
shri dinesh mills ltd.
F E L T S

REGD. OFFICE : Near Indiabulls Mega Mall, Akota Road, Vadodara - 390 020. Gujarat, India.
Tel. : (0265) 2960060/61/62/63/64, Mobile : 99740 05975
Website : www.dineshmills.com, CIN : L17110GJ1935PLC000494

August 7, 2023

Dept. of Corporate Services,
BSE Limited,
27th Floor, P. J. Towers, Dalal Street,
Fort, MUMBAI – 400 001

By On Line

Dear Sir,

**Sub: Submission of Annual Report for F.Y. 2022–2023 along with Notice of
88th Annual General Meeting (AGM)
Ref.: Regulation 34(1) of SEBI (L.O.& D.R.) Regulations, 2015**

Pursuant Regulation 34(1) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we enclose herewith the Annual Report for F.Y. 2022–2023 which includes the Notice of 88th AGM of the members of the Company to be held on Saturday, 2nd September, 2023 at 12.00 noon through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the business as set out in the above referred 88th AGM Notice.

The above referred Annual Report including Notice of 88th AGM is mailed to the shareholders on Monday, 7th August, 2023.

We request you to take the same on your records.

Thanking you,

Yours faithfully,

For SHRI DINESH MILLS LIMITED,



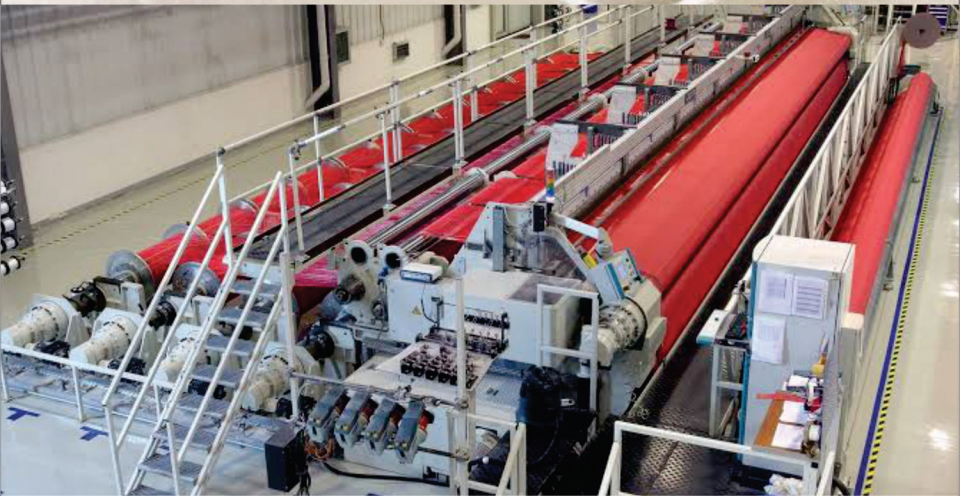
J. B. SOJITRA
COMPANY SECRETARY
M. No. A-6351



Encl.: As above

shri dinesh mills ltd.

Annual Report 2022-2023





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 88th Annual General Meeting (AGM) of the Members of Shri Dinesh Mills Ltd. will be held on Saturday, 2nd September, 2023 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, 2023.

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, 2023 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.10.00 per Equity Share on 56,00,582 Equity Shares of Rs.10/- each as recommended by the Board of Directors be and is hereby approved.”

3. To appoint a Director in place of Shri Bharatbhai Patel (DIN–00039543), who retires by rotation and being eligible, offers himself for re-appointment.

Ordinary Resolution

“RESOLVED THAT Shri Bharatbhai Patel (DIN–00039543), 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. **RE-APPOINTMENT OF SHRI BHARATBHAI PATEL AS CHAIRMAN & MANAGING DIRECTOR AND FIX THE REMUNERATION W.E.F. 1ST APRIL, 2023**

Special Resolution

“RESOLVED THAT pursuant to provision of Section 196, 197 read with Schedule V and Section 203 of the Companies Act, 2013 read with the

Companies (Meetings of Board & its powers) Rules, 2014 and other applicable provisions, if any of the Companies Act, 2013, the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Shri Bharatbhai Patel be and is hereby re-appointed as Chairman & Managing Director (CMD) of the Company for five years from 1st April, 2023 to 31st March, 2028 upon the following revised terms as to remuneration for the period not exceeding three years i.e. from 1st April, 2023 to 31st March, 2026 as set out hereunder in accordance with Schedule V to The Companies Act, 2013 or any amendment thereto subject to the re-consideration of the remuneration by the Nomination, Remuneration & Compensation Committee, the Board of Directors and Shareholders of the Company.

Remuneration Period: 1st April, 2023 to 31st March, 2026

1. **Basic Salary:** Rs. 7,00,000/- per month with increment of Rs.1,00,000/- in Basic Salary w.e.f. 1st April every year starting from 1st April, 2024.
2. **Commission:** Commission not exceeding 1% of the Net Profit of the Company as per calculation pursuant to Section 198 of the Companies Act, 2013 subject to approval of the Board of Directors of the Company.
3. **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.

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



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, 2023 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: 30th May, 2023

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 88th 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 88th 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, 26th August, 2023 to Saturday, 2nd September, 2023. (Both days inclusive)
7. The Company has transferred unclaimed dividend for the financial year 2014–2015 and also transferred 9790 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
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
87	02-09-2022	2021-2022	08-10-2029

8. The Company will have to transfer Dividend No.81 for the Financial Year 2015–2016 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 2nd October, 2023.
9. The proposed dividend if approved in the 88th AGM will be paid on or before 1st October, 2023 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 88th 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 88th AGM along with Annual Report for F.Y. 2022–2023 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. 2022–2023 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 88th 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 88th AGM will be provided by NSDL.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING 88TH ANNUAL GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on Tuesday, 29th August, 2023 at 9.00 A.M. and ends on Friday, 1st September, 2023 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. Thursday, 24th August, 2023, 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 Tuesday, 29th August, 2023 at 9.00 A.M. and ends on Friday, 1st September, 2023 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. Thursday, 24th August, 2023, 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, 2023.

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.	1. 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.

2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsd.com>. Select “**Register Online for IDeAS Portal**” or click at <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.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.

	<p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
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.: 022 - 4886 7000 and 022 - 2499 7000
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 1800 22 55 33

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 22 55 33 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 Tuesday, 29th August, 2023. 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 88th AGM.

ANNEXURE TO THE NOTICE
ANNEXURE: A

DETAILS OF THE DIRECTOR SEEKING REAPPOINTMENT AT THE 88TH 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 Bharat Patel DIN: 00039543
Age	69 Years
Date of first appointment on the Board	12 th May, 1973
Qualification	B. Text, M.B.A. (U.S.A.)
Expertise	Wide expertise in the overall management of Textile Company
Profile	As given in the Explanatory Statement
Directorship in other Companies as on 31 st March, 2023:	(1) Dinesh Remedies Ltd. (2) Parikamma Investments Pvt. Ltd. (3) Fernway Technologies Ltd. (4) Stellent Chemicals Industries Ltd.
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, 2023:	None
No. of Board Meetings: (a) Held during F.Y. 2022-2023 (b) Attended	(a) 4 (Four) (b) 4 (Four)
Inter-se relationship with other Directors / KMP	He is related to Shri Nimishbhai Patel, Managing Director of the Company.
Terms & Conditions of appointment	Chairman & Managing Director liable to retire by rotation.
Details of Remuneration last drawn (F. Y. 2022–2023)	Refer Corporate Governance Report for the Financial Year 2022 – 2023.
Details of Remuneration sought to be paid in F.Y, 2023 – 2024	As recommended by NRCC, Audit, Board & Shareholders of the Company.
No. of Shares held (a) For Own (b) For other persons on beneficial basis	(a) 7,95,088 equity shares of Rs.10/- each (b) NIL



ANNEXURE: B

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (ITEM No. 4 & 5)

ITEM No. 4 RE-APPOINTMENT OF SHRI BHARATBHAI PATEL AS CHAIRMAN & MANAGING DIRECTOR AND FIX THE REMUNERATION W.E.F. 1ST APRIL, 2023

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 49 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 14th February, 2023, approved the payment of Remuneration to him on revised terms & conditions as detailed hereunder w.e.f. 1st April, 2023 to 31st March, 2026 subject to approval of Shareholders of the Company.

Remuneration Period: 1st April, 2023 to 31st March, 2026

1. **Basic Salary:** Rs. 7,00,000/- per month with increment of Rs.1,00,000/- in Basic Salary w.e.f. 1st April every year starting from 1st April, 2024.
2. **Commission:** Commission not exceeding 1% of the Net Profit of the Company as per calculation pursuant to Section 198 of the Companies Act, 2013 subject to approval of the Board of Directors of the Company.
3. **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	2021-2022	2020-2021	2019-2020
1	Revenue from Operations	5511	4912	4681
2	Operating Profit (PBDIT)	3397	1424	676
3	Interest	12	20	21
4	Net Profit	2651	881	173
5	Dividend (%)	75	50	30
6	Net Worth	13680	11321	10084
7	Book Value per Share of Rs.10/- each	244	202	190
8	E.P.S. (RS.)	47.33	16.05	9.94

3. Foreign investments or collaborators, if any : None

ii. Information about the appointee:

1. Background details: As given hereinabove.
2. Past remuneration: Rs.6,00,000/- basic salary p.m. plus Perquisites & Allowances subject to ceiling of his Annual Basic Salary.
3. Recognition or awards: As given hereinabove.
4. Job profile and his suitability: General administration and management of the overall business and affairs of the Company subject to the direction, supervision and control of the Board of Directors of the Company. The justification for his suitability is given hereinabove.
5. Remuneration proposed: As per the details given hereinabove.
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: 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 Agreement to be executed between the Company and Shri Bharatbhai Patel is available for inspection by members of the Company at the Registered Office between 11.00 a.m. to 1.00 p.m. on any working day before the date of the ensuing 88th 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 33 years in the textile, chemical industry and more than sixteen 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 30th May, 2023, approved the payment of Remuneration to him on revised terms & conditions as detailed hereunder w.e.f. 1st June, 2023 to 13th January, 2025 subject to approval of Shareholders of the Company.

1. **Basic Salary:** Rs. 7,00,000/- per month with increment of Rs.1,00,000/- in Basic Salary w.e.f. 1st April every year starting from 1st April, 2024.
2. **Commission:** Commission not exceeding 1% of the Net Profit of the Company as per calculation pursuant to Section 198 of the Companies Act, 2013 subject to approval of the Board of Directors of the Company.
3. **Allowances & Perquisites:**
 - i) 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.
 - 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 MD.

- 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 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	2021-2022	2020-2021	2019-2020
1	Revenue from Operations	5511	4912	4681
2	Operating Profit (PBDIT)	3397	1424	676
3	Interest	12	20	21
4	Net Profit	2651	881	173
5	Dividend (%)	75	50	30
6	Net Worth	13680	11321	10084
7	Book Value per Share of Rs.10/- each	244	202	190
8	E.P.S. (RS.)	47.33	16.05	9.94

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

II. Information about the appointee:

- (1) Background details: As given hereinabove.
- (2) Past remuneration: Rs.6,00,000/- basic salary p.m. plus Perquisites & Allowances subject to ceiling of his Annual Basic Salary.
- (3) Recognition or awards: As given hereinabove.
- (4) Job profile and his suitability: General administration and management of the overall business and affairs of the Company subject to the direction, supervision and control of the Board of Directors of the Company. The justification for his suitability is given hereinabove.
- (5) Remuneration proposed: As per the details given hereinabove.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: 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 Bharatbhai Patel, Chairman & Managing Director of the Company.

III. Other Information:

- (1) Reason of loss or inadequate profits: The Textile Industry is Labour & Capital intensive and 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 88th 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.

Regd. Office:
Near Indiabulls Mega Mall,
Akota Road, Vadodara – 390 020
Dated 30th May, 2023

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, 2023.

1. PERFORMANCE OF THE COMPANY

	(Rs. In Lakhs)	
PARTICULARS	2022-2023	2021-2022
Revenue from Operations	5971	5511
Profit before Depreciation, Interest & Tax (PBDIT)	3171	3397
Net Profit for the year	2295	2651

2. DIVIDEND

Your Directors have recommended for your consideration Dividend of Rs. 10/- per Equity share (100%) (Previous year Rs.7.50 per Equity share i.e. 75%) on 56,00,582 equity shares of Rs.10/- each amounting to Rs. 5,60,05,820/- subject to approval of shareholders of the Company at their ensuing 88th 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 2014-2015 and also transferred 9790 equity shares of Rs.10/- each to the IEPF Authority.

5. CHANGES IN THE NATURE OF BUSINESS

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

6. MANAGEMENT DISCUSSION AND ANALYSIS

A. OVERALL REVIEW OF OPERATIONS

During the year under review, Revenue from Operations has been increased from 5511 Lakhs to 5971 Lakhs but the net profit after exceptional items has been decreased from Rs. 2651 Lakhs to Rs. 2295 Lakhs as compared to the previous year mainly due to increase in various Overheads and lower exceptional revenue from sale of surplus immovable properties.

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 material adverse impact of global slow down on performance of the Company.

B. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

(Rs. In Lakhs)

Sr. No.	Particulars	2022 – 2023	2021 – 2022
1	Revenue from Operations	5971	5511
2	Operating profit (PBDIT)	3171	3397
3	Depreciation	345	341
4	Interest	15	12
5	Profit before Tax	2812	3043
6	Provision for Taxation	517	392
7	Net Profit	2295	2651

The various ratio analysis is given in Note No.40 attached to the Annual Financial Statement for the year ended 31st March, 2023.

C. OVERALL OUTLOOK

Looking to the current trend, the sales turnover of the Felts (i.e. Technical Textiles) is likely to be increased but the net profit of the Company would be under pressure considering the present market conditions over the globe. However, the Management would strive to mitigate the adverse impact to the extent possible.

The Company assumes no responsibility in respect of forward looking statements made herein above which may substantially change based on subsequent developments, events, change in the Government policies, exchange rate, 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 298 employees in the Company as at 31st March, 2023.

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, 2023 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.12,00,000/- 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 3,50,000, 0.01% Optionally Convertible Non-Cumulative Preference Shares of Rs. 10/- each for cash at par on Rights Basis of Wholly Owned Subsidiary company viz. Fernway Technologies Ltd.

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.

Mrs. Heena Patel, Secretarial Auditor has made the following observations in her Secretarial Audit Report: “the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above, except Regulation 24A SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015, the Company has filed ASCR in XBRL mode within the time

Limit i.e. on 24.05.2022 but the same was filed in pdf mode on 02.06.2022 and therefore, there was delay in filing by 3 days and the Company has paid Rs. 7,080/- to BSE Ltd as fine for the delay filing of ASCR in pdf mode.

The explanation /comments by the Board viz. (a) the Company has filed the ASCR in pdf mode on 02.06.2022 instead of filing of the same on or before 31.05.2022 and therefore, the Company has paid the fine for delay in filing of ASCR by 3 days. 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 2022–2023 is as under:

Details of Complaints	Status
No. of complaints as at 1 st April, 2022	Nil
Received during the year	Nil
Resolved during the year	Nil
No. of complaints as at 31 st March, 2023	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 Secretarial 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 23/05/2022, 13/08/2022, 12/11/2022 and 14/02/2023.

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: 77:1
 - (2) Name: Shri Nimishbhai Patel (Managing Director)
Ratio: 77:1
- 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: 25.70%
 - (2) Shri Nimishbhai Patel – Managing Director: 25.70%
 - (3) Shri Mohan Akalkotkar – Chief Financial Officer: 7.50%
 - (4) Shri J. B. Sojitra – Company Secretary: 6.50%
- c) The percentage increase in the median remuneration of employees in the financial year: 13.50 %
- d) There are 298 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, 2023.
- 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 McGean India Chemicals Pvt. Ltd. i.e. McGean (formerly known as “Chem-Verse Consultants (India) Pvt. Ltd.) and therefore, McGean 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 2022 – 2023.

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 Bharatbhai Patel, Chairman & Managing Director 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 Mrs. Heena Patel, Practicing Company Secretary 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 14th February, 2023 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 14th February, 2023 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. 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.

28. STATUTORY DISCLOSURES

Your Directors state that there being no transactions with respect to following items during the year under review, no disclosure or reporting is required in respect of the following matters:

- a. No Deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.
- b. No Issue of equity shares with differential rights as to dividend, voting or otherwise.
- c. No Issue of shares (including sweat equity shares) to employees of your Company under any scheme.
- d. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- e. No Buy-back of shares or financial assistance under Section 67(3).
- f. No application was made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.
- g. No settlements have been done with banks or financial institutions.

29. EMPLOYEES' REMUNERATION

The details of the remuneration paid to the employees during the year under review are given in the **Annexure – "F"** to this Report pursuant to 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.

30. INSURANCE

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

31. 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”**.

