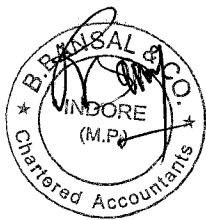
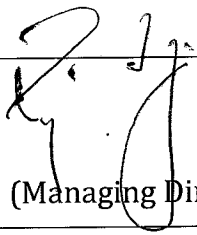
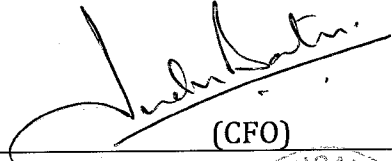

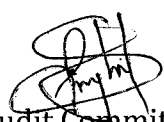


FORM -B

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company	The Dhar Textile Mills Limited
2	Annual Financial Statements for the year ended	31 st March 2015
3	Type of Audit Observation	Qualified
4	Frequency of observation	Repetitive, more than 8 years
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Point no. 2(f)(i) and 2(f)(ii) of Independent Auditors' Report 2015 and Management Response at para ' Auditor's Report in Director Report.
	Additional comments from the board/ audit committee chair:	<p>Explanation for remark in Auditor's Report:</p> <p>Point No.2 f) (i) Due to continue losses, Company has become sick company. Looking into financial condition, Company is not in position to redeem Preference Shares as per terms of the issue and pay the dividend accrued thereon. A detailed note is also provided in Notes to the Account annexed with Balance Sheet of the Company.</p> <p>Point No. 2 f) ii) As Company is a sick Company and registered with BIFR, is in continuous touch with Banks and Financial Institutions for settlement to clear their dues for the revival of the Company. Asset Reconstruction Company India Ltd. (ARCIL) and ASREC India Ltd. had taken over the accounts of the lending Banks.</p>



5	Signed by-	 (Managing Director)
	• Mr. Pankaj Jajoo CEO/Managing Director	
	• Mrs. Indu Batni CFO	 (CFO)
	• Rajendra Bansal Auditor of the company	 (Auditor of the Company)
	• Pankaj Singhal Audit Committee Chairman	 (Audit Committee Chairman)

BOARD OF DIRECTORS

Shri Pankaj Jajoo	-	Chairman and Managing Director
Shri Manish Jajoo	-	Non-Executive Director
Shri Pankaj Singhal	-	Non-Executive Independent Director
Shri Sunil Choudhary	-	Non-Executive Independent Director
Shri Vijay Bakliwal	-	Non-Executive Independent Director

CHIEF FINANCIAL OFFICER

Smt. Indu Batni

Auditors:

M/s B. Bansal & Co.
Chartered Accountants
E-2, Ratlam Kothi,
Indore- 452001 (M.P.)

Registrar and Share Transfer Agent:

M/s Link Intime India Private Limited
C – 13, Kantilal Maganlal Estate,
Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai (M.H.) - 400 078
Tel No: 25963838
Fax No: 022 - 25946969
Email: rnt.helpdesk@linkintime.co.in

Registered Office & Fabric Division:

C-1/A, Low Land Area,
Pologround Industrial Estate,
Indore-452015

Yarn Division:

188, Sector I, Pithampur Dist
Dhar, M.P.

Contact Details:

Phone: +91 731 2423456
Fax: +91 731 2421940
Email: sunil@dhartextile.com
Website: <http://www.dhartextile.com>
CIN: L17121MP1984PLC002484

Contents:

Notice
Board's Report
Extract of Annual Return (MGT-9)
Corporate Governance Report
Management Discussion & Analysis
Certificate on Corporate Governance
Secretarial Audit Report (MR-3)
Auditor's Report
Balance Sheet
Profit & Loss Account
Notes to Accounts
Cash Flow Statement

NOTICE

NOTICE is hereby given that Annual General Meeting of the Members of the Company will be held on Wednesday, 30th September, 2015 at 11.30 A.M. at the registered office of the Company at C-1/A, Low Land Area, Pologround Industrial Estate, Indore-452015 (M.P.).

Also, as per Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules 2014, the company is pleased to provide its members the facility to cast their vote by electronic means, i.e. **E-voting**, on all resolutions set forth in the Notice. **E-Voting is optional.**

The Annual General Meeting of the Members of the Company will be held to transact the following business:

AS ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2015 and the Profit & Loss Account of the Company for the year ended on that date together with the Auditors and Board's Report thereon.
2. To appoint a director in place of Shri. Pankaj Jajoo (DIN: 00017748), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint the Statutory Auditors of the Company and authority to Board to fix their remuneration and to consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:-

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act 2013, ("Act") and other applicable provisions of the Act, if any and the rules framed thereunder, as amended from time to time, appointment of M/s B. Bansal & Co., Chartered Accountants (ICAI Firm Registration No. 000450C M. No. 073533) be and is hereby reappointed as the Statutory Auditor of the Company for next 2 years to hold office from the conclusion of this Annual General Meeting (AGM) to till the conclusion of the Annual General Meeting for the Financial Year 2016-17 of the Company, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors."

AS SPECIAL BUSINESS:

4. **To ratify the remuneration of the Cost Auditors for the financial year 2014-15** and in this regard, to consider and if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the total consolidated remuneration payable during the year 2014-15 to M/s. A. K. Jain & Associates, Cost Accountants (Firm Regn No. 101472) appointed by the Board of Directors to conduct the audit of cost records of the Company for the financial year 2014-15, amounting to Rs. 20,000/- (Rupees Twenty Thousand Only) be and is hereby ratified and confirmed."

FOR AND ON BEHALF OF THE BOARD,
THE DHAR TEXTILE MILLS LIMITED

PANKAJ JAJOO
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00017748

Place: Indore
Date: 03rd September, 2015

NOTES:

1. The Explanatory Statement setting out the material fact pursuant to Section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the Annual General Meeting is annexed hereto and forms part of notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share Capital of Company. Provided that member holding more than ten percent of the share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours (Sunday is included in computation of 48 hours) before the commencement of the Meeting. A Proxy Form is annexed to this report.
3. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturday's between <<11.00 A.M.>> to <<1.00 P.M.>>.
4. The Register of Members of the Company will remain closed from <<21st September, 2015>> to <<30th September, 2015>> (both days inclusive).

5. Any query relating to accounts or any other items of business set out in the Agenda of the meeting must be sent to the Company's Registered Office at C-1/A, Low Land Area, Pologround Industrial Estate, Indore-452015 (M.P.) at least seven days before the date of the Meeting.
6. Corporate members intending to send their authorized representatives to attend the meeting are requested to lodge a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate not later than 48 (forty eight) hours before commencement of the meeting authorizing such person to attend and vote on its behalf at the meeting.
7. The Notice is being sent to all the Members, whose names appear in the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL).
8. Members may also note that the Notice of the AGM will be available on the Company's website viz. www.dhartextile.com.
9. Members who are holding Company's shares in dematerialized form are required to bring details of their Depository Account Number for identification.
10. Members are requested to bring their copies of Annual Report to the Meeting. In order to enable us to register your attendance at the venue of the Annual General Meeting, members are requested to please bring their folio number/demat account number/DP ID-Client ID to enable us to provide a duly filled attendance slip for your signature and participation at the meeting.
11. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
12. Members / Proxies should bring their attendance slip duly filled in for attending the meeting. Members are also requested to inform company of any change in their address immediately so as to enable the company to dispatch any further communication at their correct address.
13. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration Rules), 2014, companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company are requested to submit their request with their valid e-mail address to M/s Link Intime India Private Limited. Members holding shares in demat form are requested to register/update their e-mail address with their Depository Participant(s) directly. Members of the Company, who have registered their email-address, are entitled to receive such communication in physical form upon request.
14. Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members the facility to exercise their right to vote through remote e-voting in respect of the resolution proposed to be passed at the Annual General Meeting (AGM) by using the electronic voting facility provided by Central Depository Services Limited (CDSL).
15. Mr. Pratik Tripathi, Partner of P.S. Tripathi & Associates, Company Secretaries shall be act as Scrutinizer for conducting the E-voting process in a fair and transparent manner.
16. The voting rights of Members shall be in proportion to their shares of the Paid up Equity Share Capital of the Company.

SHAREHOLDER INSTRUCTIONS FOR E-VOTING

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on < **From 10.00 A.M. (IST) on 27th Day of September, 2015**> and ends on < **upto 05.00 P.M. (IST) on 29th Day of September, 2015**>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <**23th Day of September, 2015**>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iv) Click on "**Shareholders**".
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> ➤ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. ➤ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
Dividend Bank Details and Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> ➤ If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on **“SUBMIT”** tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach **‘Password Creation’** menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the **EVSN** for the relevant **<Company Name>** on which you choose to vote.
- (xiii) On the voting page, you will see **“RESOLUTION DESCRIPTION”** and against the same the option **“YES/NO”** for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the **“RESOLUTIONS FILE LINK”** if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on **“SUBMIT”**. A confirmation box will be displayed. If you wish to confirm your vote, click on **“OK”**, else to change your vote, click on **“CANCEL”** and accordingly modify your vote.
- (xvi) Once you **“CONFIRM”** your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on **“Click here to print”** option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on **Forgot Password** & enter the details as prompted by the system.
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF and NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions:

- (A) The facility to exercise the right of voting through ballot paper shall also be made available at the meeting for the members attending the meeting who have not already cast their vote by remote e-voting.
- (B) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- (C) A person whose name is recorded in the register of beneficial owners maintained by the depositories as on the cut-off date (record date) of <23th Day of September, 2015>, only shall be entitled to avail the facility of remote e-voting as well as voting in the meeting.
- (D) Any person who acquires shares of the Company and becomes a member of the Company after the dispatch of this Notice and holds shares as on the cut-off date i.e. <23th Day of September, 2015> should follow the instructions for E-voting as mentioned for **FIRST TIME USER**. In case of any queries, the shareholder may also contact the Registrar & Transfer Agent viz. M/s. Link Intime India Private Limited.
- (E) The Scrutinizer shall, after the conclusion of the AGM, first count the votes cast at the meeting and thereafter unlock the votes cast through remote evoting in the presence of at least two (2) witnesses not in the employment of the Company. The Scrutinizer shall, within a period of not later than three (3) days from the conclusion of the AGM, prepare a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit it to the Chairman or any person authorized by him in writing, who shall countersign the same and declare the results of the voting.
- (F) The Results so declared, along with the Scrutinizer's Report, shall be placed on the Company's website viz. www.dhartextile.com and on the website of CDSL. The results shall also be forwarded to Stock Exchanges
- (G) Electronic copy of the Notice along with the Explanatory Statement is being sent to all the members whose email id's are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice along with the Explanatory Statement is being sent in the permitted mode.
- (H) Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of their electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with the Company's Registrar & Transfer Agents, M/s. Link Intime India Private Limited by sending an e-mail to rnt.helpdesk@linkintime.co.in along with details like Name, Folio No. etc.
- (I) In case you have any queries or issues regarding e-voting, you may contact on below mentioned details:
Registrar and Share Transfer Agent:
M/s Link Intime India Private Limited
C – 13, Kantilal Maganlal Estate, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), Mumbai (M.H.) - 400 078
Tel No: 25963838, Fax No: 022 – 25946969
Email: rnt.helpdesk@linkintime.co.in
- (J) A route guide map of the Annual General Meeting venue is given in the last page of this Annual Report.

FOR AND ON BEHALF OF THE BOARD,
THE DHAR TEXTILE MILLS LIMITED

PANKAJ JAJOO
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00017748

Place: Indore
Date: 03rd September, 2015

Explanatory Statement
(Pursuant to Section 102 of the Companies Act, 2013)

For Item No. 4

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. A. K. Jain & Co., Cost Accountants (Firm Regn No. 101472) to conduct the audit of the cost records of the Company for the financial year ended 31st March, 2015, at a consolidated remuneration of Rs. 20,000/-, subject to ratification by shareholders.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors during the year 2014-15 as set out in the Resolution for the aforesaid services to be rendered by them.

None of the directors or KMP or their relatives are concerned or interested in the aforesaid resolution and your board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders in the interest of the Company.

Details of Directors seeking appointment pursuant to Clause 49 of the Listing Agreement

Particulars	Mr. Pankaj Jajoo (Retire by Rotation)
Date of Birth	31/08/1960
Date of Appointment	15/06/1984
Qualification	B.Com and MBA (Marketing)
Expertise in specific functional areas	Mr. Pankaj Jajoo has nurtured the Dhar Textile Mills Ltd. (DTM) since inception with pro-active and uncompromising approaches to business. He remains actively involved in all day-to-day business aspects of DTM that includes finance, production, marketing, purchase and human resources. He has excellent communication and rapport with everyone related to the company: from workers to managers, suppliers to customers and outside agencies to consultants. He is totally committed and motivated for rehabilitation and revival of the company.
No. of Shares held in the Company	16,99,925
Directorships held in other companies (excluding private and foreign cos.)	Nil
Memberships / Chairmanships of committees to the Board of other Public Companies (includes only Audit Committee and Stakeholders' Relationship Committee.	Nil

FOR AND ON BEHALF OF THE BOARD,
THE DHAR TEXTILE MILLS LIMITED

PANKAJ JAJOO
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00017748

Place: Indore
Date: 03rd September, 2015

BOARD'S REPORT

To,
The Members,
THE DHAR TEXTILE MILLS LIMITED
Indore

Your Board of Directors has immense pleasure in presenting the Annual Report of your Company along with the Audited Financial Statements for the Financial Year ended on 31st March, 2015. Further, in compliance with the Companies Act, 2013 the Company has made requisite disclosures in this Board's Report with the objective of accountability and transparency in its operations to make you aware about its performance and future perspective of the Company.

1.1 FINANCIAL RESULTS (STANDALONE) AND STATE OF COMPANY'S AFFAIR AND CHANGE IN THE NATURE OF BUSINESS:

The Board's Report is prepared based on the stand alone financial statements of the company for the year ended March 31, 2015 is summarised below:

	Year ended 31/03/2015	(Rs. In Lacs) Year ended 31/03/2014
Income from operation	3145.28	3586.49
Profit/loss before providing Depreciation and Interest	67.20	573.37
Less: Depreciation	5.12	7.56
Interest	392.50	637.37
Profit/loss Before Exceptional & Extraordinary Items	(330.42)	(71.57)
Less: Exceptional Items	0.00	0.00
Profit/loss Before Taxation	(330.42)	(71.57)
Less: Provision for Current Taxation	0.00	0.00
Deferred Tax Liability	0.00	0.00
Profit /Loss after Taxation	(330.42)	(71.57)

The Company had started its journey as a Private Limited Company in the year 1984, subsequently converted in Public Company and further, infused capital through an IPO and got listed in capital market segment in 2000 at BSE Limited. The company is engaged in Textile Sector and currently having Yarn Spinning Unit (Yarn Division) and Fabric Weaving and Processing Unit (Fabric Division). Company's Yarn Division is located in Industrial Area, Pithampur (MP) and its Fabric Division is located in Industrial area, Indore (MP). Both the Divisions and all the products, including performance and business environment thereof have been covered in detail in the Management Discussion and Analysis Report separately, which is annexed as **ANNEXURE III** with this report and shall form part of the Board's report.

