances Repaid	-	10.82
Sale/(Purchase) of Investments	(1,740.31)	(1,345.07)
Interest received	11.94	16.68
Net Cashflow from Investing Activities	(1,098.02)	(1,192.90)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings		
Receipts/(Payments)	360.64	(40.73)
Dividend Paid	(280.03)	-
Issue of Equity Share Capital		30.00
Proceeds from issue of Optionally Convertible Cumulative Preference Shares	39.26	-
Securities Premium Received	-	420.00
Conversion of Share Warrants	-	(112.50)
Interest and finance charges	(64.57)	(82.05)
Net Cashflow from Financing Activities	55.30	214.72
Net Increase/(Decrease) in Cash and Cash Equivalents	264.23	42.25
Cash and bank balances at the beginning of the year	217.24	174.99
Cash and bank balances at the end of the year	481.46	217.24

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 31-03-2022	As at 31-03-2021
	Rs. In Lakhs	Rs. In Lakhs
Balances with banks		
In current accounts	480.13	197.67
Fixed Deposits		-
Cash on hand	1.33	19.57
	481.46	217.24

"As per our report of even date attached"

R.K. Doshi & Co LLP
Chartered Accountants
Firm Registration Number: 102745W/W100242

Sd/-
Rajiv K. Doshi
Partner
Membership Number: 032542
Place: Vadodara
Dated : 23rd May, 2022

ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
Nimish Patel
Managing Director
(DIN: 00039549)

Sd/-
Bharat Patel
Chairman & Managing
Director & CEO
(DIN: 00039543)

Sd/-
Mohan Akalkotkar
Chief Financial Officer

Sd/-
J B Sojitra
Company Secretary
(ACS: 6351)

Dated : 23rd May, 2022

SHRI DINESH MILLS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

(A) EQUITY SHARE CAPITAL
For the year ended 31st March, 2022

				(Rs. In Lakhs)
Balance as at 1st April, 2022	Changes in equity share capital due to	Restated balance at the beginning of the current	Changes during the year	Balance as at 31st March, 2022
560.06	-	560.06	-	560.06

For the year ended 31st March, 2021

				(Rs. In Lakhs)
Balance as at 1st April, 2021	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes during the year	Balance as at 31st March, 2021
530.06	-	530.06	30.00	560.06

(A) OTHER EQUITY

For the year ended 31st March, 2022

Particulars	Capital Redemption Reserve	Securities Premium	General Reserve	ESOP Outstanding	Retained Earnings	FVOCI Reserve	Equity Component of 4% Optionally Convertible Cumulative Preference Shares	Total Equity
Balance as at 1st April, 2021	19.31	720.20	8,558.56	-	1,109.23	88.88	-	10,496.18
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-
Profit/(Loss) for the year	-	-	-	-	3,002.68	-	-	3,002.68
Addition during the year	-	-	-	-	-	-	7.29	7.29
Dividend paid during the year	-	-	-	-	(280.03)	-	-	(280.03)
Fair Valuation Gains on Investments in Equity Instruments	-	-	-	-	-	1.06	-	1.06
Remeasurements gain/(loss) on defined benefit plans	-	-	-	-	-	(15.79)	-	(15.79)
Balance as at 31st March, 2022	19.31	720.20	8,558.56	-	3,831.88	74.16	7.29	13,211.41

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

Note 1:

As approved by the shareholders a dividend of Rs. 5 per equity share aggregating to Rs. 280.03 lakhs in respect of year ended 31st March 2021 has been paid during the year.
Further, Parent's Board of Directors has recommended a final dividend of Rs. 7.5 per equity share in respect of year ended 31st March 2022.

"As per our report of even date attached"

R.K. Doshi & Co LLP
Chartered Accountants

Firm Registration Number: 102745W/W100242

Sd/-
Rajiv K. Doshi
Partner
Membership Number: 032542
Place: Vadodara
Dated : 23rd May, 2022

ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
Nimish Patel
Managing Director
(DIN: 00039549)

Sd/-
Mohan Akalkotkar
Chief Financial Officer
Dated : 23rd May, 2022

Sd/-
Bharat Patel
Chairman & Managing
Director & CEO
(DIN: 00039543)

Sd/-
J B Sojitra
Company Secretary
(ACS: 6351)

(Rs in Lakhs)

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 2022

	As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
5 - NON - CURRENT FINANCIAL ASSETS - INVESTMENTS		
<u>Investments (Unquoted)</u>		
(A) Investments at Cost		
(a) Investments in Equity Shares		
- Others	0.05	0.05
	<u>0.05</u>	<u>0.05</u>
(b) Investment in Associates *	550.42	-
	<u>550.42</u>	<u>-</u>
	<u>550.47</u>	<u>0.05</u>
(B) Fair Value through Other Comprehensive Income		
(a) Investments in Equity Shares	11.63	9.50
	<u>11.63</u>	<u>9.50</u>
	<u>562.10</u>	<u>9.55</u>

* Share of Post acquisition Loss / Gain has been adjusted in carrying amount.

Details of Investments

	Face value per unit in Rs. unless otherwise specified	No. of shares/units	As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (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	11.63	9.50
Investment in Associates (At cost)				
Chem-verse Consultants (I) Private Limited	Rs.10	11,515	550.42	-
			<u>562.10</u>	<u>9.55</u>
Total			562.10	9.55

PARTICULARS	As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
Aggregate amount of quoted investments at cost	0.05	0.05
Market Value of the quoted investments at FVOCI	11.63	9.50
Aggregate amount of unquoted investments	550.42	-
Aggregate amount of impairment in the value of investment	-	-

6 - NON - CURRENT FINANCIAL ASSETS - OTHERS

Fixed Deposit Account (having maturity period of more than 12 months) *

Security deposits

As at
31-03-2022
(Rs. In Lakhs)

As at
31-03-2021
(Rs. In Lakhs)

155.89 106.09

158.91 132.62

314.81 238.71

* Includes margin deposit

154.00 104.00

7 - NON - CURRENT ASSETS - OTHERS

Other Assets

- Gratuity Fund

Capital Advances

As at
31-03-2022
(Rs. In Lakhs)

As at
31-03-2021
(Rs. In Lakhs)

7.44 11.29

- 15.00

7.44 26.29

8 - INVENTORIES

(valued at lower of cost and net realizable value)