32. COST RECORDS & COST AUDIT

The Companies (Cost Records & Audit) Rules, 2014 specified by the Central Government pursuant to Section 148 of the Companies Act, 2013 are not applicable to the Company as the product manufactured by the Company is not falling under the Custom Tariff Heading given pursuant to above referred Rules.

33. REPORTING OF FRAUDS

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Act and rules framed thereunder either to the Company or to the Central Government.

34. PREVENTION OF INSIDER TRADING

The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the 'Trading Window' is closed. The Board is responsible for implementation of the code. All Directors and the designated employees have confirmed compliance with the code.

35. DIRECTORS RESPONSIBILITY STATEMENT

Your Directors confirm that:

- (a) in the preparation of the Annual Accounts for the financial year 2022-2023, 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.

36. 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,

Sd/-

BHARAT PATEL

CHAIRMAN

DIN: 00039543

Place: Vadodara

Date: 30th May, 2023

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
2022 – 2023	523.51	935.95

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. 14.20 Lakhs

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

Sd/-

Place: Vadodara
 Date: 30th May, 2023

BHARAT PATEL
CHAIRMAN
 DIN: 00039543



Annexure – “B”

Format under the Companies (Corporate Social Responsibility Policy) Rules, 2014

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, 2023

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. 596.67 Lakhs**

7. a) Two percent of average net profit of the Company as per section 135(5): **Rs. 12/- Lakhs approx.**

- (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. 12/- 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
12/- 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	"School Enhancement: Smart Classes"	Education	Vadodara, Gujarat	9.13 Lakhs	9.13 Lakhs	9.13 Lakhs	implementing agency - United Way of Baroda
2	PM CARES Fund	-	-	2.87 Lakhs	2.87 Lakhs	2.87 Lakhs	Direct
	TOTAL			12/- Lakhs	12/- Lakhs	12/- 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. 12/- 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**

Date: May 30, 2023
Place: Vadodara

For and on behalf of the Board of Directors,
Sd/-
Bharat Patel
Chairman & Managing Director
DIN: 00039543



ANNEXURE – “C”

Secretarial Audit Report

(For the Financial year ended on 31st March, 2023)

[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, 2023, 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, 2023, 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 *Regulation 24A SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015, the Company has filed ASCR in XBRL mode within the time Limit i.e on 24.05.2022 but the same was filed in pdf mode on 02.06.2022 and therefore, there was delay in filing by 3 days and the Company has paid Rs. 7080/- to BSE Ltd as fine for the delay filing of ASCR in pdf mode.*

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 02nd September, 2022, inter alia, approved (i) Revision in Remuneration of Shri Bharatbhai Patel, Chairman & Managing Director of the Company from 1st June, 2022 to 31st March, 2023 (ii) Revision in Remuneration of



Shri Nimishbhai Patel, Managing Director of the Company from 1st June, 2022 to 13th January, 2025

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. 35,00,000 in wholly owned subsidiary company namely Fernway Technologies Limited, 3,50,000, 0.01% Optionally Convertible Non-Cumulative Preference Shares of Rs.10/- each for cash at Par on a Rights basis.

Sd/-
Heena Patel
Practicing Company Secretary
ACS No. 40323; COP No. 16241
UDIN: A040323E000370961
PR No. 2315/2022

Place: Vadodara
Date: 24.05.2023

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,

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and the practices, we followed provided a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I 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.

Sd/-

Heena Patel
Practising Company Secretary
ACS No. 40323; COP No. 16241
UDIN: A040323E000370961
PR No. 2315/2022

Place: Vadodara
Date: 24.05.2023

ANNEXURE – “D”

FORM No. MGT-9

EXTRACT OF ANNUAL RETURN

as at the Financial Year ended on 31st March, 2023

[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%	

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, 2022)				No. of Shares held at the end of the year (31 st March, 2023)				% 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	840	3610	0	2770	840	3610	0	NIL
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	0	NIL
f) Insurance Companies	0	0	0		0	0	0	0	0	NIL
g) FIIIs	0	0	0	0	0	0	0	0	0	NIL
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	NIL
i) Others (specify)	0	0	0	0	0	0	0	0	0	NIL
Sub-total (B)(1):-	2770	850	3620	0	2770	850	3620	0	0	NIL
2.Non-Institutions										
a) Bodies Corporate										
i) Indian	302426	6020	308446	5.51	267416	6020	273436	4.88		-0.63
ii) Overseas	0	0	0	0	0	0	0	0	0	0
b) Individuals:										
i) Individual shareholders holding nominal share capital upto Rs. 2/- Lakhs.	1215676	169590	1385266	24.73	1223920	147580	1371500	24.49		-0.24
ii) Individual shareholders holding nominal share capital in excess of Rs. 2/- Lakhs.	1002501	0	1002501	17.90	1029610	0	1029610	18.38		0.48
c) Others, (specify)										
Non Resident Indians	27367	270	27637	0.49	38113	270	38383	0.69		0.20
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0	NIL
Foreign Nationals	0	0	0	0	0	0	0	0	0	NIL
Clearing Members	0	0	0	0	0	0	0	0	0	NIL
Trusts	0	0	0	0	0	0	0	0	0	NIL
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0	NIL
IEPF	84740	0	84740	1.51	94530	0	94530	1.69		0.18

Sub-total (B)(2):-	2632710	173950	2806660	50.11	2653589	153870	2807309	50.12	0.01
Total Public Shareholding (B)= (B)(1)+ (B)(2)	2635480	176730	2812210	50.21	2656359	154720	2811079	50.19	NIL
C.Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	5423852	176730	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, 2022)			Shareholding at the end of the year (i.e. 31 st March, 2023)			% change in shareholding 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, 2022)		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, 2022)	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, 2023)	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. 01.04.2022)		Shareholding at the Ending of the year (i.e. 31.03.2023)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Popatlal Punamchand Shah	172000	3.07	171000	3.05
2	Monica Subodh Shah	96200	1.72	100000	1.79
3	Mafatlal Punamchand Shah	70500	1.26	64000	1.14
4	Jayesh Pratapchand Shah	63500	1.13	64000	1.14
5	Amit Shantilal Motla	62473	1.12	62529	1.12
6	Pratapchand Laxmichand Shah	56000	0.99	61000	1.09
7	Urvashi Anubhai Zaveri	57750	1.03	59150	1.06
8	Pranav Kumarpal Parekh	58253	1.04	58253	1.04
9	Vinodchandra Mansukhlal Parekh	57418	1.02	57418	1.03
10	Jayesh Pratapchand Shah	56025	1.00	56025	1.00

(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 (01/04/2022) (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) = 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 (31/03/2023) (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. 01/04/2022)				
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
Change in Indebtedness during the financial year (2022- 2023)				
* 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. 31/03/2023)				
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/WTD/Manager/KMP			Total Amount (Rs.)
		Shri B U Patel (CMD)	Shri N U Patel (MD)	Shri J B Sojitra (E.D. & C.S.)	
1	Gross salary	(Amount in Rs.)			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,38,40,000/-	1,38,40,000/-	23,05,375/-	2,99,85,375/-
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	NIL	NIL	57,000/-	57,000/-
	(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 i.e. Retirement Benefits provision	9,92,308/-	9,92,308/-	NIL	19,84,616
	Total (A)	1,48,32,308/-	1,48,32,308/-	23,62,375/-	3,20,26,991/-
	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	RSP	
1	Independent Directors					
	Fee for attending board & committee meetings	103000	112000	112000	94000	421000
	Commission	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (1)	103000	112000	112000	94000	421000
2	Other Non-Executive Directors					
	Fee for attending board & committee meetings	NIL	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	103000	112000	112000	94000	421000
	Total Managerial Remuneration (A+B)	Rs. 3,24,47,991/-				
	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, RSP: Ms. Reshma Suresh Patel

Remuneration to Key Managerial Personnel other than MD /Manager / WTD during the financial year 2022-2023:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	(Amount in Rs.)			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	As per the details given at Sr. VI hereinabove	9,08,312/-	9,08,312/-
	(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	NIL
3	Sweat Equity	NIL		NIL	NIL
4	Commission - as % of profit - others, specify	NIL	NIL	NIL	
5	Others, please specify	NIL	NIL	NIL	
	Total	NIL		9,08,312/-	9,08,312/-

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,

Sd/-

BHARAT PATEL
CHAIRMAN
DIN: 00039543

Place: Vadodara
Date: 30th May, 2023



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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, New Delhi or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of appointment
1	Mr. Rakesh Shivbhagwan Agrawal	00057955	10/02/2011
2	Mr. Tanuj Manubhai Patel	00016788	20/09/1984
3	Mr. Sanjiv Mahendralal Shah	00065796	29/03/2016
4	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: Vadodara
Date: 25/05/2023
UDIN: A040323E000374646

**Sd/-
CS Heena Patel
Membership No.: 40323
CP No.: 16241**

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, 2023 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 Patel	69	Chairman & Managing Director	148.32	B. Text, M.B.A. (USA) (48)	12-05-1973	First Employment
2.	Shri Nimishbhai Patel	57	Managing Director	148.32	B.B.A. M.B.A. (Finance) (U.S.A) (30)	01-12-1990	– Do –

Notes:

1. Remuneration includes Salary, Allowances and Perquisites, Retirement benefits 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 2022–2023 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: 30th May, 2023

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.

Place: Vadodara
Date: 30th May, 2023

FOR AND ON BEHALF OF THE BOARD,
Sd/-
BHARAT PATEL
CHAIRMAN
DIN: 00039543

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, 2023, 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.	2	1	3	NIL
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.

- (i) Board Meetings held during the year & attendance of Directors: During the financial year ended 31st March 2023, four Board Meetings were held on 23/05/2022, 13/08/2022, 12/11/2022 and 14/02/2023. The attendance of Directors is as under:

Name of Director	No. of Board Meetings attended	Attendance at the last AGM held on 02/09/2022
Shri B. U. Patel	04	Yes
Shri N. U. Patel	04	Yes
Shri T. M. Patel	04	Yes
Shri Rakesh Agrawal	04	Yes
Shri Sanjiv Shah	04	No
Shri J. B. Sojitra	04	Yes
Ms. Reshma Patel	04	Yes

- (ii) Particulars of Director retiring by rotation and seeking re-appointment and also the appointment of Managing Director have been given in the Notice convening the 88th Annual General Meeting and Explanatory Statement, attached thereto.

(A) COMMITTEES OF DIRECTORS:

❖ AUDIT COMMITTEE:

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

As on 31st March, 2023, 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

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, 2023, four meetings of the Audit Committee were held on 23/05/2022, 13/08/2022, 12/11/2022 and 14/02/2023 and the attendances of the Members are as follows:

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

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, 2023, 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, 2023, two meetings of the Nomination, Remuneration & Compensation Committee were held on 23/05/2022 & 14/02/2023 and the attendances of the Members are as follows:

Sr.	Name of member	No. of Meetings attended
1	Shri T. M. Patel	02
2	Shri Sanjiv Shah	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, 2023:

(Amount in Rs.)

Name of Director	Salary	Perks	Sitting Fees	Total
Shri B. U. Patel	1,38,40,000/-	9,92,308/-	NIL	1,48,32,308/-
Shri N. U. Patel	1,38,40,000/-	9,92,308/-	NIL	1,48,32,308/-
Shri T. M. Patel	NIL	NIL	1,12,000/-	1,12,000/-
Shri Rakesh Agrawal	NIL	NIL	1,12,000/-	1,12,000/-

Shri Sanjiv Shah	NIL	NIL	1,03,000/-	1,03,000/-
Shri J.B. Sojitra	23,05,375/-	57,000/-	NIL	23,62,375/-
Ms. Reshma Patel	NIL	NIL	94,000/-	94,000/-

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, 2023 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, 2023, 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

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, 2023, one meeting of the Stakeholders Relationship Committee was held on 12/11/2022 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, 2023, 33 request for 3240 equity shares were processed and no request was pending as on 31st March, 2023.
- (e) Complaints: During the year ended 31st March, 2023, the Company had not received any complaint 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 14th February, 2023 to consider the following agenda:

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

All Independent Directors were present in the meeting held on 14th February, 2023 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 14th February, 2023 as per the Performance Evaluation Policy of the Company.

(D) SUBSIDIARY COMPANIES:

As on 31st March, 2023, 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, 2023. 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 2022–2023.

As on 31st March, 2023, the Company holds 50,000 equity share of Rs. 10/- each and 3,50,000, 0.01% Optionally Convertible Preference Shares of Rs.10/- each of its Wholly Owned Subsidiary Company namely Fernway Technologies Ltd (FTL). FTL is non material unlisted Company.

As on 31st March, 2023, 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 viz. Stellent Chemicals Industries Limited (formerly known as "Fernway Textiles Ltd."). Stellent Chemicals Industries Limited ("Stellent") had acquired 26% shareholding from the promoters of McGean India Chemicals Pvt. Ltd. i.e. McGean (erstwhile "Chem-Verse Consultants India Private Limited") amounting to Rs. 5,30,84,150/- (Rs. Five Crores Thirty Lakhs Eighty-Four Thousand One Hundred Fifty only) and as a result thereof, McGean has become Associate Company w.e.f 24th December, 2021.

(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
85 th	31/03/2020	Registered Office at Akota Road, Vadodara	Tuesday, 22 nd September, 2020 At 12.00 Noon	01
86 th	31/03/2021	Registered Office at Akota Road, Vadodara	Saturday, 28 th August, 2021 At 12.00 Noon	03
87 th	31/03/2022	Registered Office at Akota Road, Vadodara	Friday, 2 nd September, 2022 At 12.00 Noon	02

During the financial year 2022–2023, 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 has formulated the Code of Conduct for Prevention of Insider Trading for its designated employees, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the same can be viewed at www.dineshmills.com in “Investors” Section.
- h. 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 2022–2023.

- i. 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 2022–2023 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, 2023 pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as **Annexure–“II”**.

(J) FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

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

(K) THE NON-MANDATORY REQUIREMENTS:

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

(L) SHAREHOLDER INFORMATION:

1. Annual General Meeting:

The 88th Annual General Meeting will be held at 12.00 Noon on 2nd September, 2023, through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

2. Financial Calendar for the financial year 2023–2024:

First quarterly results	By 14 th August, 2023
Half Yearly results	By 14 th November, 2023
Third quarterly results	By 14 th February, 2024
Fourth quarterly results along with Audited Annual Results for the year 2023–2024	By 30 th May, 2024
Annual General Meeting for the year 2023–2024	By 30 th September, 2024

3. Book Closure Dates:

The period for Book Closure is from 26th August, 2023 to 2nd September, 2023 (both days inclusive) for the purpose of AGM.

4. Dividend Payment Date:

Dividend will be paid on or before 1st October, 2023.

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 2023–2024 to BSE Ltd.

6. Annual Custody Fees to Depositories:

The Annual Custody Fees for the year 2023–2024 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, 2022 to March, 2023 are given hereunder:

Month & Year	Price (Rs.)		Traded Quantity	BSE Sensex	
	High	Low		High	Low
April, 2022	799.00	677.65	18732	60845.10	56009.07
May, 2022	785.00	675.00	22482	57184.21	52632.48
June, 2022	759.95	552.60	10395	56432.65	50921.22
July, 2022	720.00	636.95	18495	57619.27	52094.25
August, 2022	750.00	630.20	42672	60411.20	57367.47
September, 2022	736.20	652.00	20895	60676.12	56147.23
October, 2022	680.00	590.50	14263	60786.70	56683.40
November, 2022	639.95	570.00	12660	63303.01	60425.47
December, 2022	675.00	560.00	11993	63583.07	59754.10
January, 2023	629.90	510.00	24438	61343.96	58699.20
February, 2023	650.00	426.00	30679	61,682.25	58,795.97
March, 2023	581.00	436.65	52385	60,498.48	57,084.91

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:

<p>MCS SHARE TRANSFER AGENT LIMITED Administrative Office: 1st Floor, Neelam Apartments 88, Sampatrao Colony, Alkapuri, Vadodara – 390 007 Email: mcsitdbaroda@gmail.com Phone No.: (0265) 2350490, 2314757 Fax No. (0265) 2341639 Website: www.mcsregistrars.com</p>
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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, 2023 is as under:

Category	No. of Equity shares as at 31/03/2023	%
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	38,383	0.69
Bodies Corporate	2,73,436	4.88
I.E.P.F. Authority	94,530	1.69
Others (Public)	24,02,241	42.89
Total	56,00,582	100.00

13. Distribution of Shareholding:

Distribution of shareholding as on 31st March, 2023 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	6798	94.0119	5251830	9.3773
2	5001-10,000	184	2.5446	1440840	2.5727
3	10,001-20,000	102	1.4106	1420910	2.5371
4	20,001-30,000	37	0.5117	923340	1.6487
5	30,001-40,000	16	0.2213	547440	0.9775
6	40,001-50,000	20	0.2766	905630	1.6170
7	50,001-1,00,000	27	0.3734	1955780	3.4921
8	1,00,001-500000	26	0.3596	5702880	10.1827
9	500001-1000000	16	0.2213	1053844	18.8167
10	1000001 & Above	5	0.0691	2731873	48.7784
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, 2023 and 31st March, 2022 are as under:

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
	No. of Shares	%	No. of Shares	%
No. of Demat Shares				
– NSDL	1014747	18.12	1018948	18.19
– CDSL	4431115	79.12	4404904	78.65
No. of Physical Shares	154720	2.76	176730	3.16
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. 2022 – 2023.