1.2 WORKING PERFORMANCE REVIEW:

During the financial year incomes of the company is decreased from Rs. 3586.49 Lacs to Rs. 3145.28 Lacs and resulting in loss of Rs. 330.42 Lacs against the loss of Rs. 71.57 Lacs in the previous year and further, the Company's debt servicing has also come down to 392.50 Lacs from 637.37 Lacs. Being a Sick Company, your Directors are continuously trying hard to revive it by increase the profitability during the current financial year with dedicated efforts of the management and with improving ability to source raw materials required from multiple sources in a timely and cost effective manner, with reduced dependence on third parties.

During the year all the revenues were generated by Yarn Division only. The Fabric Division of the Company was not in operation throughout the year. Further, the detailed performance covered in the Management Discussion and Analysis Report separately which is annexed as **ANNEXURE III** with this report and shall form part of the Board's report.

1.3 CHANGES IN NATURE OF BUSINESS:

There is no change in the nature of business of the Company during the financial year 2014-15.

1.4 SHARE CAPITAL:

The paid up equity capital as on March 31, 2015 was Rs. 630.8753 Lacs. During the year under review, the Company has not issued shares to its shareholders. Further that none of the directors were holding convertible instruments as on date. Apart from that Company is also having Preference Share Capital of Rs. 350.00 Lacs.

1.5 REVISION IN FINANCIAL STATEMENTS:

In terms of section 131 of the Companies Act, 2013, the Financial Statements and Board's Report are in compliance with the provisions of section 129 or section 134 of the act and that no revision has been made during any of the three preceding financial years.

1.6 SICK INDUSTRIAL COMPANY:

The Company is a Sick Company, as its net worth was completely eroded due to heavy accumulated losses. BIFR has restored the reference of the Company during the previous financial year to its original number. BIFR has also directed to the Company to prepare a Draft Rehabilitation Scheme and submit the same to Operating Agency and the same is under process. Debt of the Company has been taken over by the Asset Reconstruction Company (India) Limited (ARCIL) from the Bankers.

2. RESERVES:

Due to loss in the year under review, the Board is unable to carry any amount to reserves.

3. DIVIDEND:

Due to loss in the year under review, the Board is unable to recommend any dividend for the year.

4. DEPOSITS:

The Company has neither accepted nor invited any deposit from the public and hence directives issued by Reserve Bank of India and the provisions of Chapter V (Acceptance of deposits by Companies) of the Companies Act, 2013 and rules framed there under are not applicable for the year.

5. MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF FINANCIAL YEAR UPTO THE DATE OF THIS REPORT:

No material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of this report.

6. PERFORMANCE AND FINANCIAL POSITION OF ASSOCIATE COMPANIES:

As per the Companies Act, 2013 and as on date the company is neither having any Subsidiary Company u/s 2(87) nor any Associate Company u/s 2(6) and hence, do not call for any disclosure under this head.

7. EXTRACT OF THE ANNUAL RETURN:

In compliance with section 92(3), section 134 (3) (a) and rule 11 of the Companies (Management and Administration) Rules, 2014 the extract of the annual return in Form No. MGT-9 which is annexed as **ANNEXURE I** with this report and shall form part of the Board's report.

8. BOARD AND COMMITTEE MEETINGS:

During the year under review various meetings of the Board of Directors and Committees was held for various purposes which is in compliance with the Companies Act, 2013 and Listing Agreement entered into by the Company with Stock Exchange. Further the details of the various meetings of the Board and Committees are mentioned in the Report on Corporate Governance which is annexed as **ANNEXURE II** with this report and shall form part of the Board's report.

9. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (5) of the Companies Act, 2013, the Directors, based on representation received from the operating management and after due enquiry, confirm in respect of the audited financial accounts for the year ended March 31st, 2015:

a) That in preparation of the annual accounts, the applicable accounting standards had been followed and that there were no material departures;

b) That the Directors had, in consultation with the Statutory Auditors, 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 for the year ended March 31st, 2015 and the profit and loss Account of the Company for that period;

c) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) That the Directors had prepared the annual accounts on a going concern basis;

e) That the directors have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and were operating effectively; and

f) That the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

10.1 CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year under report Mr. Pankaj Jajoo, the Managing Director of the Company would be retiring by rotation at the forthcoming Annual General Meeting of the Company. Proposals for their re-appointment have been included in the Notice of Annual General Meeting for your approval.

Mrs. Indu Batni has been appointed as the CFO by the Board of Directors vide their meeting held on 14.08.2014 and Nomination & Remuneration Committee has also recommend her name for the position of CFO.

All the intimations pertaining to the appointments and resignations made during the year has been given to Stock Exchange where the shares of the Company are listed and also the relevant records are duly updated with the Registrar of Companies, Gwalior (M.P.), wherever required.

10.2 DECLARATION OF DIRECTORS:

As per the declaration received in Form 'DIR-8' pursuant to section 164(2) of the Companies Act, 2013 and Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014, none of the Directors of the Company is disqualified from being appointment as Directors.

11.1 APPOINTMENT/RE-APPOINTMENT OF INDEPENDENT DIRECTORS:

All the Independent Directors are well appointed in the Board of the Company in compliance with the Companies Act, 2013 and Listing Agreement entered into by the Company with Stock Exchange. Further that all independent directors shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment for next five years on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

11.2 DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence under sub-section (6) of section 149 of the Act and Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

11.3 FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The directors will be introduced to all the Board members and the senior management personnel such as Chief Financial Officer and Various Department heads individually to know their roles in the organization and to understand the information which they may seek from them while performing their duties as a Director. And meeting may be arranged for Independent Directors with aforesaid officials to better understand the business and operation of the Company. As part of continuous updating and familiarization with the Company, every Independent Director will be taken for visits to the factory or manufacturing units and other branch of the company where officials of various departments apprise them of the operational and sustainability aspects of the plants to enable them to have full understanding on the activities of the Company and initiatives taken on safety, quality etc. The Company may also circulate news and articles related to the industry from time to time and may provide specific regulatory updates. The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at [http:// www.dhartextile.com/](http://www.dhartextile.com/)

11.4 SEPARATE MEETING OF INDEPENDENT DIRECTORS:

As mandated by Clause VII of Schedule IV of the Companies Act, 2013, a separate meeting of Independent Directors was held.

11.5 EVALUATION BY INDEPENDENT DIRECTORS:

The Independent Directors in their meeting has reviewed the performance of Non-Independent directors and Board as a whole including reviewing the performance of the Chairperson of the company taken into account the views of Executive Directors and Non-Executive Directors. The policy on evaluation including above said criteria for the evaluation of the Board, individual directors including independent directors and the committee of the board has been laid down under Nomination, Remuneration and Evaluation Policy given in the Report on Corporate Governance which is annexed as **ANNEXURE II** with this report and shall form part of the Board's report.

12. NOMINATION AND REMUNERATION COMMITTEE AND STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Board of Directors of your Company had re-constituted the Nomination and Remuneration Committee and Stakeholders Relationship Committee with the requisite terms of reference as required under Section 178 of the Companies Act, 2013 and other applicable provisions thereof in place of existing Remuneration Committee and Shareholder Grievance Committee respectively. The constitutions of the said committees are as under:

Nomination And Remuneration Committee	
Name	Designation
Mr. Pankaj Singhal	Chairman
Mr. Sunil Choudhary	Member
Mr. Vijay Bakliwal	Member

All Independent Directors

Stakeholders Relationship Committee	
Name	Designation
Mr. Pankaj Singhal	Chairman
Mr. Sunil Choudhary	Member
Mr. Vijay Bakliwal	Member

All Independent Directors

13. DISCLOSURE IN TERMS OF NOMINATION AND REMUNERATION POLICY:

The Board of Directors of your Company had re-constituted the Nomination and Remuneration Committee with the requisite terms of reference as required under section 178 of the Companies Act, 2013 and other applicable provisions thereof in place of existing Remuneration Committee. The said Committee framed, adopted and recommended the "Nomination, Remuneration & Evaluation Policy" and the said policy has been approved by the Board. The Details of the Nomination and Remuneration Committee and the said Policy given in the Report on Corporate Governance which is annexed as **ANNEXURE II** with this report and shall form part of the Board's report.

14.1 AUDITORS:

(i) **Statutory Auditors:**

The appointment of M/s B. Bansal & Co., Chartered Accountants, as auditors of the Company was approved by the shareholders in the previous Annual General Meeting upto the conclusion of the Annual General Meeting for the Financial Year 2014-15. Further, that the auditors have also confirmed that they hold a valid certificate issued by Peer Review Board of the Institute of Chartered Accountants of India. The auditors have also showed their willingness to continue as auditors and hence, the proposals for their appointment have been included in the Notice of Annual General Meeting for your approval.

(ii) **Cost Auditors:**

Financial Year 2014-15:

M/s. A. K. Jain & Associates, Cost Accountants were appointed as Cost Auditors for auditing the cost records of your Company for the financial year 2014-15 by the Board of Directors on a consolidated remuneration of Rs. 20,000/- only, the remuneration was recommended by the Audit Committee of the Company. Further, the remuneration proposed to be paid to them requires ratification of the shareholders of the Company and in views of the same the proposal for the ratification of appointment and remuneration have been included in the Notice of Annual General Meeting for your approval.

(iii) **Secretarial Auditor:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Pratik Tripathi of M/s. P. S. Tripathi & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company.

(iv) **Internal Auditor:**

The Company has appointed M/s. JRAM & Co., Chartered Accountants, Indore as the Internal Auditor of the company to take charge of the Internal Audit function.

14.2 AUDITOR'S REPORT/ SECRETARIAL AUDIT REPORT:

Explanations for remark in Auditor's Report:

Point No.2 f) (i) Due to continue losses, Company has become sick company. Looking into financial condition, Company is not in position to redeem Preference Shares as per terms of the issue and pay the dividend accrued thereon. A detailed note is also provided in Notes to the Account annexed with Balance Sheet of the Company.

Point No. 2 f) ii) As Company is a sick Company and registered with BIFR, is in continuous touch with Banks and Financial Institutions for settlement to clear their dues for the revival of the Company. During the year ARCIL has taken over the accounts of the lending Banks.

Explanations for remark in Secretarial Auditor's Report:

Point No.2 (a) Due to heavy losses and sick Company status it is difficult to bear extra cost, however company has placed all the information and results at BSE and its own website and has started publishing the same in newspaper also.

Point No.2 (b) Company has already applied and trying for revocation of suspension.

Point No.2 (c) as the shares of the Company are listed at BSE, which is having national wide approach and other regional stock exchanges are closed or in the process of closing as per SEBI order, hence company has not circulating the information to them.

Point No.2 (d & e) As the Company is sick company and defaulted in the payment of its secured debts and having negative CIBIL, no body is interested to become Director or Company Secretary, however Company is trying to comply with the requirements.

Point No.2 (f) That will be complied at the earliest.

Point No.2 (g) Due to continue losses, Company has become sick company. Looking into financial condition, Company is not in position to redeem Preference Shares as per terms of the issue and pay the dividend accrued thereon. A detailed note is also provided in Notes to the Account annexed with Balance Sheet of the Company.

Point No.2 (h) Amount will be transferred at the earliest.

Point No.2 (i) Company is trying to purchase Hank Yarn Obligation, to fulfill the requirement, that will be done at the earliest.

15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

The details of the investments made by company are given in the notes to the financial statements.

16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the year, the Company has not entered into any kind of transactions with related parties and hence, as there are no such transactions inconsistent with sub-section (1) of section 188 of the Companies Act, 2013, so no AOC-2 is required to be given in this report. The company has adopted a Policy on Related Party Transaction which is available on the website of the Company i.e. [http:// www.dhartextile.com/](http://www.dhartextile.com/)

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

(A) Conservation of energy-

- (i) Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilisation and maximum possible savings of energy is achieved.
- (ii) No specific investment has been made in reduction in energy consumption.
- (iii) As the impact of measures taken for conservation and optimum utilisation of energy are not quantitative, its impact on cost cannot be stated accurately.

A:	Power & Fuel Consumption	Current Year 2014-15	Previous Year 2013-14
I.	Electricity		
	(a) Purchased Units (KWH)	6711119	5891047
	Total Amount (Rs.)	45287841.00	41455660.00
	Rate Per Unit (Rs.)	6.75	7.04
	(b) Own Generation		
	(i) Through Diesel Generation Unit (KWH)	Nil	Nil
	(ii) Through Thermal Generation Unit (KWH)	Nil	Nil
	(iii) Through Trial Run		
	Unit (KWH)	Nil	Nil
	Unit Per Ton Of Coal (KWH)		
	Cost Per Unit (Rs.)		
II.	Coal		
	Quality		
	Where Used		
	Quantity Used (M.T.)	5156	3510.73
	Total Cost (Rs.)	33004190.00	19961679.00
	Average Rate Per M.T. /Rs.	6401.07	5685.90
III	Furnace Oil	Nil	Nil
IV	Others/Internal Generation	Nil	Nil
B:	Consumption Per Unit Of Production		
	Product		
	Unit		
	Electricity (KWH/MT)	51.91	59.91
	Cost Of Coal Per M.T.	255.29	385.71

(B) Technology absorption-

- (i) Company's products are manufactured mostly by using indigenous technology and no outside technology is being used for manufacturing activities.
- (ii) The company has no specific research & development expenditure during the year;
- (iii) No imported technology is installed by the company.

(C) Foreign exchange earnings and Outgo-

During the year the Company has no foreign exchange earnings and expenses.

18. BUSINESS RISK MANAGEMENT:

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Clause 49 of the listing agreement, the company has constituted a business risk management committee consisting of three (3) directors under the chairmanship of Independent Director. The details of the committee and Risk Management Policy are set out in the Report on Corporate Governance which is annexed as **ANNEXURE II** with this report and shall form part of the Board's report.

19. CORPORATE SOCIAL RESPONSIBILITY (CSR):

In terms of the threshold limits provided under Section 135 of the Companies Act, 2013 and Rule 3 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has not falls in the ambit of the said section and accordingly the provisions of the section is not applicable to the Company.

20. FORMAL ANNUAL EVALUATION:

Pursuant to section 134 (3) (p) of the Companies Act, 2013 and Rule 8(4) of Companies (Accounts) Rules, 2014 and clause 49 (iv) (b) of listing agreement, the Board has Carried out an evaluation of its own performance, the directors individually as well as the evaluation of its Committees as per the criteria laid down in the Nomination, Remuneration and Evaluation policy. The said policy including above said criteria for the evaluation of the Board, individual directors including independent directors and the committee of the board has been laid down in Report on Corporate Governance which is annexed as **ANNEXURE II** with this report and shall form part of the Board's report.

21. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

During the year there are no significant material orders passed by the Regulators / Courts/ Tribunals impacting the going concern status of the Company and its future operations.

22. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has a proper internal control system, which provides adequate safeguards and effective monitoring of the transactions and ensures that all assets are safeguarded and protected against loss from unauthorized use or disposition.

The Company has an internal audit system from an outside agency, which ensures that the Company's control mechanism is properly followed and all statutory requirements are duly complied with.

Moreover, the audit committee of the Company comprising of all independent directors regularly reviews the audit plans, adequacy of internal control as well as compliance of accounting standards.

Also the CEO/ CFO has the responsibility for establishing and maintaining internal controls for financial reporting and that they also have the overall responsibility to evaluate the effectiveness of internal control systems of the company pertaining to financial reporting and they have to disclose to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify the deficiencies.

23. AUDIT COMMITTEE:

The Audit Committee comprises of three (3) directors all of whom are Independent Directors.

Name	Designation
Mr. Pankaj Singhal	Chairman
Mr. Sunil Choudhary	Member
Mr. Vijay Bakliwal	Member

The Board has considered all recommendations of the Audit Committee as and when provided during the year under review and hence, do not call for any disclosure under Section 177(8) of the Companies Act, 2013.

24. DISCLOSURE IN TERMS OF VIGIL MECHANISM:

The Company believes in the conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The Company is committed to develop a culture in which every employee feels free to raise concerns about any poor or unacceptable practice and misconduct. In order to maintain the standards has adopted lays down this Whistle Blower Policy to provide a framework to promote responsible and secure whistle blowing.

The Board of Directors of your Company has adopted the Vigil Mechanism and Whistle Blower Policy in compliance of Companies Act, 2013. Details of the Policy is given in the Report on Corporate Governance which is annexed as **ANNEXURE II** with this report and shall form part of the Board's report and the said policy has already been uploaded on the website of the company i.e., [http:// www.dhartextile.com/](http://www.dhartextile.com/).

25. COMMISSION RECEIVED BY DIRECTORS FROM HOLDING AND SUBSIDIARY:

During the year under review neither the Managing Director nor Whole-time Director is in receipt of commission from the company and also has not received any remuneration or commission from any holding or subsidiary company of company u/s 197(14).

26. MANAGERIAL REMUNERATION:

Disclosures Pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;
No salary has been provided to any of the Directors during the year under review. However, the Company has given remuneration to its employees during the year and on the basis of that, the median remuneration given to employees during the year was Rs. 80324.00/-.
2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

S. No.	Name	Designation	CTC	Median Employee Salary	Ratio
1.	Mrs. Indu Batni*	CFO	197096	80324	2.45:1

**Considered remuneration after her appointment as CFO.*

#No salary has been provided to any of the Directors and Key Managerial Person during the year under review, other than as detailed above.

The Company has incurred a loss of Rs. 330.42 Lacs against the loss of Rs. 71.57 Lacs in the previous year. The remuneration of the KMP's are duly reviewed on annual basis keeping in mind the tenure, the past performance and current performance.

3. The percentage increase in the median remuneration of employees in the financial year;

Remuneration of April 2014 (Total earning + Employer PF)	Remuneration of April 2015 (Total earning + Employer PF)	Increase	Percentage
6835	7343	508	7.43

4. The number of permanent employees on the rolls of company;

As on 31st March, 2014 (No. of Employees on Payrolls)	As on 31st March, 2015 (No. of Employees on Payrolls)	% Change During the Year
132	130	(1.51)

5. The explanation on the relationship between average increase in remuneration and company performance;

Particulars	Financial Year 2013-14	Financial Year 2014-15	% Change
Total Revenue	358649241	314528018	(12.30)
Profit Before Tax	(7157831)	(33042297)	361.62
Profit After Tax	(7157831)	(33042297)	361.62
Total Remuneration Paid	32208570	34382157	6.75

The overall remuneration paid by the company has gone up by 6.75 % as compared to previous financial year. The remuneration paid consists of remuneration paid to its employees and CFO only and further, no remuneration was paid by the Company to any of the Directors and KMP's (excl. CFO) and most of the employees of the company have only the fixed components hence the remuneration paid does not vary with the revenue or Profit after tax of the company. The nature of the business of the company directly relates with market conditions, economic environment, exchange rates, government stability and various other factors. The company has the practice of having a long term relationship with its employees and thus do not have major impact of increase/decrease in revenue or change in market conditions.

6. For comparison of the remuneration of the Key Managerial Personnel against the performance of the company kindly refer to point no. 2. above;
7. Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;

Particulars	2000*	2009
Share Price	50.00**	2.41***
Equity Shares	5675753	6308753
Market Capitalization (Rs. In Lacs)	283787650.00	15204094.73

*The Company's last public offer was in March 2000

**Closing Price as at 31.03.2000.

***Closing Price as at February 2009.

#the shares of the Company was suspended for trading from the year 2009.

8. Average Percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof;

Remuneration paid to employees excluding managerial personnel for 2013-14	Remuneration paid to employees excluding managerial personnel for 2014-15	% Change in remuneration paid to employees excluding managerial personnel	Remuneration paid to managerial personnel for the FY 2013-14*	Remuneration paid to managerial personnel for the FY 2014-15*	% Change in remuneration paid to managerial personnel
32208570	34382157	6.75	-	197096	-

*Remuneration provided to CFO only.

Further there are no exceptional circumstances for increase in the managerial remuneration.

9. During the year under review no variable component of remuneration availed by Directors of the Company;
10. During the year under review, the Company has not provided any remuneration to any of its Directors and accordingly all the employees were in receipt of remuneration in excess of all the directors during the year; and

11. It is hereby affirmed that the remuneration paid by the Company to its CFO and Employees during the year under review is as per the Nomination, Remuneration & Evaluation Policy of the company.

27. EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS:

The company has not issued any shares with differential voting rights and accordingly the provisions of Section 43 read with Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 of the Companies Act, 2013 and rules framed there under are not applicable for the year.

28. DETAILS OF SWEAT EQUITY SHARES:

The company has not issued any sweat equity shares and accordingly the provisions of Section 54 read with Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014 of the Companies Act, 2013 and rules framed there under are not applicable for the year.

29. DETAILS OF EMPLOYEES STOCK OPTION SCHEME:

The company has not granted stock options and accordingly the provisions of Section 62(1)(b) read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 of the Companies Act, 2013 and rules framed there under are not applicable for the year.

30. DISCLOSURE OF VOTING RIGHTS NOT EXERCISED:

The company has not made any provision of money for the purchase of, or subscription for, shares in the company or its holding company, if the purchase of, or the subscription for, the shares by trustees is for the shares to be held by or for the benefit of the employees of the company and accordingly the provisions of Chapter IV (Share Capital and Debentures) of the Companies Act, 2013 and rules framed there under are not applicable for the year.

31. EMPLOYEES:

Employee's relation continued to be cordial throughout the year. Your Directors wish to place on record their sincere appreciation for the excellent spirit with which the entire team of the Company worked at factory and office premises in such hard time of the Company.

During the year under review, none of the employee has received remuneration of Rs. 5.00 Lacs per month or Rs. 60.00 Lacs per year or at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and hence, do not call for any further details referred to in Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

32. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT:

Report on Corporate Governance and Management Discussion and Analysis Report, in terms of Clause 49 of the Listing Agreement are annexed as **ANNEXURE II** and **ANNEXURE III** respectively with this report and shall form part of the Board's report.

A certificate from the Auditors confirming compliance with the conditions of Corporate Governance is also annexed as **ANNEXURE IV**

33. PAYMENT OF LISTING FEES:

Annual listing fee for the year 2014-15 has been paid by the Company to BSE Limited.

34. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Board of Directors of the Company has approved and adopted the "Policy on Prevention of Sexual Harassment at Workplace" to provide equal employment opportunity and is committed to provide a work environment that ensures every woman employee is treated with dignity and respect and afforded equitable treatment. The Company has formed an Internal Complaints Committee where employees can register their complaints against sexual harassment. This is supported by the Sexual Harassment Policy which ensures a free and fair enquiry process with clear timelines. Present composition of the committee is as follows:

S. No.	Name	Designation
1.	Ms. Indu Batni	Chairperson
2.	Mr. Pankaj Singhal	Member
3.	Mr. Vijay Bakliwal	Member

35. PAYMENT OF DEPOSITORY FEES:

Annual Custody/Issuer fee for the year 2015-16 will be paid by the Company to NSDL and CDSL on receipt of the invoices.

36. DEMAT STATUS:

The company's shares are presently held in both electronic and physical modes.

37. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

The Company neither has any Subsidiary Company as defined u/s 2(87) nor any Associate Company as defined u/s 2(6) nor any Joint Ventures as on date of this report and further that, none of such companies became or ceased to be as such during the year under review.

38. TRANSFER TO INVESTORS EDUCATION & PROTECTION FUND:

As per the provisions of section 125 of the Companies Act, 2013 and as per rule 3 of the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, the Unclaimed Dividend is required to be transferred to the said Investor Education and Protection Fund Account, which will be deposited shortly.

39. CODE OF FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION AND CODE OF CONDUCT UNDER SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

Pursuant to Regulation 8 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 the Board of Directors has formulated and adopted the "**Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**" (**Code of Fair Disclosure**) of the Company.

The Board has also formulated and adopted "**Code of Conduct for Prohibition of Insider Trading**" (**Code of Conduct**) of the Company as prescribed under Regulation 9 of the said Regulations.

40. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation for and gratitude to the Bank, Asset Reconstruction Company (India) Ltd. (ARCIL) and ARSEC (India) Ltd. for their valuable support and co-operation.

Your directors also wish to place on record their appreciation of the wholehearted and continued support extended by the shareholders, investors, employees and workers of the company which had always been a source of strength for the Company.

FOR AND ON BEHALF OF THE BOARD,
THE DHAR TEXTILE MILLS LIMITED

PANKAJ JAJOO
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00017748

Place: Indore
Date: 03rd September, 2015

ANNEXURE-I

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March, 2015
[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)	CIN:	L17121MP1984PLC002484
ii)	Registration Date:	15/06/1984
iii)	Name of the Company:	The Dhar Textile Mills Limited
iv)	Category / Sub-Category of the Company:	Public Company/ Limited by Shares
v)	Address of the Registered office and contact details:	C-1/A Low Land Area, Pologround Industrial Estate, Indore, M.P. - 452003. Ph No. 0731-2439901-03
vi)	Whether listed company Yes / No:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:	M/s. Link Intime India Private Limited C – 13, Kantilal Maganlal Estate, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai (M.H.) - 400 078 Tel No: 25963838 Fax No: 022 - 25946969 Email: rnt.helpdesk@linkintime.co.in

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:-

f) Insurance Companies	194541	-	194541	3.0837	194541	-	194541	3.0837	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	1494479	-	1494479	23.689	1494479	-	1494479	23.689	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	423703	-	423703	6.7161	398443	-	398443	6.3157	-0.4004
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	582743	154562	737305	11.687	584003	154262	738265	11.7022	0.0152
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	406363	15200	421563	6.6822	430363	-	445563	7.0626	0.3804
c) Others Clearing Members	3200	-	3200	0.0507	3500	-	3500	0.0555	0.0048
Office Bearers	-	-	2900	0.046	-	-	2900	0.046	-
NRI (Repat)	10383	-	10383	0.1646	10383	-	10383	0.1646	-
NRI (Non Repat)	3501	-	3501	0.0555	3501	-	3501	0.0555	-
Overseas Bodies Corporates	184000	-	184000	2.9166	184000	-	184000	2.9166	-
Sub-total (B)(2):-	1613893	169762	1786555	28.3187	1614193	154262	1786555	28.3187	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	3108372	169762	3281034	52.0077	3108672	154262	3281034	52.0077	-
Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4865706	1440147	6308753	100	4866006	1424647	6308753	100	-

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of 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	
								% change in share holding during the year

1	Shri Pankaj Jajoo	1270085	20.13	100	1270085	20.13	0	0
2	Madhuri Jajoo	1053749	16.70	100	1053749	16.70	100	0
3	Pankaj Jajoo	429840	6.81	100	429840	6.81	100	0
4	Pankaj Jajoo	273700	4.34	0	273700	4.34	0	0
5	Smt Rachana Jajoo	300	0.00	100	300	0.00	0	0
	Total	3027719	47.98	100	3027719	47.99	49	0

#during the year the shares held by Shri Pankaj Jajoo i.e. 1270085 and Smt. Rachana Jajoo i.e. 300 were released from encumbrance.

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

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
Name of Shareholder	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
-----NO CHANGE IN THE HOLDING OF PROMOTERS AS GIVEN IN PT. NO. IV(ii) ABOVE-----				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
Name of Shareholder	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Administrator of the Specified Undertaking of the Unit Trust of India- Asset Reconstruction Fund				
At the beginning of the Year	488947	7.7503	488947	7.7503
Transactions During Year	-----NO TRANSACTIONS -----			
At the end of the Year			488947	7.7503
Life Insurance Corporation Of India				
At the beginning of the Year	350000	5.5478	350000	5.5478
Transactions During Year	-----NO TRANSACTIONS -----			
At the end of the Year			350000	5.5478
UTI-Unit Linked Insurance Plan				
At the beginning of the Year	340991	5.4050	340991	5.4050
Transactions During Year	-----NO TRANSACTIONS -----			
At the end of the Year			340991	5.4050
Indo Global Textiles Pvt. Ltd				
At the beginning of the Year	329924	5.2296	329924	5.2296
Transactions During Year	-----NO TRANSACTIONS -----			
At the end of the Year			329924	5.2296
General Insurance Corporation Of India				
At the beginning of the Year	194541	3.0837	194541	3.0837
Transactions During Year	-----NO TRANSACTIONS -----			
At the end of the Year			194541	3.0837
International Securities Alliance Limited				
At the beginning of the Year	184000	2.9166	184000	2.9166
Transactions During Year	-----NO TRANSACTIONS -----			
At the end of the Year			184000	2.9166
Suresh Baheti				
At the beginning of the Year	151944	2.4085	151944	2.4085
Transactions During Year	-----NO TRANSACTIONS -----			
At the end of the Year			151944	2.4085
Indian Bank Mutual Fund				

At the beginning of the Year	76800	1.2174	76800	1.2174
Transactions During Year	-----NO TRANSACTIONS -----			
At the end of the Year			76800	1.2174
Dinesh Agrawal				
At the beginning of the Year	57977	0.9190	57977	0.9190
Transactions During Year	-----NO TRANSACTIONS -----			
At the end of the Year			57977	0.9190
Transworld Textiles Private Limited				
At the beginning of the Year	44899	0.7117	44899	0.7117
Transactions During Year	-----NO TRANSACTIONS -----			
At the end of the Year			44899	0.7117

(v) Shareholding of Directors and Key Managerial Personnel:

Name of Shareholder	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
Pankaj Jajoo (Chairman and Managing Director)				
At the beginning of the Year	273700	4.3384	273700	4.3384
Transactions During Year	-	-	-	-
At the end of the Year			273700	4.3384
Manish Jajoo (Non-Executive Director)				
At the beginning of the Year	-	-	-	-
Purchased on 24/09/2014	24000	0.3804	24000	0.3804
At the end of the Year			24000	0.3804
Pankaj Singhal (Independent Director)	-----NIL HOLDING THROUGHT THE YEAR -----			
Sunil Choudhary (Independent Director)	-----NIL HOLDING THROUGHT THE YEAR -----			
Vijay Bakliwal (Independent Director)	-----NIL HOLDING THROUGHT THE YEAR -----			
Mrs. Indu Batni (CFO)	-----NIL HOLDING THROUGHT THE YEAR -----			

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2743996944	25623469	-	2769620413
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2743996944	25623469	-	2769620413
Change in Indebtedness during the financial year				
Addition	0	75352831	-	75352831
Reduction	21707601	19745327	-	41452928
Net Change	-27107601	55607504	-	33899903
Indebtedness at the end of the financial year				
i) Principal Amount	2722289343	81230973	-	2803520316
ii) Interest due but not paid	0	7258914	-	7258914
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2722289343	88489887	-	2810779230

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER: NIL

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
			-	-	-	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- Others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act					

#no salary provide to any director during the year.