Raw Material

Work in Progress

Finished Goods

Consumable Stores and Spares

Others

As at
31-03-2022
(Rs. In Lakhs)

As at
31-03-2021
(Rs. In Lakhs)

658.06 440.68

221.92 267.31

663.54 589.11

321.27 312.99

21.81 16.69

1,886.60 1,626.78

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

9 - CURRENT FINANCIAL ASSETS - INVESTMENTS**Quoted investments****A. Fair Value through Profit and Loss**

a. Investment in Mutual Funds

As at
31-03-2022
(Rs. In Lakhs)

As at
31-03-2021
(Rs. In Lakhs)

8,661.67 7,374.46

8,661.67 7,374.46

a. Details of Current Investments**Name of Fund**

As at
31-03-2022

As at
31-03-2021

No. of Units
Amount
(Rs. In Lakhs)

No. of Units
Amount
(Rs. In Lakhs)

ICICI Prudential Equity Arbitrage Fund

94,89,907.93 2,641.27

84,08,358.11 2,253.46

IDFC Arbitrage Fund

7,06,013.22 186.31

15,24,265.91 388.31

Kotak Equity Arbitrage Fund

75,48,677.47 2,280.44

57,18,774.71 1,661.49

Nippon India Liquid Fund

- -

6,111.20 305.40

ICICI Prudential Savings Fund

2,63,362.32 1,141.32

2,63,362.32 1,095.59

ICICI Prudential Short Term Fund

14,27,705.71 682.26

14,27,705.71 654.79

Axis Strategic Bond Fund

38,75,006.51 864.70

21,67,974.07 457.95

HDFC Medium Term Debt Fund

17,82,136.26 815.39

12,86,009.72 557.47

Axis Arbitrage Fund

3,27,906.22 49.98

Total

8,661.67

7,374.46

PARTICULARS

Aggregate amount of quoted investments and Market value there of

Aggregate amount of unquoted investments

As at
31-03-2022
(Rs. In Lakhs)

As at
31-03-2021
(Rs. In Lakhs)

8,661.67 7,374.46

- -

10 - TRADE RECEIVABLES**Unsecured**

Considered good
Considered doubtful

Less: Provision for doubtful debts

As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
1,382.26	1,066.63
-	-
1,382.26	1,066.63
-	-
1,382.26	1,066.63

Trade receivable ageing schedule as at 31st March, 2022

	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	Total
i. Undisputed Trade Receivables - considered good	1,363.12	0.46	0.10	-	18.58	1,382.26
ii. Undisputed Trade Receivables - which has significant increase in credit risk	-	-	-	-	-	-
iii. Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
iv. Disputed Trade Receivables - considered good	-	-	-	-	-	-
v. Disputed Trade Receivables - which has significant increase in credit risk	-	-	-	-	-	-
vi. Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
	1,363.12	0.46	0.10	-	18.58	1,382.26

Trade receivable ageing schedule as at 31st March, 2021

	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	Total
i. Undisputed Trade Receivables - considered good	1,039.06	0.00	3.00	24.57	-	1,066.63
ii. Undisputed Trade Receivables - which has significant increase in credit risk	-	-	-	-	-	-
iii. Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
iv. Disputed Trade Receivables - considered good	-	-	-	-	-	-
v. Disputed Trade Receivables - which has significant increase in credit risk	-	-	-	-	-	-
vi. Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
	1,039.06	0.00	3.00	24.57	-	1,066.63

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

	As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
11 - CASH AND CASH EQUIVALENTS		
A) Balances with Banks		
- In Current Accounts	480.13	197.67
- In Fixed Deposits having a maturity period of less than 3 months	-	-
	<u>480.13</u>	<u>197.67</u>
B) Cash on Hand	<u>1.33</u>	<u>19.57</u>
	<u>1.33</u>	<u>19.57</u>
	<u>481.46</u>	<u>217.24</u>

	As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
12 - BANK BALANCES OTHER THAN ABOVE		
A) Balances with Banks - Earmarked Balances		
- Unpaid Dividend	26.48	20.73
	<u>26.48</u>	<u>20.73</u>

	As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
13 - CURRENT - OTHER FINANCIAL ASSETS		
Unsecured, considered good, unless otherwise stated		
Interest and Dividend receivable on Investments	17.71	11.93
Other receivables #	45.30	44.12
Government Incentives receivable	20.04	22.64
Consideration receivable towards sale of land	499.65	-
	<u>582.71</u>	<u>78.70</u>

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

	As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
14 - CURRENT ASSETS - OTHERS		
Unsecured, considered good, unless otherwise stated		
Advances other than Capital Advances		
Other Loans and Advances	4.75	4.89
Statutory Dues (net)	33.98	9.22
Advance to Suppliers	226.78	77.84
Prepaid Expenses	4.92	0.11
Reimbursement of Expenses - Receivable	2.64	2.64
	<u>273.07</u>	<u>94.71</u>

	As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
15 - SHARE CAPITAL		
Authorised:		
95,00,000 (31st March, 2021 - 95,00,000) Equity Shares of Rs. 10 each	950.00	950.00
50,000 (31st March, 2021 - 50,000) unclassified shares of Rs. 100 each	50.00	50.00
Issued, Subscribed and paid-up:		
56,00,582 (March 31, 2021: 56,00,582) Equity Shares of Rs. 10 each fully paid up	560.06	560.06
	<u>560.06</u>	<u>560.06</u>

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

Particulars	As at 31-03-2022		As at 31-03-2021	
	No. of Shares	(Rs. In Lakhs)	No. of Shares	(Rs. In Lakhs)
At the beginning of the year	56,00,582	5,60,05,820	53,00,582	5,30,05,820
Add: Shares issued pursuant to conversion of warrants	-	-	3,00,000	30,00,000
Shares outstanding at the end of the year	56,00,582	5,60,05,820	56,00,582	5,60,05,820

15.2. 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.

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

Name of Shareholder	As at 31-03-2022		As at 31-03-2021	
	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

15.4. Number of Shares held by Promoters

Name of Promoter	No. of Shares	% of total shares	% change during the year
Shri Bharatbhai U. Patel	7,95,088	14.20	-
Shri Nimishbhai U. Patel	7,68,852	13.73	-
Shri Nishank N. Patel	5,04,490	9.01	-
Shri Aditya B. Patel	4,92,443	8.79	-
Mrs. Arusha N. Patel	83,085	1.48	-
Mrs. Roopa B. Patel	54,554	0.97	-
Mrs. Minal S. Desai	34,640	0.62	-
Mrs. Ranak Lashkari	34,060	0.61	-
Mrs. Jemika Karna Parikh	21,160	0.38	-

The above details are as certified by the Registrar and Share transfer Agents .