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 (5 lines)
Emails: complianceofficer@dineshmills.com, sojitra@dineshmills.com
Website: www.dineshmills.com

20. Auditors Certificate: The Certificate dated 30th May, 2023 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 2022 –2023 is attached herewith as **Annexure–“III”**.

Place: Vadodara
Date: 30th May, 2023

FOR & ON BEHALF OF THE BOARD,
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, 2023.

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, 2023

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, 2023 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)
Place: Vadodara
Date: May 18, 2023

For Shri Dinesh Mills Limited,
Sd/-
Mohan Akalkotkar
Chief Financial Officer (CFO)



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, 2023 as per the Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C and D 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. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate

Governance stipulated in Listing Regulations. 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 carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the 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 our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2023.

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

Restriction on use

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

For, R K Doshi & Co. LLP

Chartered Accountants

FRN: 102745W/W100242

Sd/-

Rajiv K Doshi

Partner

Membership Number: 032542

UDIN: 23032542BGVYMX4356

Place: Vadodara

Date: May 30, 2023

**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 2023, 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 2023, 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 of the financial statements in accordance with the Standards on Auditing ("SA" s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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 and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the 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.

The 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 2023 taken on record by the Board of Directors, none of the directors is

disqualified as on 31st March 2023 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”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal controls with reference to financial statements
- 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.

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023
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, to extent applicable.

For, R K Doshi & Co LLP
Chartered Accountants
Firm Registration Number: 102745W/W100242
Sd/-
Rajiv K Doshi
Partner
Membership Number: 032542
UDIN: 23032542BGVVYMY1841

Place: Vadodara
Dated: May 30, 2023



Annexure - A to the Auditors' Report

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Shri Dinesh Mills Limited of even date]

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, 2023 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 with reference to financial statements 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 (the "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 Act.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements 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 with reference to Financial Statements

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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal control with reference to financial statements 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 ICAI.

For, R K Doshi & Co LLP
Chartered Accountants
Firm Registration Number: 102745W/W100242
Sd/-
Rajiv K Doshi
Partner
Membership Number: 032542
UDIN: 23032542BGVYMY1841

Place: Vadodara
Dated: May 30, 2023

**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, 2023 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 per our verification of the records, 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) (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 Customs, 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, 2023 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, 2023 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) In respect of internal audits:
- (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) In respect of registration u/s 45-
- (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
Firm Registration Number: 102745W/W100242
Sd/-
Rajiv K Doshi
Partner
Membership Number: 032542
UDIN: 23032542BGVVYMY1841

Place: Vadodara
Dated: May 30, 2023

SHRI DINESH MILLS LIMITED
CIN: L17110GJ1935PLC000494
BALANCE SHEET AS AT 31ST MARCH, 2023

	Note No.	As at 31-03-2023 Rs. In Lakhs	As at 31-03-2022 Rs. In Lakhs
ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	1,562.18	1,687.67
(b) Intangible Assets	4	12.77	15.05
(c) Financial Assets			
(i) Investments	5	2,162.25	2,126.18
(ii) Others	6	819.30	246.61
(d) Deferred tax assets (net)	18	176.10	90.96
		4,732.60	4,166.46
CURRENT ASSETS			
(a) Inventories	7	1,196.74	1,335.87
(b) Financial Assets			
(i) Investments	8	10,972.61	8,661.67
(ii) Trade Receivables	9	528.04	493.87
(iii) Cash and Cash Equivalents	10	262.54	444.78
(iv) Bank balances other than above (ii)	11	28.13	26.48
(vi) Others	12	106.08	591.10
(c) Other Current Assets	13	484.00	136.06
		13,578.12	11,689.82
TOTAL ASSETS		18,310.72	15,856.29
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	14	560.06	560.06
(b) Other Equity	15	14,974.44	13,120.18
		15,534.50	13,680.23
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(ii) Others	16	52.20	59.50
(b) Provisions	17	683.41	530.33
(a) Deferred Tax Liabilities (Net)	18	-	-
(c) Other Non Current Liabilities	19	63.49	63.49
		799.10	653.32
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	20	(100.58)	(82.77)
(ii) Trade Payables	21		
- total outstanding dues of MSME		-	-
- total outstanding dues other than of MSME		306.06	248.62
(iii) Other Financial Liabilities	22	88.79	91.51
(b) Other Current Liabilities	23	1,602.90	1,229.69
(c) Provisions	24	79.96	35.69
		1,977.12	1,522.73
TOTAL EQUITY & LIABILITIES		18,310.72	15,856.29

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 : May 30, 2023

Sd/-
J B Sojitra
Company Secretary
(ACS: 6351)
Dated : May 30, 2023

Sd/-
Mohan Akalkotkar
Chief Financial Officer

SHRI DINESH MILLS LIMITED

CIN: L17110GJ1935PLC000494

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2023

	Note No.	2022-23 Rs. In Lakhs	2021-22 Rs. In Lakhs
INCOME			
Revenue from operations	25	5,970.59	5,510.92
Other income	26	676.59	514.31
TOTAL INCOME		6,647.17	6,025.23
EXPENSES			
Cost of Materials Consumed	27	1,434.05	1,410.08
Purchase of Stock-in-trade		-	-
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	28	227.53	(5.19)
Employee benefits expense	29	1,826.06	1,664.47
Finance Costs	30	14.78	12.85
Depreciation and amortization expenses	4	344.59	340.51
Other expenses	31	1,784.76	1,574.73
TOTAL EXPENSES		5,631.77	4,997.45
Profit/(Loss) before exceptional items and tax		1,015.40	1,027.78
Exceptional items (net)	31A	1,795.79	2,015.23
Profit/(Loss) before tax		2,811.19	3,043.01
Tax items			
Current tax		600.00	450.00
Earlier years tax provisions (written back)		1.67	15.91
Deferred tax (asset) / liability		(85.14)	(73.46)
Total tax items		516.53	392.45
Profit/(Loss) for the year		2,294.66	2,650.56
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)		(22.49)	(12.05)
Gain/ (Loss) on fair valuation of investment in equity shares (net of tax impact)		2.13	1.06
Other Comprehensive Income/ (Loss) for the year		(20.36)	(10.99)
Total Comprehensive Income/ (Loss) for the year		2,274.31	2,639.57
Basic & diluted Earnings per equity share [EPS] after exceptional items [in ₹]	32	40.97	47.33
Basic & diluted Earnings per equity share [EPS] before exceptional items [in ₹]	32	8.91	11.34

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

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

Sd/-
Mohan Akalkotkar
Chief Financial Officer

Place: Vadodara
Dated : May 30, 2023

Dated : May 30, 2023

SHRI DINESH MILLS LIMITED

CIN: L17110GJ1935PLC000494

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2023

(A) CASH FLOW FROM OPERATING ACTIVITIES	Standalone	
	2022-23 Rs. In Lakhs	2021-22 Rs. In Lakhs
Profit/ (loss) Before Tax after Extraordinary items	2,811.19	3,043.01
Adjustments for:		
Depreciation and amortization	344.59	340.51
Interest and finance charges	14.78	12.85
Interest income	(20.48)	(8.81)
Dividend Income	(6.39)	(8.39)
Gain on Sale of Investments	(87.04)	(68.57)
Gain on sale of Fixed Asset	(102.63)	(95.03)
Employee Benefits	(20.36)	(10.99)
Gain on Fair Valuation of Financial Instruments (Net)	(405.92)	(240.58)
Operating Profit before Working Capital Changes	2,527.75	2,964.01
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables	(34.17)	24.88
(Increase)/decrease in other assets	(437.26)	(136.67)
(Increase)/decrease in inventories	139.13	(44.56)
(Increase)/decrease in Trade Payables	57.44	66.84
(Increase)/decrease in Other Liabilities	370.48	211.63
(Increase)/decrease in Provision	(132.43)	(460.89)
Cash Generated from Operations	(36.81)	(338.77)
Income taxes (paid)/refunded	(271.87)	-
Net Cashflow from Operating Activities	2,219.08	2,625.24
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(223.09)	(111.41)
Sale of Fixed Assets	108.89	(391.88)
Sale/(Purchase) of Investments	(1,854.04)	(1,739.89)
Dividend Income	6.39	8.39
Interest received	20.48	8.81
Net Cashflow from Investing Activities	(1,941.37)	(2,225.99)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings		
Receipts/(Payments)	(25.11)	158.95
Dividend Paid	(420.04)	(280.03)
Interest and finance charges	(14.78)	(12.85)
Net Cashflow from Financing Activities	(459.94)	(133.93)
Net Increase/(Decrease) in Cash and Cash Equivalents	(182.24)	265.32
Cash and bank balances at the beginning of the year	444.78	179.46
Cash and bank balances at the end of the year	262.54	444.78

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 31-03-2023 Rs. In Lakhs	As at 31-03-2022 Rs. In Lakhs
Balances with banks		
In current accounts	261.56	443.81
Fixed Deposits	-	-
Cash on hand	0.98	0.96
	262.54	444.78

"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 : May 30, 2023

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)
Dated : May 30, 2023

Sd/-
Mohan Akalkotkar
Chief Financial Officer

SHRI DINESH MILLS LIMITED
CIN: L17110GJ1935PLC000494
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

(A) EQUITY SHARE CAPITAL

For the year ended 31st March, 2023

Balance as at 1st April, 2022	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, 2023
560.06	-	-	-	560.06

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

(A) OTHER EQUITY

For the year ended 31st March, 2023

Particulars	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	FVOCI Reserve	Total Equity
Balance as at 1st April, 2022	19.31	720.20	8,558.56	3,744.80	77.30	13,120.18
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Profit/(Loss) for the year	-	-	-	2,294.66	-	2,294.66
Fair Valuation Gains / (loss) on Investments in Equity Instruments	-	-	-	-	2.13	2.13
Dividend paid during the year	-	-	-	(420.04)	-	(420.04)
Remeasurements gain/(loss) on defined benefit plans	-	-	-	-	(22.49)	(22.49)
Balance as at 31st March, 2022	19.31	720.20	8,558.56	5,619.42	56.95	14,974.44

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	-	-	-	-	-	-
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. 7.5 per equity share aggregating to Rs. 420.04 lakhs in respect of year ended 31st March 2022 has been paid during the year. Further, the Board of Directors has recommended a final dividend of Rs. 10 per equity share in respect of year ended 31st March 2023.

"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 : May 30, 2023

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)
Dated : May 30, 2023

Sd/-
Mohan Akalkotkar
Chief Financial Officer

4 - PROPERTY, PLANT AND EQUIPMENT

(Rs in Lakhs)

	TANGIBLE ASSETS							INTANGIBLE ASSETS		CAPITAL WORK IN PROGRESS	Total	
	Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Dead Stock	Vehicles	Electrical Installations	Tubewell and Water Works	Total			Softwares
Cost:												
As at 1st April, 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
Additions	-	-	75.73	133.09	14.27	-	-	-	223.09	-	-	-
Disposals / transfers	0.50	5.46	6.64	367.53	-	-	-	-	380.13	-	-	-
As at 31st March, 2023	317.73	-	442.30	11,019.82	399.12	484.07	97.92	14.04	12,775.01	48.85	-	48.85
Accumulated depreciation:												
As at 1st April, 2022	-	0.27	274.25	10,130.84	344.17	388.47	93.04	13.33	11,244.37	33.80	-	33.80
Depreciation charged during the year	-	-	8.80	294.59	14.41	24.49	-	0.02	342.32	2.28	-	2.28
Disposals / adjustments	-	0.27	6.64	366.95	-	-	-	-	373.86	-	-	-
As at 31st March, 2023	-	-	276.41	10,058.48	358.58	412.96	93.04	13.35	11,212.82	36.08	-	36.08
Net book value												
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	12.77	-	12.77
As at 31st March, 2023	317.73	-	165.89	961.34	40.54	71.11	4.88	0.69	1,562.18	12.77	-	12.77

Note: 4.1 Gross Block is carried at cost

Note: 4.2 During the year, the company has sold off its leasehold land and the resulting gain has been booked under exceptional items

SHRI DINESH MILLS LIMITED
CIN: L17110GJ1935PLC000494

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2023

	As at 31/03/2023 (Rs. In Lakhs)	As at 31/03/2022 (Rs. In Lakhs)
5 - NON - CURRENT FINANCIAL ASSETS - INVESTMENTS		
<u>Investments (Unquoted)</u>		
(A) Investments at Cost, fully paid up		
(a) Investments in Equity Shares		
<i>Investment in Subsidiaries</i>	1,319.81	1,319.81
<i>Others</i>	0.05	0.05
	1,319.86	1,319.86
(b) Investments in Preference Shares		
<i>Investment of Preference Shares in Subsidiaries</i>	829.69	794.69
	829.69	794.69
	2,149.55	2,114.55
(B) Fair Value through Other Comprehensive Income		
(a) Investments in Equity Shares	12.70	11.63
	12.70	11.63
	2,162.25	2,126.18

Details of Investments	Face value per unit in Rs. unless otherwise specified	No. of shares/units	As at	
			31-03-2023	31/03/2022
			(Rs. In Lakhs)	(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
Stellent Chemicals Industries Limited (Formerly known as 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	12.70	11.63
			1,332.56	1,331.49
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	585.00
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	209.69
0.01% Optionally Convertible Non-cumulative Preference Shares of Fernway Technologies Limited of Rs. 10 each at cost, fully paid up	Rs. 10	3,50,000	35.00	-
			829.69	794.69
Total			2,162.25	2,126.18

* 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.

PARTICULARS	As at	As at
	31/03/2023 (Rs. In Lakhs)	31/03/2022 (Rs. In Lakhs)
Aggregate amount of quoted investments at cost	0.05	0.05
Fair Value of the unquoted investments at FVOCI	12.70	11.63
Aggregate amount of unquoted investments	2,149.55	2,114.55
Aggregate amount of impairment in the value of investment	-	-

During the financial year, the company has made investment in Preference shares of subsidiary i.e. Fernway Technologies Limited amounting to Rs. 35.00. As per the terms of the preference share optionally convertible. Preference shares of Fernway Technologies Limited are non-cumulative and carried coupon rate of 0.01%.