A. REMUNERATION TO OTHER DIRECTORS:NIL

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Pankaj Singhal	Mr. Sunil Choudhary	Mr. Vijay Bakliwal	-	
1	Independent Directors					
	• Fee for attending board/ committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-	-
	• Fee for attending board/ committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B) = (1+2)	-	-	-	-	-
	Total Managerial Remuneration					-
	Overall Ceiling as per the Act					100000*

#no salary provide to any director during the year.

*Rs. 100000 per independent Director.

B. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel
--------	-----------------------------	--------------------------

		Indu Batni CFO*			Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	197096 - -			197096 - -
2	Stock Option	-			-
3	Sweat Equity	-			-
4	Commission - as % of profit - others, specify...	- - -			- - -
5	Others, please specify	-			-
	Total (C)	197096			197096

*Appointed as CFO w.e.f. 14.08.2014.

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	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

REPORT ON CORPORATE GOVERNANCE

1. Company Philosophy on Code of Corporate Governance

The philosophy of Corporate Governance is to enhance the long term economic value of the Company. Transparency, integrity, professionalism and accountability - based values form the basis of the Company's philosophy for Corporate Governance. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations. Your company has fulfilled all the existing guidelines under clause 49 of the listing agreement.

2. Board of Directors**Composition:**

The Board of Directors of the company consists of majority of non-executive and one third independent directors, who are acknowledged as leading professionals in their respective fields. The Board Comprises of one (1) executive director and four (4) non-executive directors out of which one director is non-independent.

The constitution of Board is as under:

Director	Category	No. of other Directorships as on 31st March, 2015*	No. of other Committees Membership as on 31st March, 2015**		No. of Board Meetings		Attendance at the previous Annual General Meeting
			Chairman	Member	Held	Attended	
Mr. Pankaj Jajoo Managing Director	Executive/ Non Independent	-	-	-	7	7	Present
Mr. Manish Jajoo Director	Non-Executive/ Non Independent	1	-	-	7	7	Absent
Mr. Pankaj Singhal Director	Non Executive/ Independent	-	-	-	7	7	Absent
Mr. Sunil Choudhary Director	Non Executive/ Independent	-	-	-	7	7	Absent
Mr. Vijay Bakliwal Director	Non Executive/ Independent	-	-	-	7	7	Absent

*Directorship of only Public Limited Companies other than The Dhar Textile Mills Limited has been considered.

**Chairmanship/Membership of only Audit Committee and Stakeholder's Relationship Committee of Companies other than The Dhar Textile Mills Limited has been considered.

Particulars of the Directors seeking re-appointment:

As required under the Listing Agreement, particulars of the directors seeking re-appointment at the ensuing Annual General Meeting Mr. Pankaj Jajoo, Managing Director of the Company is retiring at the forthcoming annual general meeting by rotation and he is eligible for re-appointment.

In Compliance with requirements of Clause 49 VIII (E) of Listing Agreement, brief resume, expertise and details of other directorships, membership in committees of other companies and shareholding in the Company of persons proposed to be appointed as Directors are mentioned in the Notice of the AGM which shall form part of this Annual Report.

Further, to inform that Smt. Indu Batni has been appointed as a CFO of the Company w.e.f. 14.08.2014.

Information placed before the Board:

Information placed before the Board of Directors broadly covers the items specified in clause 49 of the Listing Agreement and such other items which are necessary to facilitate meaningful and focused deliberations on issues concerning the Company and taking decision in an informed and efficient manner. Besides, the Directors on the Board have complete access to all information of the Company, as and when necessary.

Code of Conduct:

The Board of Directors has laid down a code of conduct for all Board members and senior management personnel of the Company. The code of conduct is posted on the website of the company.

During the year under review Seven (7) meetings of the Board of Directors were held on:

01.04.2014	30.05.2014	14.08.2014	03.09.2014	14.11.2014
14.02.2015	30.03.2015			

COMMITTEES OF THE BOARD

In Compliance with the requirements under the Listing Agreement and the applicable laws, the Board has constituted the following committees:

1. Audit Committee;
2. Nomination & Remuneration Committee;
3. Stakeholder Relationship Committee.
4. Risk Management Committee:

3. AUDIT COMMITTEE

Terms of Reference and Role of Audit Committee

The Audit Committee reviews the audit reports submitted by the Internal Auditors and Statutory Auditors, financial results, effectiveness of internal audit processes and the Company's risk management strategy. It reviews the Company's established systems and the Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Clause 49 of the Listing Agreement. And Role of Audit Committee includes the following:

- a) To overview the Companies financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) To hold periodic discussions with the Statutory auditors and Internal Auditors of the Company concerning the accounts of the Observations of the Auditors/ Internal Auditors;
- c) To recommend the re-appointment of statutory auditors and fixation of audit fees;
- d) To review performance of statutory and internal auditors and adequacy of internal control systems;
- e) To review quarterly, half yearly and annual financial results of the Company before submission to the Board;
- f) To discuss any significant findings made by internal auditors and follow-up thereon;
- g) To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting matter to the Board;
- h) To look into substantial defaults, if any in payments to depositors, debenture-holders, creditors & shareholders;
- i) Any related party transactions that may have the potential conflict with the interest of the Company.

COMPOSITION:

The Audit Committee presently comprises of three Independent Non-Executive Directors:

MEETINGS AND ATTENDANCE:

During the financial year ended 31st March, 2015, 5 (five) meetings of the Audit Committee were held, as follows:

30.05.2014 14.08.2014 03.09.2014 14.11.2014 14.02.2015

1. Attendance of each Member at the Audit Committee meetings held during the year

Name	Number of Meetings during the year 2014-15	
	Held	Attended
Mr. Pankaj Singhal	5	5
Mr. Sunil Choudhary	5	5
Mr. Vijay Bakliwal	5	5

4. NOMINATION AND REMUNERATION COMMITTEE

Description and Role of the Nomination & Remuneration Committee:

Pursuant to Section 178 of the Companies Act, 2013, and the Listing Agreement the existing "Remuneration Committee" was renamed as "Nomination and Remuneration Committee".

This Committee identifies the persons, who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also carries out evaluation of every director's performance. The Committee also formulates the criteria for determining qualifications, positive attributes, independence of the Directors and recommends to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

MEETINGS AND ATTENDANCE:

During the financial year ended 31st March, 2015, 2 (Two) meetings of the Nomination and Remuneration Committee were held on 14.08.2014 and 03.09.2014.

1. Attendance of each Member at the Nomination and Remuneration Committee meetings held during the year

Name	Number of Meetings during the year 2014-15	
	Held	Attended
Mr. Pankaj Singhal	2	2
Mr. Sunil Choudhary	2	2
Mr. Vijay Bakliwal	2	2

2. Remuneration paid to the Directors during 2014-15:

Director	Relationship with other directors	Sitting Fees* Rs.	Salary and Perquisites Rs.	Commission Rs.	Total Rs.
Mr. Pankaj Jajoo CMD (Promoter)	Related to Shri Manish Jajoo	Nil	Nil	Nil	Nil
Mr. Manish Jajoo Non-Executive Director	Related to Shri Pankaj Jajoo	Nil	Nil	Nil	Nil
Mr. Pankaj Singhal Independent Director	None	Nil	Nil	Nil	Nil
Mr. Sunil Choudhary Independent Director	None	Nil	Nil	Nil	Nil
Mr. Vijay Bakliwal Independent Director	None	Nil	Nil	Nil	Nil

#the Company has not provided any kind of remuneration to any director during the year.

Notes:

- The remuneration to the Executive Directors will be payable as per the recommendation of Nomination and Remuneration Committee and approval of the shareholders at the general body meeting, wherever applicable.
- No perquisites paid to any directors.
- No fixed or variable benefits are available for any of the directors.
- No Stock-Option has been granted to any directors by the Company.
- Numbers of shares held by Non Executive Directors are mentioned in Form No. MGT-9 which is annexed as Annexure II of this Annual Report which shall form part of this report.
- Further that none of the directors were holding convertible instruments as on date.

NOMINATION, REMUNERATION AND EVALUATION POLICY**PREFACE**

The Remuneration Committee of THE DHAR TEXTILE MILLS LIMITED ("the Company") has been formed to review and make recommendations on annual salaries, performance commission, perquisites and other employment conditions of the Executive Directors, Key Managerial Personnel and other employees. In order to align with the provisions of the Companies Act, 2013 and the Listing Agreement, the Board changed the nomenclature of "Remuneration Committee" as "Nomination and Remuneration Committee".

OBJECTIVE

The Nomination and Remuneration Committee and this Policy are in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement.

The Key Objectives of the Committee would be:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

Terms not defined in the policy shall have the meaning as per the Companies Act, 2013.

"Key Managerial Personnel" means –

Chief Executive Officer or the Managing Director or the Manager;

Company Secretary,

Whole-time Director;

Chief Financial Officer; and

Such other officer as may be prescribed.

“Senior Management” means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

ROLE OF COMMITTEE:

The role of the Committee inter alia will be the following:

To formulate a criteria for determining qualifications, positive attributes and independence of a Director;

To recommend to the Board the appointment and removal of Senior Management;

To carry out evaluation of Director’s performance and recommend to the Board appointment / removal based on his / her performance;

To recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive;

- a) To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- b) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- c) To devise a policy on Board diversity;
- d) To develop a succession plan for the Board and to regularly review the plan.

MEMBERSHIP:

- a) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRMAN:

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders’ queries.

FREQUENCY OF MEETINGS:

The meeting of the Committee shall be held at such regular intervals as may be required.

COMMITTEE MEMBERS’ INTERESTS:

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

SECRETARY:

The Company Secretary of the Company shall act as Secretary of the Committee.

VOTING:

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

NOMINATION DUTIES:

The duties of the Committee in relation to nomination matters include:

Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;

Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;

Identifying and recommending Directors who are to be put forward for retirement by rotation.

Determining the appropriate size, diversity and composition of the Board;

Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.

Delegating any of its powers to one or more of its members or the Secretary of the Committee;

Recommend any necessary changes to the Board.

Considering any other matters as may be requested by the Board; and

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT:

1. Appointment Criteria and Qualifications

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

2. Term / Tenure

Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

REMUNERATION DUTIES:

The duties of the Committee in relation to remuneration matters include:

to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

To approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

To delegate any of its powers to one or more of its members or the Secretary of the Committee.

To consider any other matters as may be requested by the Board;

Professional indemnity and liability insurance for Directors and senior management.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL:

1 Remuneration to Managing/Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

The Remuneration/ Compensation/ Commission etc. to be paid to Director / Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

2. Remuneration to Non- Executive / Independent Director:

The Non-Executive Independent Director may receive remuneration / compensation / commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

EVALUATION POLICY:

The following parameters for the purpose of evaluating the performance of the Board and that of Committees and Individual Directors:

Rating Scale

RATING	DESCRIPTION
1	Does not meet evaluation parameter
2	Meets evaluation parameter
3	Exceeds evaluation parameter
N/A	Not Applicable

Evaluation of Board

Some of the specific issues and questions that should be considered in a performance evaluation of the entire Board by the Independent Directors are set out below:

S. No.	Assessment Criteria
1	Is the composition of the board appropriate with the right mix of knowledge and skills required to drive organizational performance in the light of future strategy?
2	Members of the board meet all applicable independence requirements.
3	The Board of Directors is effective in establishing a corporate environment that promotes timely and effective disclosure, fiscal accountability, high ethical standards and compliance with applicable laws and regulations.
4	The Board of Directors is effective in developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities.
5	The Company's systems of control are effective for identifying material risks and reporting material violations of policies and law and The Board is provided with sufficient information about material risks and problems that affects the Company's business and prospects.
6	The Board receives regular financial updates and takes all necessary steps to ensure the operations of the organization are sound and reviews the organization's performance in carrying out the stated mission on a regular basis.
7	Are sufficient numbers of board meetings, of appropriate length, being held to enable proper consideration of issues?
8	The information provided to directors prior to Board meetings meets expectations in terms of length and level of detail and Board members come prepared to meetings and ask appropriate questions of management and address issues that might present a conflict of interest.
9	Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues.
10	The Chairman of the Board effectively and appropriately leads and facilitates the Board meetings and the policy and governance work of the Board.

11	Nomination and appointment of Board members and their Remuneration follow clearly established procedures using known criteria as laid down by the Nomination and Remuneration Committee.
12	The Board oversees the role of the independent auditor from selection to termination and has an effective process to evaluate the independent auditor's qualifications and performance (through its Audit Committee).
13	Company has a system for Corporate Social Responsibility, Stakeholder Relationships and for prohibition of insider trading
14	Company has necessary Committees which are required and these Committees are working effectively
15	Adherence to Internal Policies and Procedures.

Based on the above criteria Board has to be assessed by giving a rating according to the Rating Scale. The total number of the ratings awarded will be averaged over the number of persons who have awarded the ratings.

The process of evaluation shall be done by Independent Directors only. Assistance in the process will be provided by a person so authorized by the Board, and for this purpose the person will report to the Board.

Evaluation of Committees

Some of the specific issues and questions that should be considered in a performance evaluation of the Committees of the Board are set out below:

S. No.	Assessment Criteria
1	Compliance with Articles of Association, Companies Act and Other applicable laws.
2	Compliance with Code of Conduct of the Company.
3	Committee's accomplishments w.r.t. performance objectives.
4	Adherence to Articles of Association, Companies Act and Other applicable laws.
5	Redressal of Complaints and Grievances.
6	Coordination with other committees and with Board of Directors.
7	Fulfilment of Roles and Responsibilities in accordance to Companies Act and Listing Agreement.
8	Adherence to Internal Policies and Procedures.

Based on the above criteria Committees has to be assessed by giving a rating according to the Rating Scale. The total number of the ratings awarded will be averaged over the number of persons who have awarded the ratings.