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	720.20	300.20
Add: Addition during the year	-	420.00
Less: Transfer to Retained Earnings	-	-
Closing balance	720.20	720.20

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	1,109.23	127.47
Add: Net Profit/(Net Loss) For the current year	3,002.68	981.76
Add/(Less): Adjustments on account of Ind-AS	-	-
- Dividend paid during the year @	(280.03)	-
Closing Balance	3,831.88	1,109.23

Share Options Outstanding Account

Opening Balance	-	18.89
-----------------	---	-------

Less: Transferred to Securities Premium on account of issue of Shares	-	-
Less: Reversal of ESOP outstanding on account of not exercising rights	-	18.89
Closing balance	-	-
Fair Value through Other Comprehensive Income [FVTOCI] Reserve		
Opening balance	88.88	52.50
Adjusted from surplus in statement of profit and loss	-	-
- <i>Re-measurement gains / (losses) on employee benefits</i>	(15.79)	37.50
- <i>Fair valuation of equity investments</i>	1.06	(1.12)
	74.16	88.88
Equity Component of 4% Optionally Convertible Cumulative Preference Shares #	7.29	-
Total of other equity - as at 31st March, 2021	13,211.40	10,496.18

@ As approved by the shareholders of Holding Company, dividend of Rs. 5 per equity share aggregating to Rs. 280.03 lakhs in respect of year ended 31st March 2021 has been paid during the year.

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.

Retained Earnings

Retained earnings are the profits/(losses) that the Company has earned/(incurred) till date, less any dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Company and eligible for distribution to shareholders, in case where it is having positive balance representing net earnings till date.

General Reserve

General Reserve is a free reserve created by the Company out of free distributable profits.

Other Comprehensive Income

It Includes other comprehensive income on account of "Re-measurement gains/ (losses) on post employment benefit plans" & "Gain / (Loss) on fair valuation of investments at FVOCI"

17 - NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
Secured		
a. Term Loans		
From banks		
- Rupee Term Loans	613.97	164.45
Unsecured		
4% Optionally Convertible Cumulative preference shares	31.30	-
	645.27	164.45

a. Nature of Security

The loans are secured by exclusive and specific charge created on Fixed Assets

b. Rate of Interest and Terms of Repayment

Name of Institution	Instruments	Frequency	Repayment Schedule	
			Firs installment due	Rate of Interest
South Indian Bank Ltd	Term Loan - 541	Monthly	15-Mar-14	10.50%
South Indian Bank Ltd	Term Loan - 40L	Monthly	14-Apr-19	10.75%
South Indian Bank Ltd	Term Loan - 40L	Monthly	06-Nov-19	10.40%
South Indian Bank Ltd	Term Loan - 63.50L	Monthly	10-Dec-19	10.15%
South Indian Bank Ltd	Emergency Credit Line Guarantee scheme (ECLGS) - 100L	Monthly		
			09-Jul-21	8.60%
South Indian Bank Ltd	Term Loan - 61.50L	Monthly	10-Mar-22	8.30%
South Indian Bank Ltd	Term Loan - 561.9L	Monthly	10-Mar-22	8.30%

18 - NON - CURRENT FINANCIAL LIABILITIES - OTHERS

	As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
Unsecured		
Trade Deposits	59.50	70.10
	59.50	70.10

19 - NON - CURRENT PROVISIONS
Provision for Employee Benefits

Gratuity	76.31	74.34
Leave Encashment	104.66	126.40
Provisions for Medical/LTA/allowances, etc.	40.09	40.09
	221.06	240.83

Other Provisions

Provision for Tax (net of advance tax, TDS, self asst. tax)	327.11	120.86
	548.17	361.70

Provision for Gratuity pertains to gratuity payable to Directors

Provision for Leave Encashment includes amount of Rs. 29.45 lakhs pertaining to payable to Directors

20 - DEFERRED TAX LIABILITIES (NET)
Deferred Tax Liability on account of:
(i) Depreciation

Opening Deferred Tax Liability	52.43	144.64
Add/(Less): Charge or Credit during the year	(79.43)	-92.2117
Closing Deferred Tax Liability	(27.00)	52.43
Total Deferred Tax Liabilities	(27.00)	52.43

Deferred Tax Assets on account of:
(i) Expenses allowable for tax purposes when paid (Octroi)

Opening Deferred Tax Asset	16.27	12.27
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Add/(Less): Charge or Credit during the year	(0.29)	4.00
Closing Deferred Tax Asset	15.98	16.27
<i>(ii) Unencashed Leave (Employee or Director)</i>		
Opening Deferred Tax Asset	39.15	36.18
Add/(Less): Charge or Credit during the year	(6.59)	2.97
Closing Deferred Tax Asset	32.56	39.15
<i>(iii) Gratuity</i>		
Opening Deferred Tax Asset	14.52	13.54
Add/(Less): Charge or Credit during the year	0.90	0.98
Closing Deferred Tax Asset	15.42	14.52
Total Deferred Tax Assets	63.96	69.94
Net Deferred Tax (Assets) / Liabilities	90.96	(17.51)

21 - Reconciliation of Income tax expense with accounting profit

The table below explains the differences between the expected tax expense, at the applicable Indian Statutory tax rate for all the reporting periods payable by corporate entities in India on taxable profits under tax laws in India, and the company's total tax expense for the year.