6 - NON - CURRENT FINANCIAL ASSETS - OTHERS	As at	As at
	31/03/2023 (Rs. In Lakhs)	31/03/2022 (Rs. In Lakhs)
Fixed Deposit Account (having maturity period of more than 12 months)*	730.89	155.89
Security deposits	88.41	90.71
	819.30	246.61

* Includes margin / collateral deposit

7 - INVENTORIES (valued at lower of cost and net realizable value)	As at	As at
	31/03/2023 (Rs. In Lakhs)	31/03/2022 (Rs. In Lakhs)
Raw Material	281.00	243.28
Work in Progress	229.88	189.01
Finished Goods	344.86	613.25
Consumable Stores and Spares	341.00	290.33
	1,196.74	1,335.87

- 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	As at	As at
	31/03/2023 (Rs. In Lakhs)	31/03/2022 (Rs. In Lakhs)
Imported:		
Wool	-	-
Yarn	26.17	36.69
Fibre	109.58	88.81
Miscellaneous	0.60	8.72
Indigeneous:		
Yarn	141.06	105.47
Fibre	3.59	3.59
	281.00	243.28

7.2 - DETAILS OF WORK-IN-PROGRESS	As at	As at
	31/03/2023 (Rs. In Lakhs)	31/03/2022 (Rs. In Lakhs)
Felt	229.88	189.01
	229.88	189.01

7.3 - DETAILS OF FINISHED GOODS	As at	As at
	31/03/2023 (Rs. In Lakhs)	31/03/2022 (Rs. In Lakhs)
Woolen worsted fabrics	-	0.86
Felt	344.86	613.39
	344.86	613.25

8 - CURRENT FINANCIAL ASSETS - INVESTMENTS

Quoted investments

A. Fair Value through Profit and Loss

a. Investment in Mutual Funds

As at
31/03/2023
(Rs. In Lakhs)

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

10,972.61 8,661.67
10,972.61 8,661.67

a. Details of Current Investments

Name of Fund	As at 31/03/2023		As at 31/03/2022	
	No. of Units	Amount (Rs. In Lakhs)	No. of Units	Amount (Rs. In Lakhs)
ICICI Prudential Equity Arbitrage Fund	87,95,957.80	2,572.12	94,89,907.93	2,641.27
IDFC Arbitrage Fund	-	-	7,06,013.22	186.31
Kotak Equity Arbitrage Fund	79,87,092.03	2,541.09	75,48,677.47	2,280.44
ICICI Prudential Savings Fund	9,59,229.41	1,654.46	2,63,362.32	1,141.32
ICICI Prudential Short Term Fund	25,22,946.85	1,274.83	14,27,705.71	682.26
Axis Strategic Bond Fund	54,44,115.52	1,269.82	38,75,006.51	864.70
HDFC Medium Term Debt Fund	21,11,407.36	1,000.46	17,82,136.26	815.39
Axis Arbitrage Fund	41,30,779.51	659.83	3,27,906.22	49.98
Total		<u>10,972.61</u>		<u>8,661.67</u>

PARTICULARS

Aggregate amount of quoted investments and Market value there of

Aggregate amount of unquoted investments

As at
31/03/2023
(Rs. In Lakhs)

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

10,972.61 8,661.67
- -

9 - FINANCIAL ASSET - TRADE RECEIVABLES

Unsecured

Considered good

Considered doubtful

Less: Provision for doubtful debts

As at
31/03/2023
(Rs. In Lakhs)

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

528.04 493.87
- -
528.04 493.87
- -
528.04 493.87

Trade receivable ageing schedule as at 31st March, 2023

	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	Total
i. Undisputed Trade Receivables - considered good	525.04	2.00	1.00	-	-	528.04
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	-	-	-	-	-	-
	<u>525.04</u>	<u>2.00</u>	<u>1.00</u>	-	-	<u>528.04</u>

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	-	-	-	-	-	-
	<u>493.48</u>	<u>0.39</u>	-	-	-	<u>493.87</u>

Allowance for Doubtful Debts

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

	As at 31/03/2023 (Rs. In Lakhs)	As at 31/03/2022 (Rs. In Lakhs)
10 - FINANCIAL ASSET - CASH AND CASH EQUIVALENTS		
A) Balances with Banks		
- In Current Accounts	261.56	443.81
	<u>261.56</u>	<u>443.81</u>
B) Cash on Hand	0.98	0.96
	<u>0.98</u>	<u>0.96</u>
	<u><u>262.54</u></u>	<u><u>444.78</u></u>

	As at 31/03/2023 (Rs. In Lakhs)	As at 31/03/2022 (Rs. In Lakhs)
11 - FINANCIAL ASSET - BANK BALANCES OTHER THAN ABOVE		
A) Balances with Banks - Earmarked Balances		
Unpaid Dividend	28.13	26.48
	<u>28.13</u>	<u>26.48</u>

	As at 31/03/2023 (Rs. In Lakhs)	As at 31/03/2022 (Rs. In Lakhs)
12 - CURRENT - OTHER FINANCIAL ASSETS		
Unsecured, considered good, unless otherwise stated		
Interest and Dividend receivable on Investments ^	40.71	26.10
Other receivables #	46.38	45.30
Government Incentives receivable	18.99	20.04
Consideration receivable towards sale of land	-	499.65
	<u>106.08</u>	<u>591.10</u>

^ Includes dividend receivable 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 31/03/2023 (Rs. In Lakhs)	As at 31/03/2022 (Rs. In Lakhs)
13 - CURRENT ASSETS - OTHERS		
Unsecured, considered good, unless otherwise stated		
Other Loans and Advances	12.33	0.21
Statutory Dues (net)	360.15	19.63
Advance to Suppliers	97.73	116.21
Prepaid Expenses	13.79	-
	<u>484.00</u>	<u>136.06</u>

	As at 31/03/2023 (Rs. In Lakhs)	As at 31/03/2022 (Rs. In Lakhs)
14 - SHARE CAPITAL		
Authorised:		
95,00,000 (31st March, 2022 - 95,00,000) Equity Shares of Rs. 10 each	950.00	950.00
50,000 (31st March, 2022 - 50,000) unclassified shares of Rs. 100 each	50.00	50.00
Issued, Subscribed and paid-up:		
56,00,582 (March 31, 2022: 56,00,582) Equity Shares of Rs. 10 each fully paid up	560.06	560.06
	<u>560.06</u>	<u>560.06</u>

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

Particulars	As at 31/03/2023		As at 31/03/2022	
	No. of Shares	(Rs. In Lakhs)	No. of Shares	(Rs. In Lakhs)
At the beginning of the year	56,00,582	560.06	56,00,582	560.06
Add: Issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>56,00,582</u>	<u>560.06</u>	<u>56,00,582</u>	<u>560.06</u>

14.2. 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.

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

Name of Shareholder	As at 31/03/2023		As at 31/03/2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shri Bharatbhai U. Patel	7,95,088	14.20	7,95,088	14.20
Shri Nimishbhai U. Patel	7,68,852	13.73	7,68,852	13.73
Shri Nishank N. Patel	5,04,490	9.01	5,04,490	9.01
Shri Aditya B. Patel	4,92,443	8.79	4,92,443	8.79

14.4. 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.

	31/03/2023 (Rs. In Lakhs)	31/03/2022 (Rs. In Lakhs)
15 - 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	720.20
Add: Addition during the year	-	-
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	3,744.80	1,374.27
Add: Net Profit/(Net Loss) For the current year	2,294.66	2,650.56
Add/(Less): Adjustments on account of Ind-AS		
- Transfer from General Reserves	-	-
- Dividend paid during the year @	(420.04)	(280.03)
Closing Balance	5,619.42	3,744.80
Fair Value through Other Comprehensive Income [FVTOCI] Reserve (Part of Retained Earnings)		
Opening balance	77.30	88.29
Adjusted from surplus in statement of profit and loss		
- Re-measurement gains / (losses) on employee benefits	(22.49)	(12.05)
- Gain/ (Loss) on fair valuation of investment in equity shares	2.13	1.06
	56.95	77.30
Total of other equity - as at 31st March, 2023	14,974.44	13,120.18

@ As approved by the shareholders a dividend of Rs. 7.5 per equity share aggregating to Rs. 420.04 lakhs in respect of year ended 31st March 2022 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"

	31/03/2023 (Rs. In Lakhs)	31/03/2022 (Rs. In Lakhs)
16 - NON - CURRENT FINANCIAL LIABILITIES - OTHERS		
Unsecured		
Trade Deposits	52.20	59.50
	<u>52.20</u>	<u>59.50</u>

	As at 31/03/2023 (Rs. In Lakhs)	As at 31/03/2022 (Rs. In Lakhs)
17 - NON - CURRENT PROVISIONS		

Provision for Employee Benefits

Gratuity	67.28	61.28
Leave Encashment	120.46	101.85
Provisions for Medical/LTA/allowances, etc.	40.09	40.09
	<u>227.83</u>	<u>203.22</u>

Other Provisions

Provision for Tax (net of advance tax, TDS, self asst. tax)	455.58	327.11
	<u>683.41</u>	<u>530.33</u>

Provision for Gratuity pertains to gratuity payable to Directors

Provision for Leave Encashment includes amount of 43.30 lakhs (As at 31/03/2022:Rs. 29.45 lakhs) pertaining to payable to Directors

	As at 31/03/2023 (Rs. In Lakhs)	As at 31/03/2022 (Rs. In Lakhs)
18 - DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Assets on account of:		
<i>(i) Depreciation</i>		
Opening Deferred Tax Asset	27.00	(52.43)
Add/(Less): Charge or Credit during the year	76.82	79.43
Closing Deferred Tax Asset	<u>103.82</u>	<u>27.00</u>
<i>(i) Expenses allowable for tax purposes when paid (Octroi)</i>		
Opening Deferred Tax Asset	15.98	16.27
Add/(Less): Charge or Credit during the year	0.00	(0.29)
Closing Deferred Tax Asset	<u>15.98</u>	<u>15.98</u>
<i>(ii) Unencashed Leave (Employee or Director)</i>		
Opening Deferred Tax Asset	32.56	39.15
Add/(Less): Charge or Credit during the year	6.81	(6.59)
Closing Deferred Tax Asset	<u>39.37</u>	<u>32.56</u>
<i>(ii) Gratuity</i>		
Opening Deferred Tax Asset	15.42	14.52
Add/(Less): Charge or Credit during the year	1.51	0.90
Closing Deferred Tax Asset	<u>16.93</u>	<u>15.42</u>
Total Deferred Tax Assets	<u>176.10</u>	<u>90.96</u>
Net Deferred Tax (Assets) / Liabilities	<u>(176.10)</u>	<u>(90.96)</u>

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
	31/03/2023	31/03/2022
	(Rs. In Lakhs)	(Rs. In Lakhs)
Profit before tax	2,811.19	3,043.01
Corporate tax rate as per Income Tax Act, 1961	25.17%	25.17%
Income tax calculated (A)	707.52	765.87

Tax impact - Adjustments to reconcile expected income tax expense to reported income tax expense (item * tax rate):

Non-Deductible Expenses for Tax Purposes	23.15	6.04
Deductible Expenses for Tax Purposes	(117.21)	(15.05)
Depreciation impact as per tax purposes	34.84	23.43
Effect of deductions allowed under Income Tax	21.90	(3.52)
Impact on account of depreciable assets	-	(304.37)
Others	144.84	(22.40)
Total Adjustments (B)	107.52	(315.87)
Income Tax Expense Recognised (A+B)	600.00	450.00
Effective Income Tax Rate	21.34%	14.79%

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

19 - OTHER NON CURRENT LIABILITIES	As at	As at
	31/03/2023	31/03/2022
Others	(Rs. In Lakhs)	(Rs. In Lakhs)
Octroi Liability	63.49	63.49
	63.49	63.49

The above Octroi Liabilities are disputed

20 - CURRENT FINANCIAL LIABILITIES - BORROWINGS	As at	As at
	31/03/2023	31/03/2022
Secured	(Rs. In Lakhs)	(Rs. In Lakhs)
a. Loans repayable on demand		
From banks		
- Cash Credits	(100.58)	(82.77)
	(100.58)	(82.77)

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	As at	As at
	31/03/2023	31/03/2022
	(Rs. In Lakhs)	(Rs. In Lakhs)
Due to micro and small enterprises (MSME)	-	-
Due to other than micro and small enterprises	306.06	248.62
	306.06	248.62

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 31/03/2023	As at 31/03/2022
(a) Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;	-	-
(b) Interest paid during the year	-	-
(c) Amount of payment made to the supplier beyond the appointed day during	-	-
(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, 2023

	< 1 year	1-2 years	2-3 years	> 3 years	Total
MSME	-	-	-	-	-
Others	271.32	3.22	6.46	25.05	306.06
Disputed dues (MSME)	-	-	-	-	-
Disputed dues (Others)	-	-	-	-	-
	271.32	3.22	6.46	25.05	306.06

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

22 - CURRENT - OTHER FINANCIAL LIABILITIES

	As at 31/03/2023 (Rs. In Lakhs)	As at 31/03/2022 (Rs. In Lakhs)
Interest accrued on deposits	46.82	50.50
Unpaid Dividends	28.13	26.48
Due to Directors	13.84	14.53
	88.79	91.51

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, 2023 (March 31, 2022: Nil).

23 - OTHER CURRENT LIABILITIES

	As at 31/03/2023 (Rs. In Lakhs)	As at 31/03/2022 (Rs. In Lakhs)
Advances received from Customers	608.52	537.02
Advances received against capital assets	-	72.00
Statutory liabilities	373.64	23.17
Provision for outstanding expenses	615.29	592.09
Other Liabilities	5.45	5.39
	1,602.90	1,229.69

	As at 31/03/2023 (Rs. In Lakhs)	As at 31/03/2022 (Rs. In Lakhs)
24 - SHORT TERM PROVISIONS		
Provision for employee benefit		
Provision for Gratuity	44.00	8.20
Provision for Leave Encashment	35.96	27.49
	79.96	35.69

	2022-23 (Rs. In Lakhs)	2021-22 (Rs. In Lakhs)
25 - REVENUE FROM OPERATIONS		
Sale of Products	5,970.59	5,510.92
	5,970.59	5,510.92

- 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.

	2022-23 (Rs. In Lakhs)	2021-22 (Rs. In Lakhs)
26 - OTHER INCOME		
Interest Received/Receivable		
From banks	20.48	8.81
From others	-	-
Dividend Income	6.39	8.39
Miscellaneous Income	52.08	78.83
Gain on sale of investments	87.04	68.57
Gain on sale of fixed assets	102.63	95.03
Sundry balances written back	2.04	14.12
Gain on Fair Valuation of Financial Instruments (Net)	405.92	240.58
	676.59	514.31

	2022-23 (Rs. In Lakhs)	2021-22 (Rs. In Lakhs)
27 - COST OF MATERIALS CONSUMED		
Wool	-	-
Synthetic Fibre	615.30	634.83
Yarn	806.61	764.68
Others	12.14	10.57
	1,434.05	1,410.08

	2022-23 (Rs. In Lakhs)	2021-22 (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	229.88	189.01
Finished Goods	344.86	613.25
	574.73	802.26
<u>Inventories (at commencement):</u>		
Opening Work - in - Progress	189.01	232.76
Opening Finished Goods	613.25	564.31
	802.26	797.07
	227.53	(5.19)

	2022-23 (Rs. In Lakhs)	2021-22 (Rs. In Lakhs)
29 - EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages	1,645.86	1,527.98
Contributions to -		
- Provident fund, Superannuation scheme & Other funds	169.62	125.57
- Employees' State Insurance Scheme	9.31	9.65
Staff Welfare Expense	1.25	1.28
	1,826.06	1,664.47

	2022-23 (Rs. In Lakhs)	2021-22 (Rs. In Lakhs)
30 - FINANCE COSTS		
Interest expenses	0.55	1.08
Other borrowing costs	14.24	11.76
	14.78	12.85

	2022-23 (Rs. In Lakhs)	2021-22 (Rs. In Lakhs)
31 - OTHER EXPENSES		
OPERATING, ADMINISTRATION AND GENERAL EXPENSES		
Stores Consumed	264.45	254.85
Electricity, Power and Fuel	159.36	122.14
Rent	4.75	4.49
Commission	15.14	19.24
Cash Discount	159.70	153.86
Repairs and maintenance*	371.16	390.72
Insurance	19.37	21.08
Rates and Taxes	27.78	47.22
Payments to Auditors**	6.64	6.64
Donations	80.00	20.00
Contribution towards CSR expenses	12.00	4.00
Advertisement and Publicity	7.79	4.05
Legal & Professional Fees	185.37	204.05
Travelling and Conveyance	255.61	149.74
Seminar, Training and Exhibition expenses	72.53	31.46
Miscellaneous Expenses	143.12	141.19
	1,784.76	1,574.73

* includes:

Repairs to buildings	69.04	65.43
Repairs to machinery	262.73	279.85
Other Repairs	39.39	45.43

**Payments to the auditors for

- Statutory audit	6.64	6.64
-For taxation matters	-	-
- Others	-	-
	6.64	6.64

	2022-23 (Rs. In Lakhs)	2021-22 (Rs. In Lakhs)
31A - EXCEPTIONAL ITEMS		
Gain on sale of land parcels *	1,795.79	2,015.23
	1,795.79	2,015.23

* Exceptional items represents sale of certain land parcels

	2022-23 (Rs. In Lakhs)	2021-22 (Rs. In Lakhs)
32 - EARNINGS PER EQUITY SHARE		

A. The numerators and denominators used to calculate the basic and diluted EPS after exceptional items are as follows:

Profit attributable to Shareholders	2,294.66	2,650.56
Basic and weighted average number of Equity Shares outstanding during the period	56,00,582	56,00,582
Nominal value of equity share	10.00	10.00
Basic & diluted Earnings per equity share items [EPS]	40.97	47.33

B. The numerators and denominators used to calculate the basic and diluted EPS before exceptional items are as follows:

Profit attributable to Shareholders	498.87	635.33
Basic and weighted average number of Equity Shares outstanding during the period	56,00,582.00	56,00,582.00
Nominal value of equity share	10.00	10.00
Basic & diluted Earnings per equity share items [EPS]	8.91	11.34

SHRI DINESH MILLS LIMITED**CIN: L17110GJ1935PLC000494****NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2023**

	As at 31/03/2023 (Rs. In Lakhs)	As at 31/03/2022 (Rs. In Lakhs)
33 - CONTINGENT LIABILITIES AND COMMITMENTS - TO THE EXTENT NOT PROVIDED FOR CONTINGENT LIABILITIES		
(a) Workers' / Employee's demand - matter under appeal	11.54	20.61
(b) Additional Bonus liability owing to amendment introduced in The Payment of Bonus Act, 1965, the matter at this juncture is at adjudicated stage with the various High Courts for the year 2014-15	-	-
(c) Income tax Demands / outstanding- matters under appeal (excludes accrued interest thereon)	150.29	150.29
(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	Outside India	Total
		(Rs. In Lakhs)	(Rs. In Lakhs)	(Rs. In Lakhs)
Segment Revenue	2021-23	5,447.07	523.52	5,970.59
	2021-22	4,896.69	614.23	5,510.92
Carrying cost of Assets by location of Assets	2021-23	18,310.72	-	18,310.72
	2021-22	15,856.29	-	15,856.29