The process of evaluation shall be done all the Directors of the Company. Assistance in the process will be provided by a person so authorized by the Board, and for this purpose the person will report to the Board.

Evaluation of Individual Directors (Independent Directors)

Some of the specific issues and questions that should be considered in the performance evaluation of an Independent Director, (the exercise in which the concerned director being evaluated shall not be included) are set out below:

S. No.	Assessment Criteria
1	Attendance and participations in the Meetings and timely inputs on the minutes of the meetings
2	Adherence to code of conduct of Company and disclosure of non – independence, as and when it exists and disclosure of interest
3	Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings
4	Interpersonal relations with other directors and management
5	Objective evaluation of Board's performance, rendering independent, unbiased opinion
6	Understanding of the Company and the external environment in which it operates and contribution to strategic direction.
7	Safeguarding interest of whistle-blowers under vigil mechanism and Safeguard of confidential information
8	Adherence to Internal Policies and Procedures.

Based on the above criteria each of the Independent Directors has to be assessed by giving a rating according to the Rating Scale. The total number of the ratings awarded will be averaged over the number of persons who have awarded the ratings.

The process of evaluation shall be done by the other directors (including other Independent Directors). Assistance in the process will be provided by a person so authorized by the Board, and for this purpose the person will report to the Board.

Evaluation of Individual Directors (NON – INDEPENDENT DIRECTORS / CMD / WTD)

Some of the specific issues and questions that should be considered in the performance evaluation of an Non-Independent Director /WTD/ CMD, (the exercise in which the concerned director being evaluated shall not be included) are set out below:

S. No.	Assessment Criteria
1	Attendance, participations in the Meetings and timely inputs on the minutes of the meetings
2	Contribution towards growth of the Company including actual vis-a-vis budgeted performance.

3	Leadership initiative, like new ideas and planning towards growth of the Company and steps initiated towards Branding of the Company
4	Adherence to code of conduct of Company
5	Team work attributes and supervising & training of staff members
6	Compliance with policies, Reporting of frauds, violation etc. and disclosure of interest
7	Safeguarding of interest of whistle blowers under vigil mechanism and Safeguard of confidential information
8	Adherence to Internal Policies and Procedures.

Based on the above criteria each of the Non – Independent Directors / CMD / WTD has to be assessed by giving a rating according to the Rating Scale. The total number of the ratings awarded will be averaged over the number of persons who have awarded the ratings.

The process of evaluation shall be done by the other directors (including other Non – Independent Directors / CMD / WTD). Assistance in the process will be provided by a person so authorized by the Board, and for this purpose the person will report to the Board.

MINUTES OF COMMITTEE MEETING:

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

REVIEW AND AMENDMENT

The Nomination and Remuneration Committee or the Board may review the Policy as and when it deems necessary.

The Nomination and Remuneration Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.

This Policy may be amended or substituted by the Nomination and Remuneration Committee or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

Note: Nomination and Remuneration Policy of the Company is also available on the website of the Company i.e. www.dhartextile.com

5. STAKEHOLDER RELATIONSHIP COMMITTEE

Pursuant to Section 178 of the Companies Act, 2013, and the Listing Agreement the existing “Shareholder Grievance Committee” was renamed as “Stakeholders Relationship Committee”.

COMPOSITION:

The Stakeholder Relationship Committee is headed by a Non-Executive Independent Director and comprises the following Directors:

1. Mr. Pankaj Singhal, Chairman
2. Mr. Sunil Choudhary, Member
3. Mr. Vijay Bakliwal, Member

MEETINGS AND ATTENDANCE:

During the financial year ended 31st March, 2015, 1 (one) meetings of the Stakeholder Relationship Committee was held on 03.09.2014.

1. Attendance of each Member at the Stakeholder Relationship Committee meetings held during the year

Name	Number of Meetings during the year 2014-15	
	Held	Attended
Mr. Pankaj Singhal	1	1
Mr. Sunil Choudhary	1	1
Mr. Vijay Bakliwal	1	1

During the year the Company received 0 (Nil) complaints from its shareholders and as on 31.03.2015 no complaint is pending beyond 30 days.

Name, Designation & Address of Compliance Office:

Mr. Pankaj Jajoo, Managing Director
C-1/A, Low Land Area,
Pologround Industrial Estate, Indore-452 015

6. RISK MANAGEMENT COMMITTEE

A ‘Risk Management Committee’ has been formed to implement and monitor the risk management plan and policy of the Company. The Committee’s constitution meets with the requirements of Clause 49 of the Listing Agreement.

COMPOSITION:

The Risk Management Committee consists of three (3) Non-Executive Independent Directors:

MEETINGS AND ATTENDANCE:

During the financial year 2014-2015 one (1) meetings of Risk Management Committee was held on 30.03.2015.

1. Attendance of each Member at the Risk Management Committee meetings held during the year

Name	Number of Meetings during the year 2014-15	
	Held	Attended
Mr. Pankaj Singhal	1	1
Mr. Sunil Choudhary	1	1
Mr. Vijay Bakliwal	1	1

RISK MANAGEMENT POLICY:

The Company and its actions are increasingly exposed to greater scrutiny by the public, investors and its stake-holders. Accordingly, the Company has to contend with new business challenges, risks and demands for corporate governance.

A key factor for a Company's capacity to create sustainable value is the risks that the Company is willing to take (at strategic and operational levels) and its ability to manage them effectively. Ability to identify and manage risks promptly is also a critical aspect of corporate governance at any Company. Many risks exist in a Company's operating environment and continuously emerge on a day to day basis. Risk management does not aim at eliminating them, as that would simultaneously eliminate all chances of rewards/ opportunities. Risk Management is instead focused at ensuring that these risks are known and addressed through a pragmatic and effective risk management process.

This Risk Management procedures manual aims to provide specific procedures to operationalize the Risk Management Policy of DTML.

This Risk Management Policy has been created in furtherance of our commitment to building a strong risk management culture. The objectives of Risk management at DTML are to:

- Better understand our risk profile;
- Understand and better manage the uncertainties which impact our performance;
- Contribute to safeguarding company value and interest of various stakeholders;
- Ensure that sound business opportunities are identified and pursued without exposing the business to an unacceptable level of risk; and
- Improve compliance with good corporate governance guidelines and practices as well as laws & regulations.

Risks for the Company can broadly classified risks that are external and internal as enumerated below.

External Risk Factors	Internal Risk Factors
Economic Environment and Market conditions	Financial reporting risks
Fluctuations in Foreign Exchange	Contractual compliance
Political Environment	Compliance with local laws
Competition	Quality and Project management
Revenue concentration	Environmental management
Inflation and cost structure	Human resource management
Technology obsolescence	Culture and values
Risk of Corporate Accounting Fraud	

Note: Risk Management Policy of the Company is also available on the website of the Company i.e. www.dhartextile.com

7. GENERAL BODY MEETINGS**i. Annual General Meetings:**

The location and time of the last three Annual General Meetings are as under:

Year	Date of AGM	Time	Venue	No. of Special Resolutions Passed
2013-14	30th Sept., 2014	11.00 A.M.	Registered office	Three
2012-13	30th Sept., 2013	10:30 A.M.	Registered office	One
2011-12	29th Sept., 2012	10:30 A.M.	Registered office	-

Financial Calendar F.Y. 2015 – 16 (Tentative)

Board meeting for first three quarters ending on 30 th June'15, 30 th Sept.'2015 and 31 st Dec.'2015	On or before 45 th day from the end of Quarter
Board Meeting for Last quarter ending on 31 st March 2016	On or before 30 th May'2016
Annual General Meeting for FY 2015 -16	On or before 30 th Sept.'2016

ii. Postal Ballot:

- The Company has not passed any Special Resolution during last three years requiring voting through Postal Ballot.
- There is no proposal for passing any resolution through Postal Ballot at the ensuing Annual General Meeting scheduled to be held on 30th September, 2014.

8. DISCLOSURES**i. Related Party Transactions**

Details of transactions of a material nature of the related parties as specified in Accounting Standard 18 issued by the Institute of Chartered Accountants of India have been reported, where required. There is no transaction of a material nature with any of the related parties, which was in conflict with the interests of the Company. The Register of Contracts containing transactions, in which directors are interested, is placed before the Board regularly.

The Policy on Related Party Transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website i.e. <http://www.dhartextile.com>.

ii. Accounting Treatment

Where in the preparation of financial statements, a treatment different from that prescribed in an Accounting Standard has been followed, the fact shall be disclosed in the in the financial statements.

The financial statements for the year 2014-15 have been prepared in accordance with the applicable accounting standards prescribed by The Institute of Chartered Accountants of India.

iii. Whistle Blower Policy

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Whistle Officer which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee.

During the year under review, no employee was denied access to the Audit Committee.

iv. Separate Meeting of the Independent Director

As per Companies Act, 2013 and the Listing Agreement, the Independent Directors are required to hold at least one separate meeting in a year. Accordingly, a meeting had been held on 30th March, 2015.

v. Familiarization Programme for Independent Director

The directors will be introduced to all the Board members and the senior management personnel such as Chief Financial Officer, Company Secretary and Various Department heads individually to know their roles in the organization and to understand the information which they may seek from them while performing their duties as a Director. And meeting may be arranged for Independent Directors with aforesaid officials to better understand the business and operation of the Company. As part of continuous updating and familiarization with the Company, every Independent Director will be taken for visits to the factory or manufacturing units and other branch of the company where officials of various departments apprise them of the operational and sustainability aspects of the plants to enable them to have full understanding on the activities of the Company and initiatives taken on safety, quality etc. The Company may also circulate news and articles related to the industry from time to time and may provide specific regulatory updates. The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at <http://www.dhartextile.com>

vii. Mandatory and Non-Mandatory Requirements

The Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement. Non-mandatory requirements are being complied with in a phased manner.

9. MEANS OF COMMUNICATION

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end –

Financial Results: The results are submitted to the Stock Exchanges in accordance with the Listing.

Corporate Filing: Announcements, Quarterly Results, Shareholding Pattern etc. of the Company regularly filed by the Company, are also available on the website of The Bombay Stock Exchange Limited– www.bseindia.com.

10. GENERAL SHAREHOLDERS' INFORMATION

i. Annual General Meeting	
Date	30 th September, 2015, Wednesday
Time	11: 30 A.M.
Venue	C-1/A Low Land Area, Pologround Industrial Estate, Indore-M.P.
ii. Financial Year	1 st April, 2014 to 31 st March, 2015
iii. Date of Book Closure	Thursday, 21 st September, 2015 to Wednesday, 30 th September, 2015 (both days inclusive)
iv. Dividend Payment Date	None, as no dividend has been recommended for the year.
v. Listing on Stock Exchange(s)	The Shares of the company are listed on Bombay Stock Exchange Limited (BSE)
vi. Stock Code	
BSE	Stock Code
	DHARTEX
	Scrip Code
	530949
ISIN	INE044B01018 (NSDL & CDSL)
CIN	L17121MP1984PLC002484

vii. Market Price Data

(Trading of shares of the Company is suspended during the year on BSE, last available data is reproduced below. At present Company is suspended)

Month	High (Rs.)	Low (Rs.)	Volume	Trade
April 08	3.97	3.61	1656	4
May 08	4.48	3.64	27637	22
June 08	3.91	3.85	2133	3
July 08	4.04	3.70	33504	23
Aug 08	3.83	3.17	37894	39
Sep. 08	3.91	3.30	12446	23
Oct. 08	4.15	3.79	896	14
Nov. 08	4.09	4.09	204	2
Dec. 08	4.47	2.87	11594	32
Jan. 09	3.02	2.86	1214	6
Feb. 09	2.72	2.41	6193	31

viii. Registrar and Transfer Agent

The Company has appointed M/s. Link Intime India Private Limited as Registrar & Share Transfer Agents, details of whom are as under:

M/s. Link Intime India Private Limited

C – 13, Kantilal Maganlal Estate,

Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (West),

Mumbai - 400 078

Tel No: 25963838

Fax No: 022 - 25946969

Email : rnt.helpdesk@linkintime.co.in

ix. Share Transfer System

To expedite the process of share transfer, transmission, split, consolidation, rematerialisation, dematerialization, payment of dividend and issue of duplicate dividend warrants and resolution of the shareholder's grievances, the Board of Directors has delegated the powers to M/s. Link Intime India Private Limited, Mumbai (Formerly known as Intime Spectrum Registry Limited). The shareholders are requested to approach M/s. Link Intime India Private Limited for resolution of all their issues.

x. Distribution of Shareholding

(a) Class-wise Distribution of Equity Shares as on 31st March, 2015

Slab of Shareholding	Shareholders		Shares	
	Number	% of total	Number	% of total
1-500	1337	80.6880	277435	4.3976
501-1000	154	9.2939	125662	1.9919
1001-2000	75	4.5263	116982	1.8543
2001-3000	29	1.7502	73171	1.1598
3001-4000	9	0.5432	32070	0.5083
4001-5000	13	0.7846	60605	0.9606
5001-10000	14	0.8449	96544	1.5303
10001-and above	26	1.5691	5526284	87.5971
Total	1657	100.00	6308753	100.00

(b) Shareholding Pattern as on 31st March, 2015

SR. NO.	CATEGORY	NO. OF SHARES HELD	% OF SHAREHOLDING
A	PROMOTER'S HOLDING		
1.	<u>Promoters</u> Indian Foreign	3027719	47.99%
2.	<u>Persons acting in Concert</u>	-	-
	Sub-Total	3027719	47.99%
B	NON-PROMOTER'S HOLDING		
3.	<u>Institutional Investors</u>		
	(a) Mutual funds and UTI	906738	14.3727%
	(b) Banks,	393200	6.2326%
	(c) Insurance Companies	194541	3.0837%
	(d) FII's	-	-
	Sub-Total	1494479	23.689%
4.	<u>Others</u>		
	(a) Bodies Corporate	398443	6.3157%
	(b) Indian Public	1183828	18.7648%
	(c) NRIs/OCBs	197884	3.1367%
	(d) Any Other (Clearing Members, Trust, Directors)	6400	0.1015%
	Sub-Total	1786555	28.3187%
	GRAND TOTAL (A+B)	6308753	100%

xi. Dematerialization of shares

The break-up of shares in physical and demat form as on 31st March, 2015 is as follows:

Particulars of Equity Shares	Equity Shares of Rs.10/- each	
	Number	% of Total
NSDL	2200788	34.88
CDSL	2665218	42.24
Physical	1442747	22.88
Total	6308753	100.00

xii. Outstanding GDRs/ADRs/Warrants or any other convertible instruments and their impact on equity:

The Company does not have any outstanding instruments GDRs/ADRs or any convertible instruments as on 31.03.2015.

xiii. Project Locations

Yarn Division - 188, Sector I, Pithampur Dist Dhar, M.P.