Particulars		
Profit before tax	As at	As at
Corporate tax rate as per Income Tax Act, 1961	31-03-2022	31-03-2021
Income tax calculated (A)	(Rs. In Lakhs)	(Rs. In Lakhs)
	3,043.01	981.00
<u>Tax impact - Adjustments to reconcile expected income tax expense to reported income tax expense (item * tax rate):</u>	25.17%	25.17%
Non-Deductible Expenses for Tax Purposes	765.87	246.90
Deductible Expenses for Tax Purposes		
Depreciation impact as per tax purposes		
Effect of deductions allowed under Income Tax	6.04	-
Impact on account of depreciable assets	(15.05)	(41.06)
Others	23.43	46.70
Total Adjustments (B)	(3.52)	-
	(304.37)	(25.36)
Income Tax Expense Recognised (A+B)	(22.40)	(27.18)
Effective Income Tax Rate	(315.87)	(46.90)
	450.00	200.00
	14.79%	20.39%

	As at	As at
	31-03-2022	31-03-2021
	(Rs. In Lakhs)	(Rs. In Lakhs)
22 - OTHER NON CURRENT LIABILITIES		
Others		
Octroi Liability	63.49	63.49
	63.49	63.49

	As at	As at
	31-03-2022	31-03-2021
	(Rs. In Lakhs)	(Rs. In Lakhs)
23 - CURRENT FINANCIAL LIABILITIES - BORROWINGS		
<u>Secured</u>		
a. Loans repayable on demand		
From banks		
- Cash Credits	(122.13)	323.77
- FBP Packing credit*	71.17	-
Current Maturities of Long Term Debts	146.02	45.52
	95.07	369.29

a. Nature of Security

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.

* FBP Packing credit facility is being availed from banks at rate of 9.05% if FBP due upto 180 days and 9.15% if FBP overdue beyond 180 days

24 - CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

	As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
Due to micro and small enterprises (MSME)	14.06	4.55
Due to other than micro and small enterprises	788.97	523.49
	803.03	528.04

Trade payables ageing schedule as at 31 March, 2022

	< 1 year	1-2 years	2-3 years	> 3 years	Total
MSME	13.95	0.11	-	-	14.06
Others	762.60	0.26	6.36	19.75	788.97
Disputed dues (MSME)	-	-	-	-	-
Disputed dues (Others)	-	-	-	-	-
	776.55	0.37	6.36	19.75	803.03

Trade payables ageing schedule as at 31 March, 2021

	< 1 year	1-2 years	2-3 years	> 3 years	Total
MSME	4.55	-	-	-	4.55
Others	502.15	0.98	8.06	12.30	523.49
Disputed dues (MSME)	-	-	-	-	-
Disputed dues (Others)	-	-	-	-	-
	506.70	0.98	8.06	12.30	528.04

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 31-03-2022	As at 31-03-2021
(a) Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;	14.06	4.55
(b) Interest paid during the year	-	-
(c) Amount of payment made to the supplier beyond the appointed day during accounting year;	-	-
(d) Interest due and payable for the period of delay in making payment;	-	-
(e) Interest accrued and unpaid at the end of the accounting year; and	-	-
(f) Further interest remaining due and payable even in the succeeding years, until such date when the	-	-

25 - CURRENT - OTHER FINANCIAL LIABILITIES

	As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
Current Maturities of Long Term Debts		
Interest accrued on deposits	50.50	52.68
Unpaid Dividends	26.48	20.73
Unclaimed matured deposits and interest thereon	-	0.45
Due to Directors	14.53	19.04
Other Liabilities	102.23	39.53
	193.73	132.42

26 - OTHER CURRENT LIABILITIES

Advances received from Customers
Advances received against capital assets
Statutory liabilities
Provision for Expenses
Outstanding Expenses
Other Liabilities

As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
544.26	439.54
72.00	-
64.86	36.66
592.09	395.45
-	164.89
5.39	5.56
1,278.61	1,042.09

27 - SHORT TERM PROVISIONS**Provision for employee benefit**

Gratuity
Leave Encashment

As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
26.20	10.36
34.87	32.47
61.08	42.83

28 - REVENUE FROM OPERATIONS

Sale of Products

2021-22 (Rs. In Lakhs)	2020-21 (Rs. In Lakhs)
9,015.04	7415.89
9,015.04	7,415.89

Note:

1. For disaggregation of revenue and revenue based on Business Segment, please refer Note 38 to the Financial Statement
2. As per evaluation of Ind AS 115, contract price / revenue from operations is recorded based on the performance obligations satisfied by the Group.

29 - OTHER INCOME**Interest Received/Receivable**

From banks
From others
Dividend Income
Share of Associate
Miscellaneous Income
Net gain on foreign currency transaction and translation
Gain on Sale of Investments
Gain on sale of Fixed Assets
Sales Trading
Scrap Sale
Sundry balances written back
Gain on Fair Valuation of Financial Instruments (Net)
Duty Drawback and Other Export Incentives

2021-22 (Rs. In Lakhs)	2020-21 (Rs. In Lakhs)
11.94	12.80
-	3.88
-	-
19.58	-
81.68	99.10
5.88	5.17
68.57	46.42
95.03	113.41
1.04	-
0.45	0.35
14.12	5.82
240.58	187.36
4.73	5.32
543.59	479.63

30 - COST OF MATERIALS CONSUMED

Wool
Synthetic Fibre
Yarn
Others
Gelatine & Others

2021-22 (Rs. In Lakhs)	2020-21 (Rs. In Lakhs)
-	1.88
634.83	583.88
764.68	549.31
10.57	10.64
1,352.55	946.3
2,762.63	2,092.01

31 - PURCHASES OF STOCK IN TRADE

Ready-made Garments

2021-22 (Rs. In Lakhs)	2020-21 (Rs. In Lakhs)
0.19	30.68
0.19	30.68

32 - CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK IN PROGRESS**Inventories (at close):**

Work - in - Progress

Finished Goods

2021-22 (Rs. In Lakhs)	2020-21 (Rs. In Lakhs)
221.92	267.31
663.54	589.11
885.47	856.42

Inventories (at commencement):

Work - in - Progress

Finished Goods

2021-22 (Rs. In Lakhs)	2020-21 (Rs. In Lakhs)
267.31	324.11
589.11	616.07
856.42	940.17
	-
(29.05)	83.75

Decrease in inventories related to discontinued operations

33 - EMPLOYEE BENEFITS EXPENSES

Salaries and Wages

Contributions to -

- Provident fund, Superannuation scheme & Other funds

- Employees' State Insurance Scheme

Staff Welfare Expense

2021-22 (Rs. In Lakhs)	2020-21 (Rs. In Lakhs)
1,977.54	1,779.71
145.40	128.53
9.65	9.41
4.14	5.15
2,136.73	1,922.79

34 - FINANCE COSTS

Interest expenses

Unwinding interest component on cumulative preference shares

Other borrowing costs

2021-22 (Rs. In Lakhs)	2020-21 (Rs. In Lakhs)
39.69	59.77
2.48	-
22.40	22.29
64.57	82.06