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. 70.77 Lakhs (Previous Year Rs. 61.96 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. 35.96 lakhs (31st March 2020 – Rs. 27.49 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 7.44% p.a. (Previous Year 6.98% 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 31-03-2023 (Rs. In Lakhs)	As at 31-03-2022 (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	399.34	412.98
Interest Cost	27.87	28.33
Current Service Cost	20.33	19.95
Past Service Cost	-	-
Benefits Paid	(25.04)	(53.07)
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	(0.17)
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(9.88)	(2.53)
Actuarial (Gain)/Loss on arising from Experience Adjustment	15.78	(6.15)
Present value of obligation as at the end of the year	428.40	399.34
Change in fair value of plan assets during the year		
Fair Value of plan assets at the beginning of the year	391.14	435.28
Interest Income	27.30	29.86
Contributions by the employer	8.20	-
Benefits paid	(25.04)	(53.07)
Return on plan assets	(16.59)	(20.93)
Fair Value of plan assets at the end of the year	385.01	391.14
Net (Asset)/ Liability recorded in the Balance Sheet		
Present value of obligation as at the end of the year	428.40	399.34
Fund Balance	385.01	391.14
Net (Asset)/ Liability-Current	43.39	8.20
Net (Asset)/ Liability-Non-Current	-	-
Expenses recorded in the Statement of Profit & Loss during the year		
Interest Cost	0.57	(1.53)
Current Service Cost	20.33	19.95
Past Service Cost	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	-	-
Actuarial (Gain)/Loss on arising from Experience Adjustment	-	-
Total expenses included in employee benefit expenses	20.90	18.42

Recognized in Other Comprehensive Income during the year

Actuarial Gain / (Loss) on Obligation for the period	5.90	(8.87)
Return on Planned Assets, Excluding Interest Income	16.59	20.92
Net Income / (Expense) for the period recognized in OCI	(22.49)	(12.05)

Maturity analysis of the benefit payments from the fund

1st following year	139.27	109.76
2nd following year	29.45	44.74
3rd following year	39.71	27.17
4th following year	44.69	35.60
5th year and thereafter	446.86	433.29

Quantitative sensitivity analysis for significant assumption is as below:

1 percentage point increase in discount rate	(19.63)	(19.65)
1 percentage point decrease in discount rate	22.23	22.36
1 percentage point increase in salary increase rate	22.55	22.58
1 percentage point decrease in salary increase rate	(20.24)	(20.18)
1 percentage point increase in employee turnover	3.72	3.06
1 percentage point decrease in employee turnover	(4.12)	(3.41)

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, 2023, 31st March, 2022

	As at 31st March,2023		As at 31st March, 2022		Fo
	Foreign Currency	(Rs. In Lakhs)	Foreign Currency	(Rs. In Lakhs)	
Payables					
Advance received from Customers (in USD)	-	-	44,611.60	33.44	

SHRI DINESH MILLS LTD**CIN: L17110GJ1935PLC000494****NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2023****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
- McGean Chemicals India Private Limited (Formerly known as Chem-Verse Consultants (I) Private Limited)	Associate of subsidiary company
- Shri Dinesh Foundation	Key Management Personnel are Trustee
- Shri Maganbhai B. Patel's Charity Trust	Key Management Personnel are Trustee

ii) Key Management 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, 2022)

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 Receivable / (Payable) Balance	
	2022-23 (Rs. In Lakhs)	2021-22 (Rs. In Lakhs)	31/03/2023 (Rs. In Lakhs)	31/03/2022 (Rs. In Lakhs)
Remuneration paid to CMD - Shri B U Patel	148.32	118.00	(4.80)	(1.63)
Remuneration paid to MD - Shri N U Patel	148.32	118.00	(1.10)	(1.86)
Remuneration paid to relative of KMP	81.70	72.39	(1.45)	(5.95)
Director's Sitting Fees paid to Mr. T M Patel	1.12	0.56	-	-
Director's Sitting Fees paid to Mr. Sanjiv Shah	1.03	1.03	-	-
Director's Sitting Fees paid to Mr. Rakesh Agrawal	1.12	1.12	-	-
Director's Sitting Fees paid to Mrs. Tarunaben Patel	-	0.19	-	-
Director's Sitting Fees paid to Ms. Reshmaben Patel	0.94	0.75	-	-
Remuneration paid to Chief Financial Officer	9.08	8.45	(1.44)	(0.68)
Remuneration paid to Company Secretary	23.62	22.17	(1.70)	(1.17)
Donation given to Shri Dinesh Foundation	40.00	10.00	-	-
Donation given to Shri Maganbhai B. Patel's Charity Trust	40.00	10.00	-	-
Subscription of Cumulative Preference Shares of Dinesh Remedies Limited	-	209.69	209.69	209.69
Dividend receivable on cumulative preference shares of Dinesh Remedies Limited	8.39	8.39	8.39	8.39
Subscription of Non-cumulative Preference Shares of Stellant Chemicals Industries Limited	-	550.00	585.00	585.00
Subscription of Optionally Convertible Non-cumulative Preference Shares of Fernway Technologies Limited	35.00	-	35.00	-

(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

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

I. Figures as at March 31, 2023

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	-	12.70	12.70	2,149.55	2,162.25	-	-	12.70	12.70
(ii) Others	-	-	-	819.30	819.30	-	-	-	-
Current Assets									
Financial Assets									
(i) Investments	10,972.61	-	10,972.61	-	10,972.61	10,972.61	-	-	10,972.61
(ii) Trade Receivables	-	-	-	528.04	528.04	-	-	-	-
(iii) Cash and Cash Equivalents	-	-	-	262.54	262.54	-	-	-	-
(iv) Bank balances other than above (ii)	-	-	-	28.13	28.13	-	-	-	-
(v) Others	-	-	-	106.08	106.08	-	-	-	-
	10,972.61	12.70	10,985.31	3,893.63	14,878.94	10,972.61	-	12.70	10,985.31

Non Current Liabilities

Financial Liabilities

(i) Borrowings	-	-	-	-	-	-	-	-	-
(ii) Others	-	-	-	52.20	52.20	-	-	52.20	52.20

Current Liabilities

Financial Liabilities

(i) Borrowings	-	-	-	(100.58)	(100.58)	-	-	-	-
(ii) Trade Payables	-	-	-	306.06	306.06	-	-	-	-
(iii) Other Financial Liabilities	-	-	-	88.79	88.79	-	-	-	-
	-	-	-	346.46	346.46	-	-	52.20	52.20

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

During the reporting period ending March 31, 2023 and March 31, 2022, 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 at fair value on recurring basis :

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 it 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, 2023 and March 31, 2022

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)			
	2022-23		2021-22	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	-	-	0.33	(0.33)
Total	0.00	0.00	0.33	(0.33)

SHRI DINESH MILLS LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2023

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.

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

Particulars	As at	As at
	31-03-2023	31-03-2022
Trade Receivables	528.04	493.87
Total (A)	528.04	493.87

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	As at
	31-03-2023	31-03-2022
Up to 6 months	525.04	493.48
More than 6 months	3.00	0.39
Total	528.04	493.87

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 31-03-2023			As at 31-03-2022		
	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	-	52.20	52.20	-	59.50	59.50
Current financial liabilities - Borrowings	-	-	-	-	-	-
Current financial liabilities - Trade Payables	271.32	34.73	306.06	248.62	-	248.62
Current financial liabilities - Others	88.79	-	88.79	91.51	-	91.51
Total	360.11	86.93	447.04	340.13	59.50	399.63

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, 2023 would increase / decrease by Rs. 109.73 lakhs (March 31, 2022 by Rs. 86.61 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	As at
	31-03-2023	31-03-2022
Total Debt	-	-
Equity	15,534.50	13,680.23
Capital and net debt	15,534.50	13,680.23
Gearing ratio	0.00%	0.00%

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Ratios as per Schedule III requirements

Ratios	Numerator	Denominator	As at	As at	Variance	Remarks where variance more than 25%
			31/03/2023	31/03/2022		
Current ratio	Current assets	Current liabilities	6.87	7.68	-10.54%	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	214.46	264.41	-18.89%	Not Applicable
Return on equity	Profit / (loss) attributable to owners of the Company	Shareholder's equity**	15.21%	20.15%	-24.52%	Not Applicable
Inventory turnover ratio	Revenue from Operations (Net)	Inventory	4.99	4.13	20.94%	Not Applicable
Trade receivable turnover ratio	Revenue from Operations (Net)	Trade receivable	11.31	11.16	1.33%	Not Applicable
Trade Payable turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Trade payables	4.81	5.82	-17.38%	Not Applicable
Net capital turnover ratio	Revenue from Operations (Net)	Working capital = Current assets – Current liabilities	0.51	0.54	-5.05%	Not Applicable
Net profit percentage	Net profit	Revenue from Operations (Net)	38.09%	47.90%	-20.47%	Not Applicable
Return on capital employed	Earnings before interest and taxes	Capital employed = Shareholder's Equity + Non Current Borrowing	18.90%	23.33%	-18.99%	Not Applicable
Return on Investment	Earnings before interest and taxes	Total Assets	15.43%	19.27%	-19.92%	Not Applicable

Note - 1 : The company does not have any debt outstanding as on 31st March, 2023 and 31st March, 2022 hence the ratio is not worked out

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-23	31-Mar-22
Gross amount required to be spent by the Company during the year as per the provisions of Section 135 of the Companies Act, 2013	12.00	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	2.87	1.50
School enhancement : Smart class projects	9.14	2.50
Total amount spent during the year	12.00	4.00

The company appointed United Way of Baroda as implementing agency for CSR spending of Rs. 9.14 laksh on the School enhancement : Smart class projects in Vadodara and the remaining amount of Rs. 2.87 lakhs were contributed to PM Cares Fund during FY 2022-23.

NOTE - 42 - OTHER DISCLOSURES

- a. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at 31st March, 2023
- b. 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
- c. 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

- a. 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.
- b. 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.
- c. 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.
- d. As per the internal assessment of the Management, the Company does not have any transactions with companies struck off.
- e. There no charges or satisfaction of charges yet to be registered with Registrar of Companies beyond the statutory period.
- f. 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 Virutal 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 : May 30, 2023

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 : May 30, 2023

SHRI DINESH MILLS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

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

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All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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 company'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 company 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.

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

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

Tangible Fixed Assets:

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

Intangible Assets:

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

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

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

3.3 Foreign Currency Transactions

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

Initial Recognition

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

Conversion

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

Exchange Differences

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

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

3.4 Revenue recognition

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

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payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Specifically,

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

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discount or premium on acquisition (if any) and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

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

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

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

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

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

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

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

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

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

B. Financial liabilities:

a. Initial recognition and measurement:

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

b. Subsequent measurement:

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

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

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

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

ii. Loans and borrowings:

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

c. Derecognition:

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

C. Reclassification of financial assets:

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

D. Offsetting of financial instruments:

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

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

SHRI DINESH MILLS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

3.7 Inventories

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

3.8 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.

SHRI DINESH MILLS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

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.

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.

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

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

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

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.

SHRI DINESH MILLS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

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 2023, 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 2023, 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.

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. 687.80 lakhs as at March 31, 2023, total revenue of Rs. 0.49 lakhs and net cash inflows amounting to Rs. 12.77 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. 66.49 lakhs for the year ended March 31, 2023 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, 2023 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 o the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

- i. 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.
- j. 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;
- k. 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;
- l. 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;
- m. On the basis of the written representations received from the directors of the Parent Company as on 31st March 2023 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, 2023, none of the directors of the Group Companies and its associate is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- n. 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;
- o. 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 director's during year is in accordance with the provisions of Section 197 of the Act.

- p. 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:
- vii. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - viii. The Group and its associate did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - ix. 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.
 - x.
 - 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.

- xi. 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: 23032542BGVYMZ1819

Place: Vadodara
Dated: May 30, 2023

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 2023 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, 2023, 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: 23032542BGVYMZ1819

Place: Vadodara
Dated: May 30, 2023

SHRI DINESH MILLS LIMITED

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2023

	Note No.	As at 31-03-2023 Rs. In Lakhs	As at 31-03-2022 Rs. In Lakhs
ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	4,883.23	4,359.58
(b) Intangible Assets	4	12.77	15.05
(c) Financial Assets			
(i) Investments	5	629.67	562.10
(ii) Others	7	898.42	314.81
(d) Other Non Current Assets	8	6.05	7.44
(e) Deferred Tax Assets (net)	21	176.10	90.96
		<u>6,606.24</u>	<u>5,349.94</u>
CURRENT ASSETS			
(a) Inventories	9	1,587.49	1,886.60
(b) Financial Assets			
(i) Investments	10	10,972.61	8,661.67
(ii) Trade Receivables	11	1,486.26	1,382.27
(iii) Cash and Cash Equivalents	12	313.58	481.46
(iv) Bank balances other than above (iii)	13	49.84	26.48
(vi) Others	14	99.69	582.71
(c) Other Current Assets	15	840.87	273.06
		<u>15,350.34</u>	<u>13,294.25</u>
TOTAL ASSETS		<u>21,956.58</u>	<u>18,644.19</u>
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	16	560.06	560.06
(b) Other Equity	17	15,146.42	13,211.40
		<u>15,706.48</u>	<u>13,771.46</u>
Non Controlling Interest		1,141.52	1,124.78
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	18	1,236.36	645.27
(ii) Others	19	52.20	59.50
(b) Provisions	20	974.70	548.17
(c) Other Non Current Liabilities	22	63.49	63.49
		<u>2,326.75</u>	<u>1,316.43</u>
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	23	160.82	95.07
(ii) Trade Payables	24		
Dues to Micro and Small Enterprises		2.77	14.06
Dues to other than Micro and Small Enterprises		741.47	788.97
(iii) Other Financial Liabilities	25	135.17	193.73
(b) Other Current Liabilities	26	1,627.53	1,278.61
(c) Provisions	27	103.01	61.08
		<u>2,770.77</u>	<u>2,431.52</u>
TOTAL EQUITY & LIABILITIES		<u>21,945.52</u>	<u>18,644.19</u>

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 : May 30, 2023

Sd/-
Mohan Akalkotkar
Chief Financial Officer
Dated : May 30, 2023

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

SHRI DINESH MILLS LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2023

	Note No.	2022-23 Rs. In Lakhs	2021-22 Rs. In Lakhs
INCOME			
Revenue from operations	28	9,817.12	9,016.08
Other income	29	676.60	522.98
TOTAL INCOME		10,493.72	9,539.04
EXPENSES			
Cost of Materials Consumed	30	3,302.74	2,762.63
Purchase of Stock-in-trade	31	47.71	0.19
Changes in inventories of finished goods, Stock-in-Trade and work-inprogress	32	178.86	(29.05)
Employee benefits expense	33	2,298.10	2,136.73
Finance Cost	34	150.63	64.57
Depreciation and amortization expenses	4	576.83	516.63
Other expenses	35	2,894.37	2,461.74
TOTAL EXPENSES		9,449.24	7,913.44
Profit before Share of associate, exceptional items and tax		1,044.49	1,625.60
Share of Profit / (Loss) of Associates		66.49	19.58
Exceptional items (net)		1,795.79	2,015.23
Profit before tax		2,906.77	3,660.42
Tax items			
Current tax		600.00	450.00
Earlier years tax provisions (written back)		1.67	15.91
Deferred tax (asset) / liability	21	(85.14)	(73.46)
Total tax items		516.53	392.45
Profit/(Loss) for the year		2,390.24	3,267.97
Other Comprehensive Income			
Items that will not be re-classified to Profit or Loss			
Re-measurement gains/ (losses) on post employment benefit plans		(19.65)	(15.79)
Loss on fair valuation of investment in equity shares		2.13	1.06
Other Comprehensive Income/ (Loss) for the year		(17.51)	(14.73)
Total Comprehensive Income for the year		2,372.73	3,253.24
Profit for the year attributable to:			
Equity holders of the parent		2,373.50	3,002.68
Non-controlling interest		16.74	265.29
Other Comprehensive Income for the year attributable to:			
Equity holders of the parent		(18.78)	(13.05)
Non-controlling interest		1.27	(1.67)
Total Comprehensive Income for the year attributable to:			
Equity holders of the parent		2,354.72	2,989.62
Non-controlling interest		18.01	263.62
Basic & diluted Earnings per equity share [EPS] after exceptional items [in ₹]	36	42.04	53.38
Basic & diluted Earnings per equity share [EPS] before exceptional items [in ₹]	36	9.98	17.40

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"

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

Sd/-
Rajiv K Doshi
Partner
Membership Number: 032542
Place: Vadodara
Dated : May 30, 2023