Fabric Division - C-1/A, Low Land Area, Pologround Industrial Estate, Indore, M.P.

xiv. Address for Correspondence

For all investor related issues, the address for correspondence shall be:

Company	The Dhar Textile Mills Limited C-1/A, Low Land Area, Pologround Industrial Estate, Indore – 452015
Registrar and Share Transfer Agent	Link Intime India Pvt. Ltd. C -13, Kantilal Maganlal Estate, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078 Tel No: 25963838 Fax No : 022 - 25946969 Email : rnt.helpdesk@linkintime.co.in

**FOR AND ON BEHALF OF THE BOARD,
THE DHAR TEXTILE MILLS LIMITED**

**Place: Indore
Date: 03rd September, 2015**

**PANKAJ JAJOO
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00017748**

DECLARATION

As provided under sub clause II of clause 49 of the Listing Agreement with the stock exchanges, it is hereby declared that all board members and senior management personnel of the Company have affirmed the compliance of Code of Conduct for the year ended 31st March, 2015.

For The Dhar Textile Mills Limited

**Pankaj Jajoo
Chairman and Managing Director
DIN: 00017748**

MD / CFO CERTIFICATION

As required by sub clause IX of Clause 49 of the Listing Agreement with the Stock Exchange, we have certified to the Board that for the financial year ended March 31, 2015, the Company has complied with the requirements of the said sub clause.

For The Dhar Textile Mills Limited

**Pankaj Jajoo
Chairman and Managing Director
DIN: 00017748**

**Indu Batni
CFO**

MANAGEMENT DISCUSSION AND ANALYSIS

We have pleasure in submitting the Management Discussion & Analysis Report on the business of the Company:-

ECONOMIC ENVIRONMENT:

The year under review (2014-15) was characterized by slow growth across the globe. Europe was under severe recession and quantitative easing (QE) as deployed by the Central Bank has impacted the EURO and it was traded at multi-year low against US\$. The stronger US economy was the only positive point and US\$ strengthened against most emerging market currencies. Commodity prices declined across the board with crude oil declined the most. The decline in crude oil prices has helped the emerging market economies, especially India. In India, the inflation has eased as compared to the previous financial year (2013-14). Current account deficit have also improved due to the falling crude prices. It is expected that Indian Economy will have robust growth in 2015-16 (as per World Bank report).

According to a report, the Indian textiles industry, currently estimated at around US \$108 billion, is expected to reach US \$ 141 billion by 2021. The industry is the second largest employer after agriculture, providing direct employment to over 45 million and 60 million people indirectly. The Indian Textile Industry contributes approximately 5 per cent to GDP, and 14 per cent to overall Index of Industrial Production (IIP).

FINANCIAL AND OPERATIONAL PERFORMANCE:

Please refer to brief description of the Company's Working during the year and State Of Company's Affair in the Board of Directors Report.

INDUSTRY STRUCTURE AND DEVELOPMENTS:

For the Textiles industry, the global focus is shifting from China to India due to cost and stability factors. The government's positive steps are expected to help this shift and if foreign investments in textiles retail materialize, the consumption of the textile products in the domestic market should increase in the years to come.

Recently, Government has withdrawn the requirement of export contract registration for cotton and cotton yarn and now these are in the free list, without any requirement of registration, which should boost export of cotton yarn and simultaneously, the domestic market is expected to improve.

The Indian textile industry has the potential to grow five-fold over the next ten years to touch US\$ 500 billion mark on the back of growing demand for polyester fabric. The US\$ 500 billion market figure consists of domestic sales of US\$ 315 billion and exports of US\$ 185 billion. The current industry size comprises domestic market of US\$ 68 billion and exports of US\$ 40 billion.

Apparel exports from India have registered a growth of 17.6 per cent in the period April—September 2014 over the same period in the previous financial year.

Power and labour costs are increasing, due to which, cost of production has been going up. The expected fall in the value of rupee should act positively for promotion of exports.

There are heavy losses in the Company due to interest on loans and only Yarn division of the Company is operating. There is no production in Fabric division of the Company. For quantitative information of operations please refer to performance review in the Board of Directors Report. Our Company is sick Company in terms of Sick Industrial Companies (Special Provision) Act, 1985, reference of the Company is also restored by the BIFR during the year.

OPPORTUNITIES AND THREATS:

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. The organized apparel segment is expected to grow at a compound annual growth rate (CAGR) of more than 13 per cent over a 10-year period.

The Ministry of Textiles has approved a 'Scheme for promoting usage of geotechnical textiles in North East Region (NER)' in order to capitalize on the benefits of geotechnical textiles. The scheme has been approved with a financial outlay of Rs 427 Crores (US\$ 69.12 million) for five years from 2014-15.

There is scope for growth in the textile industry as India's share in the global trade in textiles is weak, compared to other countries, based on the availability of raw material and skills. The free trade environment is a good opportunity for Indian textile industry to increase its share in the global market. Recently Turkey has allowed duty free imports of textile fabrics from Pakistan and hence, India will have to face tough competition in this market for textile products. Increase in the power costs, higher transaction costs, high cost of labour and general increase in input costs, are all hindering progress, for which the industry has to concentrate on cost reduction exercises and improvement in efficiency.

OUTLOOK:

Currently the Company is running SICK and your Directors have been making efforts on all fronts viz. production, marketing, finance and cost control etc. and these efforts have been yielding good results. The outlook for the company's products appears to be good and the company is confident of achieving improved operational performance.

SEGMENT- WISE PERFORMANCE:

The Company has incurred losses exceeding its net worth at the end of the financial year due to interest on loans and only Yarn division of the Company is operating. There is no production in Fabric division of the Company. Our Company is sick Company in terms of Sick Industrial Companies (Special Provision) Act, 1985, reference of the Company is also restored by the BIFR during the year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has a proper internal control system, which provides adequate safeguards and effective monitoring of the transactions and ensures that all assets are safeguarded and protected against loss from unauthorized use or disposition.

Moreover, the audit committee of the Company comprising of all independent directors regularly reviews the audit plans, adequacy of internal control as well as compliance of accounting standards.

Also the CEO/ CFO has the responsibility for establishing and maintaining internal controls for financial reporting and that they also have the overall responsibility to evaluate the effectiveness of internal control systems of the company pertaining to financial reporting and they have to disclose to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify the deficiencies.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS:

The Company has constituted an Internal Complaint Committee (ICC) for prevention, prohibition and redressal of complaints / grievances on the sexual harassment of women at work places.

We have ensured safe and healthy working conditions in the Unit and have continued with our policy to ensure safe and healthy working conditions in the other premises of the Company taking into account of health and safety of all concerned, besides conservation of natural resources and protection of the environment.

A major factor which continued growth of your organization is the constructive support of Banks, Institutions, suppliers, Executives, Employees, Creditors and the confidence shown by them in the Company. Employer-Employee relations in all the offices of the Company were cordial throughout the year under review.

CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations are "Forward Looking Statements". All statements that address expectations or projections about future, but not limited to the company's strategy for growth, product development, market position, expenditures and financial results may be forward – looking statements within the meaning of applicable rules and regulations. Since these are based on certain assumptions and expectations of future events, the company cannot guarantee that these are accurate or will be realized. The company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

**For and on Behalf Of The Board,
The Dhar Textile Mills Limited**

**Pankaj Jajoo
Chairman and Managing Director
Din: 00017748**

**Place: Indore
Date: 03rd September, 2015**

CERTIFICATE

To
The Members of
M/s THE DHAR TEXTILE MILLS LIMITED,
Indore

We have examined the compliance of the conditions of Corporate Governance by M/s The Dhar Textile Mills Limited for the year ended March 31, 2015 as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchange(s) in India.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure 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 the opinion on the financial statement of the company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2015 no investor grievances are pending against the company as on date as per the records maintained by the company and presented to the investors/shareholders grievance committee.

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

For B. Bansal & Co.,
Chartered Accountants
Firm Regn No. 000450C

Place: Indore
Date: 03rd September, 2015

Rajendra Bansal
(Partner)
M. No. 073533

SECRETARIAL AUDIT REPORTFOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[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,
The Dhar Textile Mills Limited
Indore

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s The Dhar Textile 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 my opinion thereon.

Based on our verification of **M/s The Dhar Textile Mills Limited's** books, papers, minute 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 ended on 31st March, 2015, has 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s The Dhar Textile Mills Limited for the period ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable;
- (v) 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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit Period);
 - (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, 1998 (Not applicable to the Company during the Audit Period);
- (vi) Other specific Applicable Laws:-
 - (a) Textile (Development & Regulation) Order, 2001 under Essential Commodities Act 1955;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not Notified and hence not applicable during the Audit period).
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and other regional exchanges which are not operative.

During the period under review, the Company has materially complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to followings :-

- a. Non publication of notice of Board Meeting and Quarterly results in news paper as required in listing agreement.
- b. Trading of the equity shares of the Company is suspended at BSE.
- c. Shares of the Company listed on other regional stock exchanges but Company not complying the requirements of listing agreement, as they are not operative.
- d. Appointment of Woman Director on Board.

- e. Appointment of Company Secretary in whole time employment.
- f. Non filling of Form MGT-14 with ROC for approval of Audited Financial Statement of 31st March 2014.
- g. Non redemption of Preference shares and non-payment of dividend thereon.
- h. Non transfer of amount of unpaid dividend lying with the Company to Investor protection fund and not filed the relevant forms with ROC.
- i. Non fulfillment of Hank Yarn Obligation by transfer under Textile (Development & Regulation) Order, 2001 under Essential Commodities Act 1955.

3. We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, except appointment of Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or with shorter period, wherever required, 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 are captured and recorded as part of the minutes, wherever exist.

- 4. 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.
- 5. We further report that** Company is Sick Company in terms of SICA, 1985 and registered with BIFR.

For P.S. Tripathi & Associates
Company Secretaries

Pratik Tripathi

Place: Indore
Date: 03rd September, 2015

Partner
C.P. No. 5358

Independent Auditors' Report

To the Members of THE DHAR TEXTILE MILLS LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of THE DHAR TEXTILE MILLS LTD. which comprise the Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the

information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet and Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the 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 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - f) 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. Note No.1 of schedule "O" Part B regarding non redemption of redeemable preference shares amounting to Rs. 350 lacs which fell due up to 1st February 2006 and arrears of preference dividend of Rs. 5. 555 crores.
- ii. Note No.2 a of schedule "O" Part B regarding non payment of debts from Banks, IDBI, and Hire Purchase company amounting to Rs.272.23 Cores, and reschedulement of repayment of loans under Corporate Debt Restructuring (CDR) mechanism of RBI, Asset Reconstruction Company India Ltd. (ARCIL) and ASREC India Ltd. had takeover these debts.

For B.BANSAL & CO.

Chartered Accountants

FRN: 000450C

RAJENDRA BANSAL

(PARTNER)

Place: Indore

Date: 20/05/2014

Membership No. 073533

B. Bansal & Company
Chartered Accountants
E-2 Ratlam Kothi, Indore-452001

The Annexure referred to in paragraph 1 of Our Report on Other Legal and Regulatory Requirements.

We report that:

1. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) As explained to us, these fixed assets have been physically verified by the management at reasonable intervals; no any material discrepancies were noticed on such verification.;
2. (a) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management;

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business.

(c) In our opinion and on the basis of our examination of the records, the company is generally maintaining proper records of inventory and no any material discrepancies were noticed on physical verification of stocks by the management as compared to book records;
3. As per the information produced before us names of parties from whom loans were received/granted covered under section 189 have been entered in the register maintained under section 189 of the Companies Act 2013.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

5. The Company has not accepted any deposits from the public covered under section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under,.
6. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under sub-section (1) of section 148 of the Act.
7. According to the records of the company examined by us, in our opinion, the company is regular in depositing undisputed statutory dues including Provident Fund Employees State Insurance, Income-Tax, Sales-Tax, and Excise Duty, except Service Tax Custom Duty, cess and any other statutory dues with the appropriate authorities. According to the records of the company examined by us, no undisputed amount payable in respect of Income Tax, Wealth Tax, Custom Duty and Excise Duty were in arrears as at 31st March 2015 for a period of more than 6 months from the date they become payable.

The disputed statutory dues aggregating to Rs.38,46,025/- have not been deposited on account of matters pending before appropriate authorities as under, annexure for the same is enclosed herewith:

S.No.	Name of the Statue	Nature of Dues	Forum where dispute is pending	Amount
1	Labour Commissioner	Labour Due (For the Year 2011)	M.P. Government Labour Department	8,61,300/-
2	Labour Commissioner	Labour Due (Feb - July 2010)	M.P. Government Labour Department	7,97,162/-
3	Labour Commissioner	Labour Due (Aug10 - Jan 2011)	M.P. Government Labour Department	21,87,563/-

8. The company is a sick company within the meaning of Sick Industrial Companies (special Provision) Act, 1985, as its accumulated losses exceeded fifty percent of its Net Worth at the end of the financial year. The Company has incurred cash losses during the current year as also during the immediately preceding financial year. Reference file under section 15(1) of sick Industrial Companies (special Provision) Act, 1985 is registered as case no. 353/2004 vide letter No. 3 (T-22)/BC/2004 dated 30/11/2004 issued by Registrar, Board of Industrial and Financial Reconstruction, New Delhi. The bench has declared that the Company is a sick Industrial Company in terms of 3 (1) (O) of the Act w.e.f. 2.05.2006.
9. Based on our audit procedures and on the basis of information and explanations given by the management, the Company has defaulted in the repayment of following dues to banks or financial institutions as at balance sheet date:

S.No.	Name of the Bank/Financial Institute	Amount of Default (Rs. in Crores)	Default Continued since
1	State Bank of India*	113.26	30 th April 04
2	Industrial Development Bank of India	62.51	30 th June 04
3	State Bank of India*	53.88	30 th April 04
4	Canara Bank	23.75	30 th April 04
5	State Bank of Saurashtra*	18.83	30 th April 04
	Total	272.23	

*Standard Chartered Bank has takeover account of State Bank of India and State Bank of Saurashtra whereas Kotak Mahindra Bank Ltd. has taken over account of Industrial Development Bank of India in financial year 2006-07 & 2007-08.

Asset Reconstruction Company India Ltd. (ARCIL) took over loan account of Standard Chartered Bank, whereas ASREC India Ltd. took over loan accounts of Kotak Mahindra Bank Ltd. and Canara Bank.

10. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution

11. Based on our audit procedures and on the information given by the management, the company has not taken any term loan during the year;
12. According to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

**FOR B.BANSAL AND COMPANY
CHARTERED ACCOUNTANTS
FRN: 000450C**

**Place:- Indore
Date: 20/05/2015**

**RAJENDRA BANSAL
PARTNER
Membership No. 073533**

Balance Sheet as at 31st March 2015

₹ in rupees

	Note No.	As at 31st March 2015	As at 31st March 2014
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	1	9,80,87,530.00	9,80,87,530.00
Reserves and surplus	2	(2,77,07,25,046.00)	(2,73,76,82,749.00)
Money received against share warrants		-	-
		(2,67,26,37,516.00)	(2,63,95,95,219.00)
Share application money pending allotment		-	-
Non-current liabilities			
Long-term borrowings	3	2,81,07,79,230.00	2,76,96,20,413.00
Deferred tax liabilities (Net)		-	-
Other long term liabilities		-	-
Long-term provisions	4	1,12,17,814.00	1,14,11,346.00
		2,82,19,97,044.00	2,78,10,31,759.00
Current liabilities			
Short-term borrowings	5	-	-
Trade payables	6	4,46,73,991.00	6,27,55,618.00
Other current liabilities	7	1,12,50,887.00	1,35,62,909.00
Short-term provisions	4	-	-
		5,59,24,878.00	7,63,18,527.00
TOTAL		20,52,84,406.00	21,77,55,067.00
ASSETS			
Non-current assets			
Fixed assets	8		
Tangible assets		15,27,27,397.00	15,32,39,897.00
Intangible assets		-	-
Capital work-in-Progress		-	-
Intangible assets under development		-	-
Non-current investments	9	-	-
Deferred tax assets (net)		-	-
Long-term loans and advances	10	-	-
Other non-current assets	11	-	-
		15,27,27,397.00	15,32,39,897.00
Current assets			
Current investments		-	-
Inventories	12	2,79,90,559.00	2,91,86,505.00
Trade receivables	13	12,31,634.00	97,32,130.00
Cash and cash equivalents	14	8,02,887.00	13,42,839.00
Short-term loans and advances	10	2,25,31,929.00	2,42,53,696.00
Other current assets	15	-	-
		5,25,57,009.00	6,45,15,170.00
TOTAL		20,52,84,406.00	21,77,55,067.00

The schedule referred above form an integral part of the Accounts
Audit Report as on even date attached

For B.BANSAL & CO.
Chartered Accountants
(FRN: 000450C)

For and on behalf of the Board of Directors

RAJENDRA BANSAL
PARTNER
Membership No.: 073533
Place: INDORE
Date: 20/05/2015

Statement of Profit and loss for the year ended 31st March 2015

₹ in rupees

	Note No.	31st March 2015	31st March 2014
Revenue			
Revenue from operations	16	31,45,28,018.00	35,86,49,241.00
Less: Excise duty		-	-
Net Sales		31,45,28,018.00	35,86,49,241.00
Other income	17	25,15,472.00	3,16,72,633.00
Total revenue		31,70,43,490.00	39,03,21,874.00
Expenses			
Cost of material Consumed	18	21,68,77,807.00	25,61,43,264.00
Purchase of stock-in-trade		-	-
Changes in inventories	19	48,73,293.00	(89,56,207.00)
Employee benefit expenses	20	3,62,93,473.00	3,39,71,465.00
Finance costs	21	4,74,33,010.00	6,68,20,050.00
Depreciation and amortization expenses	22	5,12,500.00	7,56,997.00
Other expenses	23	4,40,95,704.00	4,87,44,136.00
Total expenses		35,00,85,787.00	39,74,79,705.00
Profit before exceptional, extraordinary and prior period items and tax		(3,30,42,297.00)	(71,57,831.00)
Exceptional items		-	-
Profit before extraordinary and prior period items and tax		(3,30,42,297.00)	(71,57,831.00)
Extraordinary items		-	-
Prior period item		-	-
Profit before tax		(3,30,42,297.00)	(71,57,831.00)
Tax expenses			
Current tax		-	-
Deferred tax		-	-
Excess/short provision relating earlier year tax		-	-
Profit(Loss) for the period from continuing operations		(3,30,42,297.00)	(71,57,831.00)
Profit(Loss) from discontinuing operations		-	-
Tax expenses of discontinuing operations		-	-
Profit(Loss) from discontinuing operations(after tax)		-	-
Profit(Loss) for the period		(3,30,42,297.00)	(71,57,831.00)
Share earnings associates		-	-
Share earnings joint ventures		-	-
Share minority interest		-	-
Adjustments related merger acquisitions		-	-
Profit(Loss) for the period		(3,30,42,297.00)	(71,57,831.00)
Earning per share			
Basic			
Before extraordinary Items		-	-
After extraordinary Adjustment		-	-
Diluted			
Before extraordinary Items		-	-
After extraordinary Adjustment		-	-

The schedule referred above form an integral part of the Accounts

Audit Report as on even date attached
For B.BANSAL & CO.
Chartered Accountants
(FRN: 000450C)

For and on behalf of the Board of Directors

RAJENDRA BANSAL
PARTNER
Membership No.: 073533
Place: INDORE
Date: 20/05/2015

Notes to Financial statements for the year ended 31st March 2015

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

Note No. 1 Share Capital

₹ in rupees

Particulars	As at 31st March 2015	As at 31st March 2014
Authorized :		
7000000 (31/03/2014:7000000) Equity shares of Rs. 10.00/- par value	7,00,00,000.00	7,00,00,000.00
4000000 (31/03/2014:4000000) Preference shares of Rs. 10.00/- par value	4,00,00,000.00	4,00,00,000.00
Issued :		
6308753 (31/03/2014:6308753) Equity shares of Rs. 10.00/- par value	6,30,87,530.00	6,30,87,530.00
3500000 (31/03/2014:3500000) Preference shares of Rs. 10.00/- par value	3,50,00,000.00	3,50,00,000.00
Subscribed and paid-up :		
6308753 (31/03/2014:6308753) Equity shares of Rs. 10.00/- par value	6,30,87,530.00	6,30,87,530.00
3500000 (31/03/2014:3500000) Preference shares of Rs. 10.00/- par value	3,50,00,000.00	3,50,00,000.00
Total	9,80,87,530.00	9,80,87,530.00

Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

Equity shares

₹ in rupees

	As at 31st March 2015		As at 31st March 2014	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	63,08,753	6,30,87,530.00	63,08,753	6,30,87,530.00
Issued during the Period	-	-	-	-
Redeemed or bought back during the period	-	-	-	-
Outstanding at end of the period	63,08,753	6,30,87,530.00	63,08,753	6,30,87,530.00

Preference shares

₹ in rupees

	As at 31st March 2015		As at 31st March 2014	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	35,00,000	3,50,00,000.00	35,00,000	3,50,00,000.00
Issued during the Period	-	-	-	-
Redeemed or bought back during the period	-	-	-	-
Outstanding at end of the period	35,00,000	3,50,00,000.00	35,00,000	3,50,00,000.00

Right, Preferences and Restriction attached to shares

Equity shares

The company has only one class of Equity having a par value Rs. 10.00 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

Preference shares

The company has only one class of Preference having a par value Rs. 10.00 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Preference shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

Details of shareholders holding more than 5% shares in the company

Type of Share	Name of Shareholders	As at 31st March 2015		As at 31st March 2014	
Type of Share	Name of Shareholders	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity [NV: 10.00] [NV: 10.00]	Pankaj Jajoo	12,70,085	20.13	12,70,085	20.13
Equity [NV: 10.00] [NV: 10.00]	Madhuri Jajoo	10,53,794	16.70	10,53,794	16.70
Equity [NV: 10.00] [NV: 10.00]	Pankaj Jajoo	4,29,840	6.81	4,29,840	6.81
Equity [NV: 10.00] [NV: 10.00]	LIC of India	3,50,000	5.55	3,50,000	5.55
Equity [NV: 10.00] [NV: 10.00]	UTI ULIP	3,40,991	5.41	3,40,991	5.41
Equity [NV: 10.00] [NV: 10.00]	Andiminstrator of Specified Undertanking	4,88,947	7.75	4,88,947	7.75
Equity [NV: 10.00] [NV: 10.00]	Indo Global Textile Pvt. Ltd.	3,29,924	5.23	3,29,924	5.23
Total :		42,63,581	67.58	42,63,581	67.58

Note No. 2 Reserves and surplus

₹ in rupees

Particulars	As at 31st March 2015	As at 31st March 2014
Profit loss account		
Opening Balance	(3,05,31,26,228.00)	(3,04,59,68,397.00)
Add: Profit for the year	(3,30,42,297.00)	(71,57,831.00)
Less : Deletion during the year	-	-
Closing Balance	(3,08,61,68,525.00)	(3,05,31,26,228.00)
Reserves		
Opening Balance	9,44,37,512.00	9,44,37,512.00
Add: Addition during the year	-	-
Less : Deletion during the year	-	-
Closing Balance	9,44,37,512.00	9,44,37,512.00
Securities premium		
Opening Balance	22,10,05,967.00	22,10,05,967.00
Add: Addition during the year	-	-
Less : Deletion during the year	-	-
Closing Balance	22,10,05,967.00	22,10,05,967.00
Balance carried to balance sheet	(2,77,07,25,046.00)	(2,73,76,82,749.00)

Note No. 3 Long-term borrowings

₹ in rupees

Particulars	As at 31st March 2015			As at 31st March 2014		
	Non-Current	Current Maturities	Total	Non-Current	Current Maturities	Total
Term Loan - From banks						
Secured Loans	2,72,22,89,343.00	-	2,72,22,89,343.00	2,74,39,96,944.00	-	2,74,39,96,944.00
	2,72,22,89,343.00	-	2,72,22,89,343.00	2,74,39,96,944.00	-	2,74,39,96,944.00
Term Loan - From Others						
Unsecured	8,84,89,887.00	-	8,84,89,887.00	2,56,23,469.00	-	2,56,23,469.00
	8,84,89,887.00	-	8,84,89,887.00	2,56,23,469.00	-	2,56,23,469.00
The Above Amount Includes						
Secured Borrowings	2,72,22,89,343.00	-	2,72,22,89,343.00	2,74,39,96,944.00	-	2,74,39,96,944.00
UnSecured Borrowings	8,84,89,887.00	-	8,84,89,887.00	2,56,23,469.00	-	2,56,23,469.00
Net Amount	2,81,07,79,230.00	0	2,81,07,79,230.00	2,76,96,20,413.00	0	2,76,96,20,413.00

Note No. 4 Provisions

₹ in rupees

Particulars	As at 31st March 2015			As at 31st March 2014		
	Long-term	Short-term	Total	Long-term	Short-term	Total
Provision for employee benefit						
Provision for gratuity	1,12,17,814.00	-	1,12,17,814.00	1,14,11,346.00	-	1,14,11,346.00
	1,12,17,814.00	-	1,12,17,814.00	1,14,11,346.00	-	1,14,11,346.00
Total	1,12,17,814.00	-	1,12,17,814.00	1,14,11,346.00	-	1,14,11,346.00

Note No. 6 Trade payables

₹ in rupees

Particulars	As at 31st March 2015	As at 31st March 2014
Sundry Creditors	4,46,73,991.00	6,27,55,618.00
Total	4,46,73,991.00	6,27,55,618.00

Note No. 7 Other current liabilities

₹ in rupees

Particulars	As at 31st March 2015	As at 31st March 2014
Unpaid Dividend		
Unclaimed Dividend	49,600.00	49,600.00
	49,600.00	49,600.00
Others payables		
Statutory Dues	1,12,01,287.00	1,35,13,309.00
	1,12,01,287.00	1,35,13,309.00
Total	1,12,50,887.00	1,35,62,909.00

Note No. 8 Fixed Assets Chart as at 31st March 2015

₹ in rupees

Tangible Assets Shown as at 31st March 2015																
Assets				Gross Block					Accumulated Depreciation/ Amortization						Net Block	
		Useful Life (In Years)	Shift	Balance as at 1st April 2014	Additions during the year	Addition on account of business acquisition	Deletion during the year	Balance as at 31st March 2015	Balance as at 1st April 2014	Provided during the year		Deletion / adjustments during the year	Written off from retained earning	Balance as at 31st March 2015	Balance as at 31st March 2015	Balance as at 31st March 2014
A	Tangible assets															
	Own Assets															
	Plant and Machinery															
	Plant and Machinery	15	Single	63,73,15,417.00	-	-	-	63,73,15,417.00	52,95,49,437.00	2,70,998.00	-	-	-	52,98,20,435.00	10,74,94,982.00	10,77,65,980.00
	Furniture and fittings															
	Furniture and Fixture	10	Single	49,13,217.00	-	-	-	49,13,217.00	45,04,500.00	2,846.00	-	-	-	45,07,346.00	4,05,871.00	4,08,717.00
	Electrical Installation	10	Single	95,03,407.00	-	-	-	95,03,407.00	81,66,052.00	324.00	-	-	-	81,66,376.00	13,37,031.00	13,37,355.00
	Motor Vehicles															
	Vehicles	10	Single	40,30,162.00	-	-	-	40,30,162.00	39,97,896.00	6,020.00	-	-	-	40,03,916.00	26,246.00	32,266.00
	Sub Total			65,57,62,203.00	-	-	-	65,57,62,203.00	54,62,17,885.00	2,80,188.00	-	-	-	54,64,98,073.00	10,92,64,130.00	10,95,44,318.00
	Leased Assets															
	Land		Single	42,46,734.00	-	-	-	42,46,734.00	-	-	-	-	-	-	42,46,734.00	42,46,734.00
	Factory Shed	30	Single	8,46,64,442.00	-	-	-	8,46,64,442.00	4,78,12,515.00	2,32,312.00	-	-	-	4,80,44,827.00	3,66,19,615.00	3,68,51,927.00
	Office Building	30	Single	34,80,883.00	-	-	-	34,80,883.00	8,83,965.00	-	-	-	-	8,83,965.00	25,96,918.00	25,96,918.00
	Buildings															
	Factory Shed	30	Single	8,46,64,442.00	-	-	-	8,46,64,442.00	4,78,12,515.00	2,32,312.00	-	-	-	4,80,44,827.00	3,66,19,615.00	3,68,51,927.00
	Office Building	30	Single	34,80,883.00	-	-	-	34,80,883.00	8,83,965.00	-	-	-	-	8,83,965.00	25,96,918.00	25,96,918.00
	Sub Total			9,23,92,059.00	-	-	-	9,23,92,059.00	4,86,96,480.00	2,32,312.00	-	-	-	4,89,28,792.00	4,34,63,267.00	4,36,95,579.00
	Total (A)			74,81,54,262.00	-	-	-	74,81,54,262.00	59,49,14,365.00	5,12,500.00	-	-	-	59,54,26,865.00	15,27,27,397.00	15,32,39,897.00
	P.Y Total			74,80,93,633.00	60,629.00	-	-	74,81,54,262.00	59,41,57,368.00	7,56,997.00	-	-	-	59,49,14,365.00	15,32,39,897.00	15,39,36,265.00

Note No. 10 Loans and advances

₹ in rupees

Particulars	As at 31st March 2015		As at 31st March 2014	
	Long-term	Short-term	Long-term	Short-term
Other loans and advances				
Secured loans and advances given to suppliers	-	2,25,31,929.00	-	2,42,53,696.00
	-	2,25,31,929.00	-	2,42,53,696.00
Total	-	2,25,31,929.00	-	2,42,53,696.00

Note No. 12 Inventories

₹ in rupees

Particulars	As at 31st March 2015	As at 31st March 2014
(Valued at cost or NRV unless otherwise stated)		
Finished Goods	2,79,90,559.00	2,91,86,505.00
Total	2,79,90,559.00	2,91,86,505.00