35 - OTHER EXPENSES**OPERATING, ADMINISTRATION AND GENERAL EXPENSES**

Stores Consumed

Electricity, Power and Fuel

Rent

Commission & Brokerage

Cash Discount

Repairs*

Insurance

Freight Outward

Rates and Taxes

Payments to Auditors**

Donations

Contribution towards CSR expenses

Advertisement and Publicity

Legal & Professional Fees

Travelling and Conveyance

Seminar, Training and Exhibition expenses

Loss on sale of assets

Miscellaneous Expenses

Sundry Balances Written off

2021-22 (Rs. In Lakhs)	2020-21 (Rs. In Lakhs)
389.35	280.62
496.07	474.15
4.49	5.27
30.03	39.01
153.86	140.19
445.17	272.61
31.45	34.19
98.86	103.73
49.26	31.71
7.73	11.01
20.00	-
4.00	-
4.05	2.37
243.82	189.33
150.47	64.86
31.46	-
7.82	-
289.46	221.57
4.37	56.76
2,461.74	1,927.40

* includes:

Repairs to buildings

Repairs to machinery

Other Repairs

2021-22 (Rs. In Lakhs)	2020-21 (Rs. In Lakhs)
74.83	39.83
310.63	206.06
59.70	26.71

**Payments to the auditors for

- Statutory audit

-For taxation matters

- Others

2021-22 (Rs. In Lakhs)	2020-21 (Rs. In Lakhs)
7.61	7.68
0.13	3.05
-	0.29
7.73	11.01

35A - EXCEPTIONAL ITEMS

2021-22 (Rs. In Lakhs)	2020-21 (Rs. In Lakhs)
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Gain on sale of land parcels *

2,015.23	-
2,015.23	-

36 - EARNINGS PER EQUITY SHARE

	2021-22 (Rs. In Lakhs)	2020-21 (Rs. In Lakhs)
Profit/(loss) available for equity shareholders	2,989.62	1,018.25
Weighted average numbers of equity shares outstanding - Basic EPS	56,00,582	54,88,801
Weighted average numbers of equity shares outstanding - Diluted EPS	56,00,582	54,88,801
Nominal value per equity share (in Rupees)	10.00	10.00
Earnings /(loss) Per Equity Share- Basic (in Rupees)	53.38	18.55
Earnings /(loss) Per Equity Share- Diluted (in Rupees)	53.38	18.55

SHRI DINESH MILLS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

	As at 31-03-2022 (Rs. In Lakhs)	As at 31-03-2021 (Rs. In Lakhs)
37 - CONTINGENT LIABILITIES AND COMMITMENTS - NOT PROVIDED FOR		
CONTINGENT LIABILITIES		
(a) Workers' demand - matter under appeal	20.61	2.25
(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
(c) Income tax Demands / outstanding- matters under appeal	151.90	157.69
(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

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

The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately or relate to a present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made. The Company has been advised that it has strong legal positions against such disputes

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	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Revenue						
External Sales	5,510.92	4,912.41	3,504.12	2,503.48	9,015.04	7,415.89
Total Revenue	5,510.92	4,912.41	3,504.12	2,503.48	9,015.04	7,415.89
Segment Results						
Profit before Interest and Tax (incl. discontinued and continued operations)	3,055.86	1,001.14	661.37	254.93	3,717.23	1,256.08
Interest Expense (Net)	12.85	20.15	64.95	61.91	77.80	82.05
Other un-allocable income, net of unallocable Expenditure					-	-
Profit before tax	3,043.01	981.00	596.42	193.03	3,652.28	1,174.02
(1) Current tax	465.91	200.00	-	-	465.91	200.00
(2) Deferred tax	(73.46)	(100.16)	-	-	(73.46)	(100.16)
Profit / (Loss) for the year	2,671.55	874.60	596.42	193.03	3,267.97	1,067.62
Less: Share of Minority Interest	-	-	265.29	(85.86)	265.29	(85.86)
Other Comprehensive Income for the year	(10.99)	36.62	(3.74)	(0.24)	(14.73)	36.38
Less: Share of Minority Interest	-	-	(1.66)	(0.11)	(1.66)	(0.11)
Total Comprehensive Income for the year	2,660.56	837.97	592.68	192.79	3,253.22	1,030.76
Less: Share of Minority Interest	-	-	263.63	(85.75)	263.63	(85.75)
Segment Fixed Assets	1,702.72	1,944.56	2,671.83	1,974.18	4,359.58	3,900.10
Total Assets						
Segment Liabilities	2,176.05	1,733.62	1,751.32	1,038.81	3,747.95	2,774.41
Total Liabilities						
Depreciation & Amortisation (incl. discontinued and continued operations)	340.51	423.32	176.13	166.07	516.63	589.37

(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	2021-22	8,097.93	917.11	9,015.04
	2020-21	6,531.83	884.06	7,415.89
Carrying cost of Assets by location of Assets	2021-22	21,881.09	-	21,881.09
	2020-21	14,690.14	-	14,690.14
Additions to Assets and Intangible (Net)	2021-22	995.65	-	995.65
	2020-21	107.11	-	107.11

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:

- Textile Felt
- 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 31-03-2022	As at 31-03-2021
	(Rs. In Lakhs)	(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	441.00	489.18
Interest Cost	30.03	33.31
Current Service Cost	23.23	23.76
Past Service Cost	-	-
Benefits Paid	(55.17)	(86.23)
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	(0.17)	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(3.03)	(0.22)
Actuarial (Gain)/Loss on arising from Experience Adjustment	(3.51)	(18.80)
Present value of obligation as at the end of the year	432.38	412.98
Change in fair value of plan assets during the year		
Fair Value of plan assets at the beginning of the year	452.94	487.33
Interest Income	30.93	33.23
Contributions by the employer	-	0.12
Benefits paid	(55.17)	(86.22)
Return on plan assets	(22.53)	18.48
Fair Value of plan assets at the end of the year	406.17	452.94
Net Asset/ (Liability) recorded in the Balance Sheet		
Present value of obligation as at the end of the year	432.38	441.00
Fund Balance	391.14	435.28
Net Asset/ (Liability)- Holding Company - As having excess gratuity fund (Current)	8.20	-
Net Asset/ (Liability)-Current - Subsidiary	18.00	10.36
Net Asset/ (Liability)-Non-Current	15.03	17.66
Expenses recorded in the Statement of Profit & Loss during the year		
Interest Cost	(1.43)	1.09
Current Service Cost	23.24	23.77
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	21.81	24.86
Recognized in Other Comprehensive Income during the year		
Actuarial Gain / (Loss) on Obligation for the period	(5.13)	19.48
Return on Planned Assets, Excluding Interest Income	20.92	18.50
Net Income / (Expense) for the period recognized in OCI	(12.05)	37.74
Maturity analysis of the benefit payments from the fund		
1st following year	116.81	135.87
2nd following year	49.35	20.84
3rd following year	30.83	46.49
4th following year	38.95	29.57
5th year and thereafter	460.58	479.42
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	(20.97)	(21.60)
1 percentage point decrease in discount rate	23.82	24.63
1 percentage point increase in salary increase rate	24.05	23.96
1 percentage point decrease in salary increase rate	(21.53)	(21.66)
1 percentage point increase in employee turnover	3.11	3.36
1 percentage point decrease in employee turnover	(3.47)	(3.79)