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 : May 30, 2023

SHRI DINESH MILLS LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

	2022-23	2021-22
	Rs. In Lakhs	Rs. In Lakhs
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	2,906.77	3,660.42
Adjustments for:		
Depreciation and amortization	576.83	516.63
Interest and finance charges	150.63	64.57
Interest income	(22.99)	(11.94)
Dividend Income	(0.13)	-
Employee Benefits	(17.51)	(14.73)
Fair Valuation of Financial Instrument	(405.92)	(240.58)
Profit on Sale of Fixed Assets	(1,898.42)	(2,102.44)
Gain on sale of investments	(87.04)	(68.57)
Non Cash adjustment	-	10.41
Operating Profit before Working Capital Changes	1,202.21	1,813.77
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables	(103.99)	(315.56)
(Increase)/decrease in other assets	(690.37)	(169.61)
(Increase)/decrease in inventories	299.11	(259.83)
Increase/(decrease) in Trade Payables	(58.79)	274.99
Increase/(decrease) in Other liabilities	283.06	297.82
Increase/(decrease) in Provision	138.67	(334.63)
Cash Generated from Operations Activities	1,069.90	1,306.97
Income taxes (paid)/refunded	(271.87)	-
Net Cashflow from Operating Activities	798.03	1,306.97
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,104.42)	(995.65)
Disposal/Transfer of Fix Assets	1,904.64	1,626.00
Sale/(Purchase) of Investments	(1,885.55)	(1,740.31)
Dividend Income	0.13	-
Interest received	22.99	11.94
Net Cashflow used in Investing Activities	(1,062.21)	(1,098.02)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings		
Receipts/(Payments)	656.84	360.64
Dividend Paid	(420.04)	(280.03)
Issue of Equity Share Capital		
Proceeds from issue of Optionally Convertible Cumulative Preference Shares	(0.93)	39.25
Securities Premium Received	-	-
Conversion of Share Warrants	-	-
Interest and finance charges	(150.63)	(64.57)
Net Cashflow from Financing Activities	85.24	55.29
Net Increase/(Decrease) in Cash and Cash Equivalents	(178.94)	264.23
Cash and Cash Equivalents at the beginning of the year	481.46	217.24
Cash and Cash Equivalents at the end of the year	313.58	481.46

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 31-03-2023	As at 31-03-2022
	Rs. In Lakhs	Rs. In Lakhs
Balances with banks		
In current accounts	311.88	480.13
Fixed Deposits		
Cash on hand	1.70	1.33
	313.58	481.46

"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 : May 30, 2023

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 : May 30, 2023

(A) EQUITY SHARE CAPITAL

For the year ended 31st March, 2023

(Rs. in Lakhs)

Balance as at 1st April, 2022	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, 2023
560.06	-	560.06	-	560.06

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	-	560.06

(A) OTHER EQUITY

For the year ended 31st March, 2023

Particulars	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	FVOCI Reserve	Equity Component of Preference Shares	Total Equity
Balance as at 1st April, 2022	19.31	720.20	8,558.56	3,831.87	74.16	7.29	13,211.39
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-
Profit/(Loss) for the year	-	-	-	2,373.50	-	-	2,373.50
Addition/(Deduction) during the year	-	-	-	-	-	(0.93)	(0.93)
Dividend paid during the year	-	-	-	(420.04)	-	-	(420.04)
Fair Valuation Gains on Investments in Equity Instruments	-	-	-	-	2.13	-	2.13
Remeasurements gain/(loss) on defined benefit plans	-	-	-	-	(19.65)	-	(19.65)
Balance as at 31st March, 2023	19.31	720.20	8,558.56	5,785.32	56.65	6.37	15,146.41

For the year ended 31st March, 2022

Particulars	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	FVOCI Reserve	Equity Component of Preference Shares	Total Equity
Balance as at 1st April, 2021	19.31	720.20	8,558.56	1,109.22	88.88	-	10,496.17
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	3,831.87	74.16	7.29	13,211.40

Note 1:

As approved by the shareholders a dividend of Rs. 7.5 per equity share aggregating to Rs. 420.04 lakhs in respect of year ended 31st March 2022 has been paid during the year. Further, the Board of Directors has recommended a final dividend of Rs. 10 per equity share in respect of year ended 31st March 2023.

"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 : May 30, 2023

ON BEHALF OF THE BOARD OF DIRECTORS

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

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Chairman & Managing
Director & CEO
(DIN: 00039543)

Sd/-
Mohan Akalkotkar
Chief Financial Officer
Dated : May 30, 2023

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

4 - PROPERTY, PLANT AND EQUIPMENT

(Rs in Lakhs)

	TANGIBLE ASSETS									INTANGIBLE ASSETS		CAPITAL	Total
	Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Dead Stock	Vehicles	Electrical Installations	Tubewell and Water Works	Weighing Scales	Total	Softwares	WORK IN PROGRESS	
Cost:													
As at 1st April, 2022	378.13	5.55	1,082.75	15,036.96	444.08	492.69	235.62	18.48	1.13	17,695.39	48.85	-	48.85
Additions	-	-	179.70	841.21	21.86	-	61.66	-	-	1,104.42	-	-	-
Disposals / transfers	0.50	5.46	6.64	367.53	-	-	-	-	-	380.13	-	-	-
As at 31st March, 2023	377.63	0.09	1,255.81	15,510.64	465.94	492.69	297.28	18.48	1.13	18,419.69	48.85	-	48.85
Accumulated depreciation:													
As at 1st April, 2022	-	0.27	514.20	11,868.71	384.64	392.89	160.18	14.26	0.66	13,335.81	33.80	-	33.80
Depreciation charged during the year	-	-	33.65	489.57	17.55	25.39	8.18	0.17	0.04	574.55	2.28	-	2.28
Disposals / transfers	-	0.27	6.64	366.99	-	-	-	-	-	373.90	-	-	-
As at 31st March, 2023	-	-	541.20	11,991.29	402.19	418.28	168.36	14.43	0.70	13,536.46	36.08	-	36.08
Net book value													
As at 31st March, 2022	378.13	5.28	568.55	3,168.25	59.44	99.80	75.44	4.22	0.47	4,359.58	15.05	-	15.05
As at 31st March, 2023	377.63	0.09	714.60	3,519.35	63.76	74.41	128.92	4.05	0.43	4,883.23	12.77	-	12.77

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

SHRI DINESH MILLS LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

	As at 31-03-2023 (Rs. In Lakhs)	As at 31-03-2022 (Rs. In Lakhs)
5 - NON - CURRENT FINANCIAL ASSETS - INVESTMENTS		
Investments (Unquoted)		
(A) Investments at Cost		
(a) Investments in Equity Shares		
- Others	0.05	0.05
	<u>0.05</u>	<u>0.05</u>
(b) Investment in Associates *	616.92	550.42
	<u>616.92</u>	<u>550.42</u>
	<u>616.97</u>	<u>550.47</u>
(B) Fair Value through Other Comprehensive Income		
(a) Investments in Equity Shares	12.70	11.63
	<u>12.70</u>	<u>11.63</u>
	<u>629.67</u>	<u>562.10</u>

* Investment value is post adjustment of Gain / Loss of the associate in the carrying amount.

Details of Investments	Face value per unit in Rs. unless otherwise specified	No. of shares/units		
			As at 31-03-2023	As at 31-03-2022 (Rs. In Lakhs)
Unquoted Investments:				
Investment in equity instruments				
Others (At cost)				
Gujarat Sheep & Wool Development Corporation Limited	Rs. 100	50.00	0.05	0.05
Others (At FVOCI)				
Narmada Cleantech Limited	Rs. 10	1,86,265	12.70	11.63
Investment in Associates (At cost)				
McGean Chemicals India Private Limited (Formerly known as Chem-verse Consultants (I) Private Limited)	Rs.10	11,515	616.92	550.42
			<u>629.67</u>	<u>562.10</u>

PARTICULARS	As at 31-03-2023 (Rs. In Lakhs)	As at 31-03-2022 (Rs. In Lakhs)
	Aggregate amount of quoted investments at cost	0.05
Market Value of the quoted investments at FVOCI	12.70	11.63
Aggregate amount of unquoted investments	616.92	550.42
Aggregate amount of impairment in the value of investment	-	-

	As at 31-03-2023 (Rs. In Lakhs)	As at 31-03-2022 (Rs. In Lakhs)
6 - NON - CURRENT FINANCIAL ASSETS - OTHERS		
Fixed Deposit Account (having maturity period of more than 12 months) *	730.89	155.89
Security deposits	165.40	158.91
Others #	2.13	-
	<u>898.42</u>	<u>314.81</u>

* Includes margin deposit

Pertains to amount given by one of the subsidiary of the Company for purchase of equity shares of a company in Mexico country. As on the the balance sheet date, shares are pending allotment to company

As at 31-03-2023	As at 31-03-2022
---------------------	---------------------

7 - NON - CURRENT ASSETS - OTHERS

	(Rs. In Lakhs)	(Rs. In Lakhs)
Other Assets		
- Gratuity Fund	6.05	7.44
Capital Advances	-	-
	6.05	7.44

8 - INVENTORIES

(valued at lower of cost and net realizable value)

	As at 31-03-2023 (Rs. In Lakhs)	As at 31-03-2022 (Rs. In Lakhs)
Raw Material	489.13	658.06
Work in Progress	289.98	221.92
Finished Goods	416.63	663.54
Consumable Stores and Spares	371.80	321.27
Others	19.94	21.81
	1,587.49	1,886.60

- 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 31-03-2023 (Rs. In Lakhs)	As at 31-03-2022 (Rs. In Lakhs)
	10,972.61	8,661.67
	10,972.61	8,661.67

a. Details of Current Investments

Name of Fund	As at 31-03-2023		As at 31-03-2022	
	No. of Units	Amount (Rs. In Lakhs)	No. of Units	Amount (Rs. In Lakhs)
ICICI Prudential Equity Arbitrage Fund	87,95,957.80	2,572.12	94,89,907.93	2,641.27
IDFC Arbitrage Fund	-	-	7,06,013.22	186.31
Kotak Equity Arbitrage Fund	79,87,092.03	2,541.09	75,48,677.47	2,280.44
ICICI Prudential Savings Fund	9,59,229.41	1,654.46	2,63,362.32	1,141.32
ICICI Prudential Short Term Fund	25,22,946.85	1,274.83	14,27,705.71	682.26
Axis Strategic Bond Fund	54,44,115.52	1,269.82	38,75,006.51	864.70
HDFC Medium Term Debt Fund	21,11,407.36	1,000.46	17,82,136.26	815.39
Axis Arbitrage Fund	41,30,779.51	659.83	3,27,906.22	49.98
Total		10,972.61		8,661.67

PARTICULARS

Aggregate amount of quoted investments and Market value there of

Aggregate amount of unquoted investments

	As at 31-03-2023 (Rs. In Lakhs)	As at 31-03-2022 (Rs. In Lakhs)
	10,972.61	8,661.67
	-	-

10 - TRADE RECEIVABLES**Unsecured**

Considered good

Considered doubtful

Less: Provision for doubtful debts

	As at 31-03-2023 (Rs. In Lakhs)	As at 31-03-2022 (Rs. In Lakhs)
	1,486.26	1,382.27
	-	-
	1,486.26	1,382.27
	1,486.26	1,382.27

Trade receivable ageing schedule as at 31st March, 2023

	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	Total
i. Undisputed Trade Receivables - considered good	1,413.34	53.33	1.00	0.01	-	1,486.26
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	-	-	-	-	-	-
	1,413.34	53.33	1.00	0.01	-	1,467.69

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

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

11 - CASH AND CASH EQUIVALENTS

A) Balances with Banks

- In Current Accounts

As at
31-03-2023
(Rs. In Lakhs)

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

311.88

480.13

B) Cash on Hand

1.70

1.33

313.58

481.46

12 - BANK BALANCES OTHER THAN ABOVE

Balances with Banks - Earmarked Balances

- Unpaid Dividend

Term deposit accounts with maturity of more than 3 Months but less than 12 Months

As at
31-03-2023
(Rs. In Lakhs)

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

28.13

26.48

21.71

-

49.84

26.48

13 - CURRENT - OTHER FINANCIAL ASSETS

Unsecured, considered good, unless otherwise stated

Interest receivable

Other receivables #

Government Incentives receivable

Consideration receivable towards sale of land

As at
31-03-2023
(Rs. In Lakhs)

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

34.32

17.71

46.38

45.30

18.99

20.04

-

499.65

99.69

582.71

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

14 - CURRENT ASSETS - OTHERS

Unsecured, considered good, unless otherwise stated

Advances other than Capital Advances

Other Loans and Advances

Statutory Dues (net)

Advance to Suppliers

As at
31-03-2023
(Rs. In Lakhs)

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

21.54

7.39

644.62

33.98

160.92

226.78

Prepaid Expenses	13.80	4.92
	840.87	273.06

15 - SHARE CAPITAL

Authorised:

	As at 31-03-2023 (Rs. In Lakhs)	As at 31-03-2022 (Rs. In Lakhs)
95,00,000 (31st March, 2022 - 95,00,000) Equity Shares of Rs. 10 each	950.00	950.00
50,000 (31st March, 2022 - 50,000) unclassified shares of Rs. 100 each	50.00	50.00

Issued, Subscribed and paid-up:

56,00,582 (March 31, 2022: 56,00,582) Equity Shares of Rs. 10 each fully paid up	560.06	560.06
	560.06	560.06

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

Particulars	As at 31-03-2023		As at 31-03-2022	
	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	56,00,582	5,60,05,820
Add: Shares issued pursuant to conversion of warrants	-	-	-	-
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 31-03-2023		As at 31-03-2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shri B. U. Patel	7,95,088	14.20	7,95,088	14.20
Shri N. U. Patel	7,68,852	13.73	7,68,852	13.73
Shri N. N. Patel	5,04,490	9.01	5,04,490	9.01
Shri A. B. Patel	4,92,443	8.79	4,92,443	8.79

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 .

	As at 31-03-2023 (Rs. In Lakhs)	As at 31-03-2022 (Rs. In Lakhs)
16 - OTHER EQUITY		
Capital Redemption Reserve		
Opening balance	19.31	19.31
Add: Addition during the year	-	-

Less: Written back during the year	-	-
Closing balance	19.31	19.31
Securities Premium		
Opening balance	720.20	720.20
Add: Addition during the year	-	-
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	3,831.88	1,109.23
Add: Net Profit/(Net Loss) For the current year	2,373.50	3,002.68
Add/(Less): Adjustments	-	-
- Dividend paid during the year @	(420.04)	(280.03)
Closing Balance	5,785.33	3,831.88
Fair Value through Other Comprehensive Income [FVTOCI] Reserve		
Opening balance	74.16	88.88
Adjusted from surplus in statement of profit and loss		-
- Re-measurement gains / (losses) on employee benefits	(19.65)	(15.79)
- Fair valuation of equity investments	2.13	1.06
	56.65	74.16
Equity Component of 4% Optionally Convertible Cumulative Preference Shares	6.37	7.29
Total of other equity - as at 31st March, 2021	15,146.42	13,211.40

@ As approved by the shareholders of Holding Company, dividend of Rs. 7.5 per equity share aggregating to Rs. 420.04 lakhs in respect of year ended 31st March 2022 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"

	As at 31-03-2023 (Rs. In Lakhs)	As at 31-03-2022 (Rs. In Lakhs)
17 - NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS		
Secured		
a. Term Loans		
<i>From banks</i>		
- Rupee Term Loans	1,415.32	756.85
Less: Current Maturities of Long Term Debt	(213.33)	(142.88)

	1,201.99	613.97
Unsecured		
4% Optionally Convertible Cumulative preference shares	35.14	34.44
Less: Current Maturities	(0.77)	(3.14)
	34.37	31.30
	1,236.36	645.27

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

Repayment Schedule

Name of Institution	Instruments	Starting From	Frequency	Rate of Interest	First Installment due
South Indian Bank Ltd	Term Loan - 541	Dec-11	Monthly	10.50%	15-Mar-14
South Indian Bank Ltd	Term Loan - 40L	Sep-18	Monthly	10.75%	14-Apr-19
South Indian Bank Ltd	Term Loan - 40L	Apr-19	Monthly	10.40%	06-Nov-19
South Indian Bank Ltd	Term Loan - 63.50L	Nov-19	Monthly	10.15%	10-Dec-19
South Indian Bank Ltd	Emergency Credit Line Guarantee scheme (ECLGS) - 100L	Jun-20		8.60%	09-Jul-21
South Indian Bank Ltd	Term Loan - 61.50L	Dec-21	Monthly	8.30%	10-Mar-22
South Indian Bank Ltd	Term Loan - 561.9L	Sep-21	Monthly	8.30%	10-Mar-22
South Indian Bank Ltd	Term Loan - 76.00L	Aug-22	Monthly	10.10%	05-Aug-22
South Indian Bank Ltd	Term Loan - 701.74L	Dec-23	Monthly	10.10%	05-Dec-22

18 - NON - CURRENT FINANCIAL LIABILITIES - OTHERS

Unsecured

Trade Deposits

As at	As at
31-03-2023	31-03-2022
(Rs. In Lakhs)	(Rs. In Lakhs)
52.20	59.50
52.20	59.50

19 - NON - CURRENT PROVISIONS

Provision for Employee Benefits

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

As at	As at
31-03-2023	31-03-2022
(Rs. In Lakhs)	(Rs. In Lakhs)
81.82	76.31
128.35	104.66
40.09	40.09
250.26	221.06