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, 2022, 31st March, 2021.

	As at 31st March, 2022		As at 31st March, 2021	
	Foreign Currency	(Rs. In Lakhs)	Foreign Currency	(Rs. In Lakhs)
Receivables				
Trade Receivables (in USD)	1,44,750.00	108.79	57,470.00	42.19
Payables				
Trade payables (in USD)	1,11,650	85.10	3,750	2.75
Advance received from Customers (in USD)	44,611.60	33.44	23,075.80	16.68

SHRI DINESH MILLS LTD
NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022
41 - RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24
(a) Related Parties
Description of relationship
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	
	2021-22 (Rs. In Lakhs)	2020-21 (Rs. In Lakhs)	2021-22 (Rs. In Lakhs)	2020-21 (Rs. In Lakhs)
Remuneration paid to CMD - Shri B U Patel	118.00	111.11	1.63	4.23
Remuneration paid to MD - Shri N U Patel	118.00	111.11	1.86	4.46
Remuneration paid to relative of KMP	72.39	28.11	5.95	1.12
Director's Sitting Fees paid to Mr. T M Patel	0.56	1.12	-	-
Director's Sitting Fees paid to Mr. Sanjiv Shah	1.03	1.22	-	-
Director's Sitting Fees paid to Mr. Rakesh Agrawal	1.12	1.12	-	-
Director's Sitting Fees paid to Director of subsidiaries	0.97	0.82	-	-
Director's Sitting Fees paid to Mrs. Tarunaben Patel	0.19	0.67	-	-
Director's Sitting Fees paid to Ms. Reshmaben Patel	0.75	-	-	-
Director's Remueration	70.00	-	-	-
Remuneration paid to Chief Financial Officer of Holding Company	8.45	10.90	0.68	0.81
Remuneration paid to Chief Financial Officer of Subsidiary Company	8.21	6.64	-	-
Remuneration paid to Company Secretary of Holding Company	22.17	20.27	1.17	0.67
Remuneration paid to Company Secretary of Subsidiary Company	1.02	1.02	-	-
Issue of Equity Shares to Shri B U Patel *	-	112.50	-	-
Issue of Equity Shares to Shri N U Patel *	-	112.50	-	-
Issue of Equity Shares to Shri A B Patel *	-	112.50	-	-
Issue of Equity Shares to Shri N N Patel *	-	112.50	-	-

* 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 Parent Company on the basis of information available with them and relied upon by the Auditors

SHRI DINESH MILLS LTD

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

42-The Subsidiaries considered in Consolidated Financial Statements are

Particulars	Country of origin	Proportionate ownership interest	Proportionate ownership interest
		2021-22	2020-21
Subidiaries:			
1.Dinesh Remedies Limited	India	55.52%	55.52%
2.Stellant Chemical Industries Limited	India	100%	100%
3.Fernway Technologies Limited	India	100%	100%

43-Summarised financial information for subsidiaries that has Non Controlling Interest

Particulars	As at 31st March, 2022	As at 31st March, 2021
	(Rs. In Lakhs)	(Rs. In Lakhs)
Dinesh Remedies Limited		
Non Controlling Interest	44.48%	44.48%
Asset:		
Non Current Assets	2,747.47	2,039.79
Current Assets	1,574.62	930.85
Total Assets	4,322.09	2,970.64
Liabilities:		
Share Capital	2,359.16	2,359.16
Other Equity	211.60	(427.33)
Total Equity	2,570.76	1,931.83
Non Current Liabilities	830.29	187.44
Current Liabilities	921.04	851.37
Total Liabilities	1,751.32	1,038.81
Revenue	3,522.20	2,516.46
Expenditure	2,925.78	2,323.43
Profit and Loss	596.42	193.03
Other Comprehensive income	(3.74)	(0.24)
Total Comprehensive income	592.68	192.79
Cash flow from operating activities	465.22	112.79
Cash flow from investing activities	(878.46)	(59.83)
Cash flow from financing activities	393.91	(65.21)

44. Statement showing shares of entities in Consolidated Networth and Consolidated Total Comprehensive Income

Name of Entity	Net Assets		Profit and Loss		Other Comprehensive Income		Total Comprehensive Income	
	% in consolidated Net assets	Amount	% in consolidated Profit and Loss	Amount	% in consolidated Other Comprehensive Income	Amount	% in consolidated Total Comprehensive Income	Amount
As on 31st March, 2022								
Parent								
Shri Dinesh Mills Limited	99.34%	13,680.23	88.27%	2,650.56	84.10%	(10.99)	88.29%	2,639.57
Parent Total	99.34%	13,680.23	88.27%	2,650.56	84.10%	(10.99)	88.29%	2,639.57
Subsidiaries								
Dinesh Remedies Limited	18.67%	2,570.76	19.86%	596.42	28.63%	(3.74)	19.82%	592.68
Stellant Chemical Industries Limited	4.09%	562.58	-0.11%	(3.38)	0.00%	-	-0.11%	(3.38)
Fernway Technologies Limited	0.01%	1.86	0.00%	(0.08)	0.00%	-	0.00%	(0.08)
Subsidiaries Total	22.77%	3,135.20	19.75%	592.96	28.63%	(3.74)	19.71%	589.22
Non Controlling Interest in subsidiaries								
Dinesh Remedies Limited	8.17%	1,124.78	-8.84%	(265.29)	-12.81%	1.67	-8.82%	(263.62)
Non Controlling Interest Total	8.17%	1,124.78	-8.84%	(265.29)	-12.81%	1.67	-8.82%	(263.62)
Adjustment in Consolidated Accounts	-30.27%	(4,168.75)	0.81%	24.45	0.00%	(0.00)	0.82%	24.45
Total	100.00%	13,771.46	100.00%	3,002.68	99.92%	(13.05)	100.00%	2,989.63

45. 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, 2022

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		-	11.63	11.63	550.47	562.10	-	-	11.63	11.63
(ii) Loans		-	-	-	-	-	-	-	-	-
(iii) Others		-	-	-	314.81	314.81	-	-	-	-
Current Assets										
Financial Assets										
(i) Investments		8,661.67	-	8,661.67	-	8,661.67	8,661.67	-	-	8,661.67
(ii) Trade Receivables		-	-	-	1,382.26	1,382.26	-	-	-	-
(iii) Cash and Cash Equivalents		-	-	-	481.46	481.46	-	-	-	-
(iv) Bank balances other than above (ii)		-	-	-	26.48	26.48	-	-	-	-
(v) Others		-	-	-	582.71	582.71	-	-	-	-
		8,661.67	11.63	8,673.30	3,338.19	12,011.49	8,661.67	-	11.63	8,673.30
Non Current Liabilities										
Financial Liabilities										
(i) Borrowings		-	-	-	645.27	645.27	-	-	-	-
(ii) Others		-	-	-	59.50	59.50	-	-	59.50	59.50
Current Liabilities										
Financial Liabilities										
(i) Borrowings		-	-	-	95.07	95.07	-	-	-	-
(ii) Trade Payables		-	-	-	803.03	803.03	-	-	-	-
(iii) Other Financial Liabilities		-	-	-	193.73	193.73	-	-	-	-
		-	-	-	1,796.60	1,796.60	-	-	59.50	59.50

I. 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		-	-	-	-	-	-	-	-	-
(iii) Others		-	-	-	238.71	238.71	-	-	-	-
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	-	9.50	7,383.96
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		-	-	-	369.29	369.29	-	-	-	-
(ii) Trade Payables		-	-	-	528.04	528.04	-	-	-	-
(iii) Other Financial Liabilities		-	-	-	132.42	132.42	-	-	-	-
		-	-	-	1,264.30	1,264.30	-	-	70.10	70.10

46. 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 40 for foreign currency exposure as at March 31, 2022 and March 31, 2021.

II. Foreign Currency Sensitivity

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

Currency	2021-22		2020-21	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	0.75	(0.75)	0.26	(0.26)
EURO	-	-	-	-
Total	0.75	(0.75)	0.26	(0.26)

Credit risk

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

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

- (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.

SHRI DINESH MILLS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

43. 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 31-03-2022	As at 31-03-2021
Non-current financial assets - Loans	-	-
Total (A)	-	-

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

Particulars	As at 31-03-2022	As at 31-03-2021
Trade Receivables	1,382.26	1,066.63
Total (A)	1,382.26	1,066.63

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 31-03-2022	As at 31-03-2021
Up to 6 months	1,363.12	1,039.05
More than 6 months	19.15	27.57
Total	1,382.26	1,066.62

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 31-03-2022				As at 31-03-2021			
	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	-	645.27	-	645.27	66.02	276.99	7.33	350.34
Non-current financial liabilities - Others	-	59.50	-	59.50	-	70.10	-	70.10
Current financial liabilities - Borrowings	95.07	-	-	95.07	323.77	-	-	323.77
Current financial liabilities - Trade Payables	803.03	-	-	803.03	528.04	-	-	528.04
Current financial liabilities - Others	193.73	-	-	193.73	175.95	-	-	175.95
Total	1,186.85	871.95	-	1,796.60	213.98	70.10	-	1,448.21

Security Price Risk Management

The Holding Company manages the surplus funds majorly through investments in debt based mutual fund schemes. The price of investment in these mutual fund schemes is reflected through Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Holding Company is exposed to price risk on such Investments.

The sensitivity analysis below have been determined based on Mutual Fund Investment at the end of the year. If NAV has been 1% higher / lower:

Profit for the year ended March 31, 2022 would increase / decrease by Rs. 86.61 lakhs (March 31, 2021 by Rs. 73.74 lakhs) as a result of the changes in fair value of mutual fund investments.

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 31-03-2022	As at 31-03-2021
Total Debt	740.34	533.75
Equity	13,771.46	11,056.24
Capital and net debt	14,511.80	11,589.98
Gearing ratio	5.10%	4.61%

NOTE: 47

Pursuant to the provisions of section 135(5) of the Companies Act, 2013 (the Act), the Holding 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 Holding 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 three financial years. The details of provisions and contributions made by Holding Company is as follows.

Particulars	31-Mar-22	31-Mar-21
Gross amount required to be spent by the Holding Company during the year as per the provisions of Section 135 of the Companies Act, 2013	4.00	-
Gross amount spent by the Holding Company during the year		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above		
Contribution to PM Cares Fund	1.50	-
Integrated Rural Development Project - United Way of Baroda	2.50	-
Total amount spent during the year	4.00	-

The Integrated Rural Development Project is a CSR project initiated by United Way of Baroda which focuses on six main components which are Education, Health, Infrastructure, Livelihood & Empowerment, Environment, and Volunteering. This project is inclusive and provides opportunities to the rural areas in multiple areas which can be availed by anyone.

Note: 48Dividends not recognised at the end of the reporting period

The Board of Directors of Holding Company have recommended a final dividend of Rs. 7.5/- per equity share of Rs. 10/- each, which is subject to the approval of shareholders in the ensuing annual general meeting.