Other Provisions

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

724.44	327.11
974.70	548.17

Provision for Gratuity pertains to gratuity payable to Directors of Holding Company

Provision for Leave Encashment includes amount of 43.30 lakhs(As at 31/03/2022:Rs. 29.45 lakhs) pertaining to payable to Directors of Holding Company

20 - DEFERRED TAX LIABILITIES (NET)

Deferred Tax Assets on account of:

(i) Depreciation

Opening Deferred Tax Asset/(Liability)
Add/(Less): Charge or Credit during the year
Closing Deferred Tax Asset

As at	As at
31-03-2023	31-03-2022
(Rs. In Lakhs)	(Rs. In Lakhs)
27.00	(52.43)
76.82	(79.43)
103.82	27.00

Deferred Tax Assets on account of:

(i) Expenses allowable for tax purposes when paid (Octroi)

Opening Deferred Tax Asset

15.98	16.27
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Add/(Less): Charge or Credit during the year	0.00	(0.29)
Closing Deferred Tax Asset	15.98	15.98
(ii) Unencashed Leave (Employee or Director)		
Opening Deferred Tax Asset	32.56	39.15
Add/(Less): Charge or Credit during the year	6.81	(6.59)
Closing Deferred Tax Asset	39.37	32.56
(ii) Gratuity		
Opening Deferred Tax Asset	15.42	14.52
Add/(Less): Charge or Credit during the year	1.51	0.90
Closing Deferred Tax Asset	16.93	15.42
Total Deferred Tax Assets	176.10	90.96
Net Deferred Tax (Assets) / Liabilities	(176.10)	(90.96)

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	As at	As at
	31-03-2023	31-03-2022
	(Rs. In Lakhs)	(Rs. In Lakhs)
Profit before tax	2,906.77	3,043.01
Corporate tax rate as per Income Tax Act, 1961	25.17%	25.17%
Income tax calculated (A)	731.58	765.87
Tax impact - Adjustments to reconcile expected income tax expense to reported income tax expense (item * tax rate):		
Non-Deductible Expenses for Tax Purposes	23.15	6.04
Deductible Expenses for Tax Purposes	(117.21)	(15.05)
Depreciation impact as per tax purposes	34.84	23.43
Effect of deductions allowed under Income Tax	21.90	(3.52)
Impact on account of depreciable assets	-	(304.37)
Others	171.68	(22.40)
Total Adjustments (B)	134.36	(315.87)
Income Tax Expense Recognised (A+B)	597.21	450.00
Effective Income Tax Rate	20.55%	14.79%

22 - OTHER NON CURRENT LIABILITIES

Others	As at	As at
	31-03-2023	31-03-2022
	(Rs. In Lakhs)	(Rs. In Lakhs)
Octroi Liability	63.49	63.49
	63.49	63.49

The above Octroi Liabilities are disputed

23 - CURRENT FINANCIAL LIABILITIES - BORROWINGS

Secured	As at	As at
	31-03-2023	31-03-2022
	(Rs. In Lakhs)	(Rs. In Lakhs)
a. Loans repayable on demand		
From banks		
- Cash Credits	(67.64)	(122.13)
- FBP Packing credit*	14.36	71.17
Current Maturities of Long Term Debts	214.10	146.02
	160.82	95.07

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

- Quarterly Reconciliation of amount reported in books versus what is being submitted in Bank for determination of Drawing power of OD (i.e. Quarterly reconciliation of submitted values to bank with respect of Debtors, and stock (Value in books vs value submitted to bank)

	As at 31-03-2023 (Rs. In Lakhs)	As at 31-03-2022 (Rs. In Lakhs)
24 - CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES		
Due to micro and small enterprises (MSME)	2.77	14.06
Due to other than micro and small enterprises	741.47	788.97
	<u>744.24</u>	<u>803.03</u>

Trade payables ageing schedule as at 31 March, 2023	< 1 year	1-2 years	2-3 years	> 3 years	Total
MSME	2.77	-	-	-	2.77
Others	694.50	14.39	6.73	25.85	741.47
Disputed dues (MSME)	-	-	-	-	-
Disputed dues (Others)	-	-	-	-	-
	<u>697.28</u>	<u>14.39</u>	<u>6.73</u>	<u>25.85</u>	<u>744.24</u>

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)	-	-	-	-	-
	<u>776.55</u>	<u>0.37</u>	<u>6.36</u>	<u>19.75</u>	<u>803.03</u>

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 31-03-2023	As at 31-03-2022
(a) Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;	2.77	14.06
(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	-	-

	As at 31-03-2023 (Rs. In Lakhs)	As at 31-03-2022 (Rs. In Lakhs)
25 - CURRENT - OTHER FINANCIAL LIABILITIES		
Interest accrued on deposits	46.82	50.50
Unpaid Dividends	28.13	26.48
Due to Directors	13.84	14.53
Other Liabilities	46.38	102.23
	<u>135.17</u>	<u>193.73</u>

	As at 31-03-2023 (Rs. In Lakhs)	As at 31-03-2022 (Rs. In Lakhs)
26 - OTHER CURRENT LIABILITIES		
Advances received from Customers	611.33	544.26
Advances received against capital assets	-	72.00
Statutory liabilities	395.46	64.86
Provision for Expenses	615.29	592.09
Other Liabilities	5.45	5.39
	<u>1,627.53</u>	<u>1,278.61</u>

As at As at

	31-03-2023 (Rs. In Lakhs)	31-03-2022 (Rs. In Lakhs)
27 - SHORT TERM PROVISIONS		
Provision for employee benefit		
Gratuity	64.19	26.20
Leave Encashment	38.82	34.87
	103.01	61.08

	2022-23 (Rs. In Lakhs)	2021-22 (Rs. In Lakhs)
28 - REVENUE FROM OPERATIONS		
Sale of Products		
- Manufactured goods	9,763.95	9,015.04
- Traded goods	53.17	1.04
	9,817.12	9,016.08

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.

	2022-23 (Rs. In Lakhs)	2021-22 (Rs. In Lakhs)
29 - OTHER INCOME		
Interest Received/Receivable		
From banks	22.99	11.94
From others	-	-
Dividend Income	0.13	-
Miscellaneous Income	53.08	81.68
Net gain on foreign currency transaction and translation	1.28	5.88
Gain on Sale of Investments	87.04	68.57
Gain on sale of Fixed Assets	102.63	95.03
Scrap Sale	0.96	0.45
Sundry balances written back	2.04	14.12
Gain on Fair Valuation of Financial Instruments (Net)	405.92	240.58
Duty Drawback and Other Export Incentives	0.53	4.73
	676.60	522.98

	2022-23 (Rs. In Lakhs)	2021-22 (Rs. In Lakhs)
30 - COST OF MATERIALS CONSUMED		
Synthetic Fibre	615.30	634.83
Yarn	806.61	764.68
Others	12.14	10.57
Gelatine & Others	1,868.69	1,352.55
	3,302.74	2,762.63

	2022-23 (Rs. In Lakhs)	2021-22 (Rs. In Lakhs)
31 - PURCHASES OF STOCK IN TRADE		
Ready-made Garments	-	0.19
Dicalcium Phosphate	47.71	-
	47.71	0.19

	2022-23 (Rs. In Lakhs)	2021-22 (Rs. In Lakhs)
32 - CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK IN PROGRESS		
<u>Inventories (at close):</u>		
Work - in - Progress	289.98	221.92
Finished Goods	416.63	663.54
	706.61	885.47
<u>Inventories (at commencement):</u>		
Work - in - Progress	221.92	267.31
Finished Goods	663.54	589.11
	885.47	856.42
Decrease in inventories related to discontinued operations	178.86	(29.05)

	2022-23 (Rs. In Lakhs)	2021-22 (Rs. In Lakhs)
33 - EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages	2,092.40	1,977.54
Contributions to -		
- Provident fund, Superannuation scheme & Other funds	192.25	145.40
- Employees' State Insurance Scheme	9.31	9.65
Staff Welfare Expense	4.14	4.14
	<u>2,298.10</u>	<u>2,136.73</u>

	2022-23 (Rs. In Lakhs)	2021-22 (Rs. In Lakhs)
34 - FINANCE COSTS		
Interest expenses	117.06	39.69
Unwinding interest component on cumulative preference shares	12.41	2.48
Other borrowing costs	21.16	22.40
	<u>150.63</u>	<u>64.57</u>

	2022-23 (Rs. In Lakhs)	2021-22 (Rs. In Lakhs)
35 - OTHER EXPENSES		
OPERATING, ADMINISTRATION AND GENERAL EXPENSES		
Stores Consumed	420.82	389.35
Electricity, Power and Fuel	692.34	496.07
Rent	4.75	4.49
Commission & Brokerage	16.58	30.03
Cash Discount	159.70	153.86
Repairs*	413.56	445.17
Insurance	31.23	31.45
Freight Outward	126.52	98.86
Freight Inward	3.09	-
Rates and Taxes	30.86	49.26
Payments to Auditors**	8.25	7.73
Donations	80.00	20.00
Contribution towards CSR expenses	16.75	4.00
Advertisement and Publicity	7.79	4.05
Legal & Professional Fees	219.70	243.82
Travelling and Conveyance	255.61	150.47
Seminar, Training and Exhibition expenses	72.53	31.46
Loss on sale of assets	-	7.82
Miscellaneous Expenses	332.74	289.46
Sundry Balances Written off	1.56	4.37
	<u>2,894.37</u>	<u>2,461.74</u>

* includes:

Repairs to buildings	73.14	74.83
Repairs to machinery	283.07	310.63
Other Repairs	57.35	59.71

**Payments to the auditors for

- Statutory audit	8.01	7.61
-For taxation matters	0.18	0.13
- Others	-	-
	<u>8.19</u>	<u>7.73</u>

	2022-23 (Rs. In Lakhs)	2021-22 (Rs. In Lakhs)
35A - EXCEPTIONAL ITEMS		
Gain on sale of land parcels *	1,795.79	2,015.23
	<u>1,795.79</u>	<u>2,015.23</u>

* Exceptional items represents sale of certain land parcels

	2022-23 (Rs. In Lakhs)	2021-22 (Rs. In Lakhs)
36 - EARNINGS PER EQUITY SHARE		

A. The numerators and denominators used to calculate the basic and diluted EPS after exceptional items are as follows:

Profit attributable to Shareholders	2,354.72	2,989.62
Basic and weighted average number of Equity Shares outstanding during the period	56,00,582	56,00,582
Nominal value of equity share	10.00	10.00
Basic & diluted Earnings per equity share items [EPS]	42.04	53.38

B. The numerators and denominators used to calculate the basic and diluted EPS before exceptional items are as follows:

Profit attributable to Shareholders	558.93	974.39
Basic and weighted average number of Equity Shares outstanding during the period	56,00,582	56,00,582
Nominal value of equity share	10.00	10.00
Basic & diluted Earnings per equity share items [EPS]	9.98	17.40

SHRI DINESH MILLS LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

	As at 31-03-2023 (Rs. In Lakhs)	As at 31-03-2022 (Rs. In Lakhs)
37 - CONTINGENT LIABILITIES AND COMMITMENTS - NOT PROVIDED FOR		
CONTINGENT LIABILITIES		
(a) Workers' demand - matter under appeal	11.54	20.61
(b) Additional Bonus liability owing to amendment introduced in The Payment of Bonus Act, 1965, the matter at this juncture is at adjudged stage with the various High Courts for the year 2014-15	-	-
(c) Income tax Demands / outstanding- matters under appeal	191.86	151.90
(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 Group 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 Group 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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Revenue						
External Sales	5,970.59	5,510.92	3,846.53	3,505.15	9,817.12	9,016.07
Total Revenue	5,970.59	5,510.92	3,846.53	3,505.15	9,817.12	9,016.07
Segment Results						
Profit before Interest and Tax (incl. discontinued and continued operations)	2,825.98	3,055.86	173.47	661.37	2,999.45	3,717.23
Interest Expense (Net)	14.78	12.85	135.84	64.95	150.63	77.80
Other un-allocable income, net of unallocable Expenditure	-	-	-	-	-	-
Profit before tax	2,811.19	3,043.01	37.63	596.42	2,848.82	3,652.28
(1) Current tax	601.67	465.91	-	-	601.67	465.91
(2) Deferred tax	(85.14)	(73.46)	-	-	(85.14)	(73.46)
Profit / (Loss) for the year	2,363.67	2,671.55	37.63	596.42	2,401.30	3,267.97
Less: Share of Minority Interest	-	-	16.74	265.29	16.74	265.29
Other Comprehensive Income for the year	(20.36)	(10.99)	2.85	(3.74)	(17.51)	(14.73)
Less: Share of Minority Interest	-	-	1.27	(1.66)	1.27	(1.66)
Total Comprehensive Income for the year	2,343.32	2,660.56	40.48	592.68	2,383.79	3,253.22
Less: Share of Minority Interest	-	-	18.01	263.63	18.01	263.63
Segment Fixed Assets	1,552.79	1,702.72	3,320.92	2,671.83	4,873.70	4,359.58
Total Assets						
Segment Liabilities	3,045.07	2,176.05	2,239.55	1,751.32	5,284.62	3,747.95
Total Liabilities						

Depreciation & Amortisation (incl. discontinued and continued operations)	344.59	340.51	232.23	176.13	576.83	516.63
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(b) Secondary segment - Geographical Segment

Information of geographical segment:

Particulars	Year	In India	Outside India	Total
		(Rs. In Lakhs)	(Rs. In Lakhs)	(Rs. In Lakhs)
Segment Revenue	2022-23	8,976.87	840.25	9,817.12
	2021-22	8,097.93	917.11	9,015.04
Carrying cost of Assets by location of Assets	2022-23	21,956.58	-	
	2021-22	18,644.19	-	18,644.19
Additions to Assets and Intangible (Net)	2022-23	1,104.42	-	1,104.42
	2021-22	995.65	-	995.65

Other disclosures:

1. Segment has been identified in line with the Accounting Standard - 17 "Segment reporting" taking into account the organisation Structure as well as the differing risks and returns.
2. Group has disclosed Business Segment as the Primary Segment.
3. Composition of Business Segment:

Name of Segment comprises of:

- (a) Textile Felt
(b) Pharmaceuticals Empty Hard Gelatin Capsules

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

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

(a) Defined contribution plans

- Provident fund

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

(b) Defined benefit plans

- Gratuity

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

Economic Assumptions

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

Discount Rate

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefits/obligations works out to zero years. For the current valuation a discount rate of 7.44% p.a. (Previous Year 6.98% 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 31-03-2023 (Rs. In Lakhs)	As at 31-03-2022 (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	432.38	441.00
Interest Cost	29.99	30.03
Current Service Cost	24.21	23.23
Past Service Cost	-	-
Benefits Paid	(26.54)	(55.17)
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	(0.17)
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(11.14)	(3.03)
Actuarial (Gain)/Loss on arising from Experience Adjustment	14.25	(3.51)
Present value of obligation as at the end of the year	463.14	432.38

Change in fair value of plan assets during the year		
Fair Value of plan assets at the beginning of the year	406.17	452.94
Interest Income	28.27	30.93
Contributions by the employer	8.20	-
Benefits paid	(26.54)	(55.17)
Return on plan assets	(16.54)	(22.53)
Fair Value of plan assets at the end of the year	399.55	406.17
Net Asset/ (Liability) recorded in the Balance Sheet		
Present value of obligation as at the end of the year	463.14	432.38
Fund Balance	385.01	391.14
Net Asset/ (Liability)- Holding Company - As having excess gratuity fund (Current)	43.39	8.20
Net Asset/ (Liability)-Current - Subsidiary	20.19	18.00
Net Asset/ (Liability)-Non-Current	14.55	15.03
Expenses recorded in the Statement of Profit & Loss during the year		
Interest Cost	2.74	(1.43)
Current Service Cost	24.21	23.24
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	26.94	21.81
Recognized in Other Comprehensive Income during the year		
Actuarial Gain / (Loss) on Obligation for the period	3.05	(5.13)
Return on Planned Assets, Excluding Interest Income	16.59	20.92
Net Income / (Expense) for the period recognized in OCI	(22.49)	(12.05)
Maturity analysis of the benefit payments from the fund		
1st following year	147.77	116.81
2nd following year	33.70	49.35
3rd following year	43.62	30.83
4th following year	48.41	38.95
5th year and thereafter	450.70	460.58
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	(20.93)	(20.97)
1 percentage point decrease in discount rate	23.66	23.82
1 percentage point increase in salary increase rate	24.00	24.05
1 percentage point decrease in salary increase rate	(21.58)	(21.53)
1 percentage point increase in employee turnover	3.85	3.11
1 percentage point decrease in employee turnover	(4.27)	(3.47)

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, 2023, 31st March, 2022.