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

R.K. Doshi & Co LLP
Chartered Accountants
Firm Registration Number: 102745W/W100242

Sd/-
Nimish Patel
Managing Director
(DIN: 00039549)

Sd/-
Bharat Patel
Chairman & Managing
Director & CEO
(DIN: 00039543)

Sd/-
Rajiv K. Doshi
Partner
Membership Number: 032542
Place: Vadodara
Dated : 23rd May, 2022

Sd/-
Mohan Akalkotkar
Chief Financial Officer

Sd/-
J B Spjitra
Company Secretary
(ACS: 6351)

Dated : 23rd May, 2022

SHRI DINESH MILLS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

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 Stellent Chemicals Industries Limited (formerly known as Fernway Textiles Limited) which was acquired by the Holding Company on 6th November, 2017. The Regional Director (RD) vide his Order dated 25/08/2021 approved the scheme of Amalgamation between Stellent Chemicals Industries Limited (Formerly known as Stellent Chemicals Industries Private Limited) and Fernway Textiles Limited. As the scheme is effective from 1st April, 2021 both the entities are merged with the said effective date. Stellent Chemicals Industries Limited acquire 26% stake of Chem-Verse Consultants (India) Private Limited on 23rd December, 2021 hence the said company is an associate of the Group.

Chem-verse Consultants (India) Pvt. Ltd. was incorporated in the year 2000. It is mainly into manufacturing of Lubricants, aerosols and specialty chemicals. The products are mostly for industrial use for automobile and textile mills. It also caters to large users like Defense, Railways & OEMS.

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.

SHRI DINESH MILLS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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, 2022	Effective % of holding as at 31 st March, 2021
Dinesh Remedies Limited	India	55.52%	55.52%
Stellent Chemicals Industries Limited #	India	100.00%	100.00%
Fernway Technologies Limited	India	100.00%	100.00%
Chem-Verse Consultants (India) Private Limited *	India	26.00%	-

Formerly known as Fernway Textile Ltd.

* Stellent Chemicals Industries Limited acquired 26% equity shares on 23rd December, 2021.

SHRI DINESH MILLS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

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

- (i) the financial statements of the Holding Company and its Indian Subsidiaries have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions, if any, based on the audited financial statements received from the Indian Subsidiaries for the year ended 31st March 2022, in Indian Rupees as per the Ind AS provisions.
- (ii) These consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements.
- (iii) The difference between the cost of investment in the subsidiaries and the Holding Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognized in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.
- (iv) Goodwill arising out of consolidation is tested for impairment at each balance sheet date.
- (v) Non-controlling interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately from liabilities and equity of the Holding Company's shareholders.

Non-controlling interest in the net assets of consolidated subsidiaries consists of: -

- (a) the amount of equity attributable to non-controlling interest at the date on which investment in Subsidiary is made; and
- (b) the noncontrolling' share of movements in equity since the date the parent – subsidiary relationship came into existence.

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

2B. USE OF ESTIMATES

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

SHRI DINESH MILLS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

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 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.

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NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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(c) In case of Subsidiary Company i.e. DRL, Depreciation on all the assets is being provided on straight line method in accordance with the provisions of section 123 of the companies Act, 2013 considering the useful life provided in part "C" of the schedule II. The useful life of Continuous process plants and electrical installations are considered based on the technical assessment by the management (20 years life is considered). Depreciation on additions to the assets during the year is being provided on pro rata basis at their respective rates derived from useful life from the date of such addition or as the case may be as provided in section 123 of the Companies Act, 2013. On transition to Ind AS as on April 1, 2016, the Company has elected to measure its Property, Plant and Equipment at cost as per Ind AS.

Intangible Assets:

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

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

Capital Work- in- progress

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

3.2 Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Group measures it on the basis of discounted cash flows for the remaining year's (remaining useful life) projections estimated based on 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

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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 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.

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- (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.

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 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 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.
- 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.

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FOR THE YEAR ENDED 31ST MARCH, 2022

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.

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

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

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

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

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

3.10 Borrowing costs

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

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

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

3.11 Earnings per equity share

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

3.12 Provisions, Contingent Liabilities and Contingent Assets:

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

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

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

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.

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 No. AOC-1

**Statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures
[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014]**

PART "A": SUBSIDIARIES

(₹ in lakhs)

Sr. No	Name of the company	Dinesh Remedies Limited	Stellent Chemical Industries Limited	Fernway Technologies Limited
1	Date since when subsidiary was acquired	09-02-2005	06-11-2017	30-10-2017
2	Reporting Period	31-03-2022	31-03-2022	31-03-2022
	(i) Reporting currency	₹	₹	₹
	(ii) Exchange rate as on the last date of the relevant financial year	-	-	-
		₹ In Lakhs	₹ In Lakhs	₹ In Lakhs
3	Capital	2,359.16	590.00	5.00
4	Reserves & Surplus (Other Equity)	211.60	45.51	-3.14
5	Total Assets	4,322.09	639.98	1.92
6	Total Liabilities	1,751.33	4.47	0.06
7	Investments	-	603.77	-
8	Turnover (Revenue from Operations)	3,504.12	0.29	-
9	Profit / (loss) before Taxation	596.42	69.55	-0.08
10	Provision for Taxation	-	-	-
11	Profit / (loss) after Taxation	596.42	69.55	-0.08
	(a) Interim Dividend	-	-	-
	(b) Proposed Dividend	-	-	-
12	Total Dividend (a + b)	-	-	-
13	% of Shareholding	55.52%	100.00%	100.00%

PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in lakhs)

Sr. No	Name of the company	Chem-Verse Consultants (India) Private Limited
1	Date on which the Associate/Joint Venture was associated or acquired	24-12-2021
2	Latest Audited Balance Sheet Date	31-03-2022
3	Shares of Associate/Joint Ventures held by the Company on the year end	
	(i) Number	-
	(ii) Amount of Investment in Associates/ Joint Ventures (₹ in lakhs)	0.00
	(iii) Extent of Holding %	26% *
4	Description of how there is significant influence	Equity Investment more than 20%
5	Reason why the Associate/Joint Venture is not consolidated	Not applicable
6	Networth attributable to Shareholding as per latest Audited Balance Sheet (₹ in lakhs)	427.77
7	Profit / (loss) for the year	
	(i) Considered in Consolidation (₹ in lakhs)	19.58
	(ii) Not considered in consolidation (₹ in lakhs)	260.92

* Note: Share Capital is held by wholly Owned Subsidiary viz. Stellent Chemicals Industries Ltd.

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

Sd/-
BHARAT PATEL
Chairman
& Managing Director
DIN: 00039543

Sd/-
NIMISH PATEL
Managing Director
DIN: 00039549

Sd/-
J. B. SOJITRA
Company Secretary

Sd/-
MOHAN AKALKOTKAR
Chief Financial Officer

Vadodara, 23rd May, 2022



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 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