	As at 31st March, 2023		As at 31st March, 2022	
	Foreign Currency	(Rs. In Lakhs)	Foreign Currency	(Rs. In Lakhs)
Receivables				
Trade Receivables (in USD)	1,06,730.00	87.71	1,44,750.00	108.79
Payables				
Trade payables (in USD)	-	-	1,11,650	85.10
Advance received from Customers (in USD)	-	-	44,611.60	33.44

SHRI DINESH MILLS LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

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

(a) Related Parties

i) Where significant influence exists:

- Shri Dinesh Foundation	Key Management Personnel are Trustee
- Shri Maganbhai B. Patel's Charity Trust	Key Management Personnel are Trustee

ii) Key Management 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	-
Mrs. Taruna Patel	Non-executive Independent Director	-
Mr. Mohan Akalkotkar	Chief Financial Officer (appointed with effect from 31st May, 2021)	-
Mr. Bindesh Patel	-	Chief Financial Officer
Mr. Shrihari 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
Rashmikant Patel	Father of Independent Director

(b) Transactions with related parties:

	Amount		Outstanding Balance	
	2022-23 (Rs. In Lakhs)	2021-22 (Rs. In Lakhs)	2022-23	2021-22 (Rs. In Lakhs)
Remuneration paid to CMD - Shri B U Patel	148.32	118.00	4.80	1.63
Remuneration paid to MD - Shri N U Patel	148.32	118.00	1.10	1.86
Remuneration paid to relative of KMP	81.70	72.39	1.45	5.95
Director's Sitting Fees paid to Mr. T M Patel	1.12	0.56	-	-
Director's Sitting Fees paid to Mr. Sanjiv Shah	1.03	1.03	-	-
Director's Sitting Fees paid to Mr. Rakesh Agrawal	1.12	1.12	-	-
Director's Sitting Fees paid to Director of subsidiaries	0.69	0.97	-	-
Director's Sitting Fees paid to Mrs. Tarunaben Patel	-	0.19	-	-
Director's Sitting Fees paid to Ms. Reshmaben Patel	0.94	0.75	-	-
Director's Remueration paid to Director of subsidiaries	-	70.00	-	-
Interest expense on cumulative preference shares of Dinesh Remedies Limited	1.35	2.48	-	-
Donation given to Shri Dinesh Foundation	40.00	10.00	-	-
Donation given to Shri Maganbhai B. Patel's Charity Trust	40.00	10.00	-	-
Remuneration paid to Chief Financial Officer of Holding Company	9.08	8.45	1.44	0.68
Remuneration paid to Chief Financial Officer of Subsidiary Company	10.87	8.21	-	-
Remuneration paid to Company Secretary of Holding Company	23.62	22.17	1.70	1.17
Remuneration paid to Company Secretary of Subsidiary Company	2.00	1.02	0.16	0.08

(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 2023

42-The Subsidiaries considered in Consolidated Financial Statements are

Particulars	Country of origin	Proportionate ownership interest	Proportionate ownership interest
		2022-23	2021-22

Subsidiaries:

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	As at
	31st March, 2023	31st March, 2022
Dinesh Remedies Limited		
	(Rs. In Lakhs)	(Rs. In Lakhs)
Non Controlling Interest	44.48%	44.48%
Asset:		
Non Current Assets	3,406.09	2,747.47
Current Assets	1,438.85	1,574.62
Total Assets	4,844.94	4,322.09
Liabilities:		
Share Capital	2,359.16	2,359.16
Other Equity	246.23	211.60
Total Equity	2,605.39	2,570.76
Non Current Liabilities	1,443.95	834.86
Current Liabilities	795.60	916.46
Total Liabilities	2,239.55	1,751.32
Revenue	3,852.45	3,522.20
Expenditure	3,814.83	2,925.78
Profit and Loss	37.63	596.42
Other Comprehensive income	2.85	(3.74)
Total Comprehensive income	40.47	592.68
Cash flow from operating activities	340.33	465.22
Cash flow from investing activities	(879.31)	(878.46)
Cash flow from financing activities	540.57	393.91

44. Statement showing shares of entities in Consolidated Network 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, 2023								
Parent								
Shri Dinesh Mills Limited	98.91%	15,534.50	96.68%	2,294.66	108.41%	(20.36)	96.58%	2,274.31
Parent Total	98.91%	15,534.50	96.68%	2,294.66	108.41%	(20.36)	96.58%	2,274.31
Subsidiaries								
Dinesh Remedies Limited	16.59%	2,605.39	1.59%	37.63	-15.15%	2.85	1.72%	40.47
Stellant Chemical Industries Limited	4.12%	647.58	-0.05%	(1.07)	0.00%	-	-0.05%	(1.07)
Fernway Technologies Limited	0.23%	35.78	-0.05%	(1.08)	0.00%	-	-0.05%	(1.08)
Subsidiaries Total	20.94%	3,288.75	1.49%	35.47	-15.15%	2.85	1.63%	38.32
Non Controlling Interest in subsidiaries								
Dinesh Remedies Limited	7.27%	1,141.52	-0.71%	(16.74)	6.74%	(1.27)	-0.76%	(18.01)
Non Controlling Interest Total	7.27%	1,141.52	-0.71%	(16.74)	6.74%	(1.27)	-0.76%	(18.01)
Adjustment in Consolidated Accounts	-27.04%	(4,247.23)	3.00%	71.16	0.00%	-	3.02%	71.16
Total	100.07%	15,717.54	100.47%	2,384.56	100.00%	(18.78)	100.47%	2,365.78
		-11.06		-11.06		-		-11.06

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	84.17%	(10.99)	88.29%	2,639.57
Parent Total	99.34%	13,680.23	88.27%	2,650.56	84.17%	(10.99)	88.29%	2,639.57
Subsidiaries								
Dinesh Remedies Limited	18.67%	2,570.76	19.86%	596.42	28.65%	(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	28.65%	(3.74)	19.71%	589.22
Non Controlling Interest in subsidiaries								
Dinesh Remedies Limited	8.17%	1,124.78	-8.84%	(265.29)	-12.82%	1.67	-8.82%	(263.62)
Non Controlling Interest Total	8.17%	1,124.78	-8.84%	(265.29)	-12.82%	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	100.00%	(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, 2023

Financial Instrument	Note No.	Carrying Amount					Fair value			
		FVTPL	FVOCI	Total Fair Value	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non Current Assets										
Financial Assets										
(i) Investments		-	12.70	12.70	616.97	629.67	-	-	12.70	12.70
(ii) Loans		-	-	-	-	-	-	-	-	-
(ii) Others		-	-	-	898.42	898.42	-	-	-	-
Current Assets										
Financial Assets										
(i) Investments		10,972.61	-	10,972.61	-	10,972.61	10,972.61	-	-	10,972.61
(ii) Trade Receivables		-	-	-	1,486.26	1,486.26	-	-	-	-
(iii) Cash and Cash Equivalents		-	-	-	313.58	313.58	-	-	-	-
(iv) Bank balances other than above (ii)		-	-	-	49.84	49.84	-	-	-	-
(v) Others		-	-	-	99.69	99.69	-	-	-	-
		10,972.61	12.70	10,985.31	3,464.76	14,450.07	10,972.61	-	12.70	10,985.31
Non Current Liabilities										
Financial Liabilities										
(i) Borrowings		-	-	-	1,236.36	1,236.36	-	-	-	-
(ii) Others		-	-	-	52.20	52.20	-	-	52.20	52.20
Current Liabilities										
Financial Liabilities										
(i) Borrowings		-	-	-	160.82	160.82	-	-	-	-
(ii) Trade Payables		-	-	-	744.24	744.24	-	-	-	-
(iii) Other Financial Liabilities		-	-	-	135.17	135.17	-	-	-	-
		-	-	-	2,328.79	2,328.79	-	-	52.20	52.20

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		-	-	-	-	-	-	-	-	-
(ii) 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		-	-	-	1,382.27	1,382.27	-	-	-	-
(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	3,338.20	12,011.50	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

During the reporting period ending March 31, 2023 and March 31, 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

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, 2023 and March 31, 2022.

II. Foreign Currency Sensitivity

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

Currency	2022-23		2021-22	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	0.88	(0.88)	(0.97)	0.97
EURO	-	-	-	-
Total	0.88	(0.88)	(0.97)	0.97

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 2023

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

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

Particulars	As at	As at
	31-03-2023	31-03-2022
Trade Receivables	1,486.26	1,382.27
Total (A)	1,486.26	1,382.27

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	As at
	31-03-2023	31-03-2022
Up to 6 months	1,413.34	1,363.12
More than 6 months	72.92	19.15
Total	1,486.26	1,382.26

IV. Provision for expected credit losses against "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 31-03-2023				As at 31-03-2022			
	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	-	1,236.36	-	1,236.36	-	645.27	-	645.27
Non-current financial liabilities - Others	-	52.20	-	52.20	-	59.50	-	59.50
Current financial liabilities - Borrowings	160.82	-	-	160.82	95.07	-	-	95.07
Current financial liabilities - Trade Payables	744.24	-	-	744.24	803.03	-	-	803.03
Current financial liabilities - Others	135.17	-	-	135.17	193.73	-	-	193.73
Total	1,040.23	1,288.56	-	2,328.79	1,186.85	871.95	-	1,796.60

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, 2023 would increase / decrease by Rs. 109.73 lakhs (March 31, 2022 by Rs. 86.61 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	As at
	31-03-2023	31-03-2022
Total Debt	1,397.18	740.34
Equity	15,706.48	13,771.46
Capital and net debt	17,103.66	14,511.80
Gearing ratio	8.17%	5.10%

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 McGean Chemicals India Private Limited (Formerly known as Chem-Verse Consultants (India) Private Limited) on 24th December, 2021 hence the said company is an associate of the Group.

McGean Chemicals India Private Limited (Formerly known as Chem-Verse Consultants (India) Private Limited) 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.

Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

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 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 and one associate as mentioned below: -

Name of the Company	Country of Incorporation	Effective % of holding as at 31 st March, 2023	Effective % of holding as at 31 st March, 2022
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%
McGean India Chemicals Private Limited ##	India	26.00%	26.00%

Formerly known as Fernway Textile Ltd.

Formerly known as Chem-Verse Consultants (India) Private Limited

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

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 2023, in Indian Rupees as per the Ind AS provisions.

SHRI DINESH MILLS LIMITED
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- (ii) These consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements.
- (iii) The difference between the cost of investment in the subsidiaries and the Holding Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognized in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.
- (iv) Goodwill arising out of consolidation is tested for impairment at each balance sheet date.
- (v) Non-controlling interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately from liabilities and equity of the Holding Company's shareholders.

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

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

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

2B. USE OF ESTIMATES

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

Critical estimates and judgments

The areas involving critical estimates or judgments are:

- a) Estimation of current tax expense and payable – Refer accounting policies - 3.9
- b) Estimated useful life of property, plant & equipment and intangible assets – Refer accounting policies - 3.1
- c) Estimation of defined benefit obligation – Refer accounting policies - 3.8
- d) Estimation of fair values of contingent liabilities - Refer accounting policies - 3.12
- e) Recognition of revenue - Refer accounting policies - 3.4

- f) Recognition of deferred tax assets for carried forward tax losses – Refer accounting policies - 3.9
- g) Impairment of financial assets – Refer accounting policies - 3.2 & 3.5

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

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.
- (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

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.
- (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.

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

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

Form: AOC – I

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

Statement containing salient features of the Financial Statement of Subsidiaries / Associate companies / Joint Ventures as at 31/03/2023

Part – “A”: Subsidiaries

Sr. No.	Particulars	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
1	Name of the Subsidiary	Dinesh Remedies Limited	Fernway Technologies Limited	Stellent Chemicals Industries Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting period is same i.e. 31 st March of every year	Reporting period is same i.e. 31 st March of every year	Reporting period is same i.e. 31 st March of every year
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable	Not Applicable
4	Share Capital	2,359.16	40.00	590.00
5	Reserves & Surplus	246.23	(4.22)	(28.49)
6	Total Assets	4,844.94	35.84	565.89
7	Total Liabilities	2,239.56	0.06	4.39
8	Investments (including investment in subsidiaries and associates)	NIL	NIL	530.84
9	Turnover	3,846.53	NIL	NIL
10	Profit / (Loss) Before Tax	37.63	(1.08)	(1.07)
11	Provision for Taxation	NIL	NIL	NIL
12	Profit/ (Loss) after Tax	37.63	(1.08)	(1.07)
13	Proposed Dividend	NIL	NIL	NIL
14	% of shareholding	55.52%	100%	100%

Notes:

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

Part – “B”: Associates and Joint Ventures:

The statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Venture Companies:

Name of the Associate Company	McGean India Chemicals Pvt. Ltd. – Associate of Stellent Chemicals Industries Ltd
1. Latest Audited Balance Sheet Date	31-03-2023
2. Date on which the Associate Company was associated or acquired	24-12-2021
3. Shares of Associate held by the Company on the year end: (a) Number of Shares: (b) Amount of Investment: (c) Extent of Holding (%)	(a) 0.00 (b) 0.00 (c) 26%*
4. Description of how, there is significant influence	Equity Investment by subsidiary of the company of more than 20%

5. Reason why the Associate is not consolidated	Not applicable
6. Net Worth attributable to shareholding as per latest Audited Balance Sheet	683.51 Lakhs
7. Profit for the year	255.74 lakhs
(i) Consolidated in Consolidation	66.49 lakhs
(ii) Not consolidated in Consolidation	189.25 lakhs

*Share Capital is held by Wholly Owned Subsidiary viz. Stellent Chemicals Industries Ltd.

Notes: (1) Names of Associates or Joint Ventures which are yet to commence Operations: None / Not Applicable

(2) Names of Associates or Joint Ventures which have been liquidated or sold during the year: None

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
M. No .ACS 6351

Sd/-
MOHAN AKALKOTKAR
Chief Financial Officer

Vadodara, 30th May, 2023



IMPORTANT COMMUNICATION TO SHAREHOLDERS

Dear Shareholders,

Sub: Letter for mandatory updating the PAN, KYC, Nomination and Bank details by physical shareholders

Ref: SEBI Circular dated 16/03/2023 on Common & Simplified Norms for processing Investor's Service requests

We reference to the above-mentioned SEBI circular on Common and Simplified Norms for processing investor's service requests by Registrar and Transfer Agent (RTA) and norms for furnishing PAN, KYC details and Nomination, it is mandatory for all the Physical Shareholders to update the PAN, KYC, Nomination details, Bank details, Contact details and Specimen Signature with RTA/ Company on or before 30th September, 2023. Hence, you are requested to comply with the following procedure to avoid freezing of your folio:

1. Update/ furnish valid PAN, Address and Bank account details i.e. Account No., Bank name, Branch name, IFSC code in Form ISR-1 with our RTA.
2. Update/ furnish your Contact details i.e. Mobile Number and Email Address and other KYC details in Form ISR-1 and Nomination details in Form SH-13 with our RTA.
3. If you want to register / update the signature in the Company/RTA records, then submit Form ISR-2 duly verified by your Bank.
4. In case you do not wish to nominate any person with whom shall vest, all the rights in respect of such shares in the event of your death, you are requested to file Declaration to Opt-out', in Form ISR-3 with our RTA.

Members may download the above referred forms from the Website of the Company at: www.dineshmills.com > Investors > Disclosure

SHAREHOLDER HOLDING SHARES IN PHYSICAL FORM ARE REQUIRED TO FURNISH ALL ABOVE DETAILS IMMEDIATELY, FAILING WHICH YOUR PHYSICAL FOLIOS SHALL STAND FROZEN W.E.F. OCTOBER 1, 2023, BY THE RTA OF THE COMPANY. THE SHAREHOLDERS WITH FROZEN FOLIO SHALL NOT BE ELIGIBLE TO LODGE GRIEVANCE OR AVAIL SERVICE REQUEST FROM THE RTA AND SHALL ALSO NOT BE ELIGIBLE FOR RECEIPT OF DIVIDEND IN PHYSICAL MODE, TILL THE COMPLETE DOCUMENTS / DETAILS AS AFORESAID ARE FURNISHED BY THE SHAREHOLDER.

IMPORTANT NOTE:

Further, as required by the Income Tax Authorities, please link your PAN and Aadhar by the date as specified by the Central Board of Direct Taxes, (CBDT), if not linked earlier, to avoid freezing of your folio. Kindly note that the folios under which PAN



is/are not valid as on the notified cut-off date or any other date as may be specified by CBDT, shall be frozen by the Company. Further also take a note that, Shares held in physical form which stand frozen till December 31, 2025, shall be referred by RTA / the Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002.

For further queries, you can approach our Registrar and Share Transfer Agent (RTA) at: MCS Share Transfer Agent Limited (Unit: Shri Dinesh Mills Limited), 101, 1st Floor, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad-380009, Email- mcsstaahmd@gmail.com Tel.: +91 79 26580461/62/63.

Please ignore this communication, if you have already updated necessary KYC details with our RTA and now there is no any change.

Thanking you,

For Shri Dinesh Mills Limited,

Sd/-

J B Sojitra

Company Secretary

M. No. A6351