Note No. 13 Trade receivables

₹ in rupees

Particulars	As at 31st March 2015	As at 31st March 2014
Exceeding six months		
Unsecured, Considered Good	12,31,634.00	97,32,130.00
Total	12,31,634.00	97,32,130.00
Total	12,31,634.00	97,32,130.00

Note No. 14 Cash and cash equivalents

₹ in rupees

Particulars	As at 31st March 2015	As at 31st March 2014
Balance with banks		
Balance other banks current account	5,49,522.00	11,49,006.00
Total	5,49,522.00	11,49,006.00
Cash in hand		
Cash in hand	2,53,365.00	1,93,833.00
Total	2,53,365.00	1,93,833.00
Total	8,02,887.00	13,42,839.00

Note No. 16 Revenue from operations

₹ in rupees

Particulars	31st March 2015	31st March 2014
Sale of products	31,45,28,018.00	35,86,49,241.00
Gross revenue from operations	31,45,28,018.00	35,86,49,241.00

Note No. 17 Other income

₹ in rupees

Particulars	31st March 2015	31st March 2014
Interest Income	364735	5,46,024.00
loss on balance written of of investments	-	(4,69,187.00)
Other non-operating income		
Provisions written back	21,50,737.00	3,15,95,796.00
	25,15,472.00	3,15,95,796.00
Total	25,15,472.00	3,16,72,633.00

Note No. 18 Cost of material Consumed

₹ in rupees

Particulars	31st March 2015	31st March 2014
Inventory at the beginning		
Raw Material	74,63,718.00	80,85,850.00
Stores Spares	12,67,246.00	6,60,327.00
	87,30,964.00	87,46,177.00
Add: Purchase		
Raw Material	21,24,97,473.00	24,70,25,033.00
Stores Spares	80,57,681.00	91,03,018.00
	22,05,55,154.00	25,61,28,051.00
Less:-Inventory at the end		
Raw Material	1,16,38,719.00	74,63,718.00
Stores Spares	7,69,592.00	12,67,246.00
	1,24,08,311.00	87,30,964.00
Total	21,68,77,807.00	25,61,43,264.00

Details of material consumed

₹ in rupees

Particulars	31st March 2015	31st March 2014
Raw Material		
Consumption raw material	20,83,22,472.00	24,76,47,165.00
	20,83,22,472.00	24,76,47,165.00
Stores Spares		
Consumption stores spares	85,55,335.00	84,96,099.00
	85,55,335.00	84,96,099.00
Total	21,68,77,807.00	25,61,43,264.00

Details of inventory

₹ in rupees

Particulars	31st March 2015	31st March 2014
Raw Material		
Consumption raw material	1,16,38,719.00	74,63,718.00
	1,16,38,719.00	74,63,718.00
Stores Spares		
Consumption stores spares	7,69,592.00	12,67,246.00
	7,69,592.00	12,67,246.00
Total	1,24,08,311.00	87,30,964.00

Note No. 19 Changes in inventories

₹ in rupees

Particulars	31st March 2015	31st March 2014
Inventory at the end of the year		
Finished Goods	1,23,11,546.00	1,87,97,357.00
Work-in-Progress	32,70,702.00	16,58,184.00
	1,55,82,248.00	2,04,55,541.00
Inventory at the beginning of the year		
Finished Goods	1,87,97,357.00	1,05,51,886.00
Work-in-Progress	16,58,184.00	9,47,448.00
	2,04,55,541.00	1,14,99,334.00
(Increase)/decrease in inventories		
Finished goods	64,85,811.00	(82,45,471.00)
WIP	(16,12,518.00)	(7,10,736.00)
	48,73,293.00	(89,56,207.00)

Note No. 20 Employee benefit expenses

₹ in rupees

Particulars	31st March 2015	31st March 2014
Salaries and Wages		
Salary and wages	3,43,82,157.00	3,22,08,570.00
	3,43,82,157.00	3,22,08,570.00
Contribution to provident and other fund		
Contribution to provident and other funds for others	19,11,316.00	17,62,895.00
	19,11,316.00	17,62,895.00
Total	3,62,93,473.00	3,39,71,465.00

Note No. 21 Finance costs

₹ in rupees

Particulars	31st March 2015	31st March 2014
Interest		
	3,92,50,004.00	6,37,37,879.00
Other Borrowing costs		
	81,83,006.00	30,82,171.00
Total	4,74,33,010.00	6,68,20,050.00

Note No. 22 Depreciation and amortization expenses

₹ in rupees

Particulars	31st March 2015	31st March 2014
Depreciation on tangible assets		
	5,12,500.00	7,56,997.00
Total	5,12,500.00	7,56,997.00

Note No. 23 Other expenses

₹ in rupees

Particulars	31st March 2015	31st March 2014
Power and fuel	2,70,95,273.00	2,84,11,716.00
Repairs and maintenance of plant and machinery	7,50,560.00	8,20,116.00
Conversion and job Charges	14,409.00	-
Other manufacturing expenses	4,32,078.00	4,67,211.00
Selling and distribution expenses	78,10,800.00	92,27,519.00
Insurance expenses	3,25,895.00	2,05,103.00
Repairs and maintenance of other assets	1,13,778.00	1,55,925.00
Printing and stationery	1,22,259.00	76,079.00
Telephone and postage expenses	1,61,861.00	1,70,285.00
Advertising expenses	7,024.00	5,000.00
Bank charges	7,870.00	3,835.00
Audit fees	40,000.00	40,000.00
Vehicle running expenses	18,53,089.00	18,69,737.00
Legal and professional expenses	9,91,550.00	15,59,038.00
Service tax	1,20,140.00	1,74,834.00
Property Tax	37,866.00	3,21,838.00
Lease rentals expenses	3,42,191.00	2,43,264.00
Maintenance Charges of Lease Land	2,69,101.00	-
Travelling Expenses	2,59,491.00	8,98,981.00
Donations	1,02,660.00	57,100.00
Other expenditure	1,68,764.00	1,03,337.00
ARC assignment documentation and Consultancy	30,69,045.00	39,33,218.00
Total	4,40,95,704.00	4,87,44,136.00

Note No. 23(a) Other expenses: Selling and distribution expenses

₹ in rupees

Particulars	31st March 2015	31st March 2014
Other selling expenses	78,10,800.00	92,27,519.00
Total	78,10,800.00	92,27,519.00

Note No. 23(b) Other expenses: Lease rentals expenses

₹ in rupees

Particulars	31st March 2015	31st March 2014
Lease Rent	3,42,191.00	2,43,264.00
Total	3,42,191.00	2,43,264.00

Note No. 23(c) Other expenses: Travelling Expenses

₹ in rupees

Particulars	31st March 2015	31st March 2014
Directors	92,069.00	3,99,374.00
Others	1,67,422.00	4,99,607.00
Total	2,59,491.00	8,98,981.00

Note No. 26 Value of import and indigenous material consumed

₹ in rupees

Particulars	Unit of Measurement	31st March 2015		31st March 2014	
		Value	Quantity	Value	Quantity
Raw Material					
Consumption raw material	Kg	20,83,22,472.00	-	24,76,47,165.00	-
		20,83,22,472.00		24,76,47,165.00	
Stores Spares					
Consumption stores spares		85,55,335.00	-	84,96,099.00	-
		85,55,335.00		84,96,099.00	

₹ in rupees

	31st March 2015		31st March 2014	
Particulars	Value	%to total Consumption	value	%to total Consumption
Raw Material				
Imported	-	-	-	-
Indigenous	20,83,22,472.00	100.00	24,76,47,165.00	100.00
	20,83,22,472.00	100.00	24,76,47,165.00	100.00
Stores Spares				
Imported	-	-	-	-
Indigenous	85,55,335.00	100.00	84,96,099.00	100.00
	85,55,335.00	100.00	84,96,099.00	100.00

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements:

- a) The financial statements have been prepared under historical cost convention in accordance with generally accepted accounting principles.
- b) The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

2. Fixed Assets:

Fixed assets are stated at cost of acquisition/construction net of modvat and accumulated depreciation. The cost includes cost of spares, all preoperative expenses and the financing cost of borrowed funds relating to the construction period.

3. Depreciation:

Depreciation on fixed assets is provided on straight line method at the rates prescribed under Schedule II to the Companies Act, 2013.

4. Inventories:

Inventories are valued at cost or net realizable value whichever is less.

5. Sales:

A sale of goods is recognized at the point of dispatch of finished goods. Sales are net of sales returns & discount.

6. Foreign Currency Liabilities:

Assets and Liabilities related to foreign currency transactions are translated at exchange rate prevailing at the end of the year. No such foreign currency liabilities exist during the year.

7. Retirement Benefits:

Retirement benefits are accounted for on accrual basis.

8. Amortization of Miscellaneous Expenditure:

Share issued expenses are written off over a period of ten years and revenue expenses over a period of five years.

B. NOTES ON ACCOUNTS

1. Share Capital

The 14.5% Cumulative Redeemable Preference Shares of Rs. 350 Lacs redeemed at par in 3 annual installments commencing from February 1, 2005, installment failing due on February 2005 is in arrears. The subscribers reserve the right to convert CRPS assistance into rupee term loan after one event of default with respect to payment of dividend/redemption and/or into Equity shares at par after two consecutive defaults with respect to payment of dividend/redemption. Payment of dividends on these shares is in arrears since 01.04.1999.

2. Secured Loans

- a) The company's debts from banks/IDBI had been restructured involving carving out of working capital term loans (WCTLs) from the existing working capital limits, reduction in interest rates, waiver of liquidated damages/ penal interest etc., funding of interest and reschedulement of term loans under the Corporate debt restructuring (CDR) mechanism of the Reserve bank of India. However it could not be implemented.
- b) Foreign currency Loan and Rupee Term Loans (other than Working capital term loans interest term loan) from State Bank of India* and IDBI are secured by first charge ranking pari passu by way of mortgage/hypothecation of the fixed assets (excluding assets acquired under hire purchase agreements) of the Company at Pithampur and pologround, Indore. Working capital term loans and funded interest term loans from State Bank of India*, Canara Bank and State Bank of Saurashtra* and funded interest term loan from Industrial Development Bank of India are secured by pari passu charge on the assets of the Company.
- c) Working Capital Limits from State Bank of India*, Canara Bank and State Bank of Saurashtra* are secured by second charge ranking pari passu by way of Mortgage/Hypothecation of the fixed assets of the Company at Pithampur and pologround, Indore.
 *Standard Chartered Bank has takeover account of State Bank of India, State Bank of Indore and State Bank of Saurashtra and Kotak Mahindra Bank Ltd. has takeover account of IDBI.
 Asset Reconstruction Company India Ltd. (ARCIL) and ASREC India Ltd. had takeover account of Standard Chartered Bank and Kotak Mahindra Bank Ltd., Canara Bank respectively.
- d) All the above loans are further secured by way of personal guarantees of Managing Director, one director and others.
- e) Sales tax deferred is secured by first available charge by way of hypothecation of the fixed assets of the Company.

3. Contingent Liabilities

(Rs. in Lacs)

S. No.	Particulars	2015	2014
a.	Guarantees issued by bankers	2.00	2.00
b.	Lease rent payable over the unexpired portion of the lease agreements on leased Plant & Machinery	17.55	17.55
c.	Excise Duty in respect of which the company is in appeal	18.28	18.28
d.	Cumulative Preference Dividend (to become payable when the dividend would be declared)	555.5	555.5
e.	Demerges for delayed payment of Provident Fund in respect of which company is in appeal	9.72	9.72

4. Information related to Related Parties has not been produced before us.
5. Sales and Purchases include inter-division transfer of yarn and waste material of Rs is Nil.
6. As per Accounting Standard (AS) 5 "Net profit or loss for the period, prior period items and changes in accounting policies" Prior period expenses of Rs. NIL.
7. Accounting Standard (AS) 17 "Segment Reporting" is not applicable as the company operates in a single segment Textiles.
8. As per Accounting Standard (AS) 22 "Accounting for Taxes on Income". The deferred tax assets have, however not been recognized and carried forward in the absence of a reasonable or virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
9. Earnings per share

Loss as per Profit & Loss A/c (Rs. in Lacs)	-330
Number of shares used in computing earnings per share	63,08,753
Earnings per share (Basic and diluted) (In Rs.)	-5.24
Face value per share (In Rs.)	10.00
10. In view of insufficient information from the suppliers regarding their status as SSI unit, amount overdue to them as on 31.03.15 cannot be ascertained.

11. The Company has not transferred the amount of Unclaimed Dividend to Investor Education and Protection Fund and the same is shown under the head of current liabilities.
12. Balances of Debtors, Unsecured Loans, Creditors and Loans & Advances are as per books of accounts and subject to confirmation.
13. The financial statements of the company are prepared on the basis of Going concern (Yarn Division) and its textile (Fabric) division is closed.
14. No provision for Income tax has been made due to accumulated business losses and unabsorbed depreciation as per the Income Tax Act 1961.
15. The company is a sick company within the meaning of Sick Industrial Companies (special Provision) Act, 1985, as its accumulated losses exceeded fifty percent of its Net Worth at the end of the financial year. The Company has incurred cash losses during the current year as also during the immediately preceding financial year. Reference file under section 15(1) of sick Industrial Companies (special Provision) Act, 1985 is registered as case no. 353/2004 vide letter No. 3 (T-22)/BC/2004 dated 30/11/2004 issued by Registrar, Board of Industrial and Financial Reconstruction, New Delhi. The bench has declared that the Company is a sick Industrial Company in terms of 3 (1) (O) of the Act w.e.f. 2.05.2006.
16. Figures have been rounded to the nearest rupee.
17. Previous year figures have been regrouped, reworked, rearranged and reclassified wherever necessary.

For B.BANSAL & CO.

Chartered Accountants

Place :INDORE

Date : 20/05/2015

(RAJENDRA BANSAL)

PARTNER

Membership No: 073533

Registration No: 000450C

E-2, RATLAM KOTHI

THE DHAR TEXTILE MILLS LIMITED

REGD. OFFICE: C-1/A, Low Land Area, Pologround Industrial Estate, Indore – 452015

CIN: L15314MP1996PLC010741

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)		
Registered Address		
E-mail Id	Folio No /Client ID	DP ID
I/We, being the member(s) of _____ shares of the above named company. Hereby appoint		
Name :	E-mail Id:	
Address:		
Signature....., or failing him		

Name :	E-mail Id:
Address:	
Signature....., or failing him	

Name :	E-mail Id:
Address:	
Signature....., or failing him	

as my/our proxy, to act for me/us at the meeting of the equity shareholder(s) of the Company to be held on Wednesday, the 30th day of September, 2015 at 11:30 a.m. at "C-1/A, Low Land Area, Pologround Industrial Estate, Indore – 452015, for the purpose of considering and, if thought fit, approving, with or without modification(s), an arrangement proposed to be made between the said company and its equity shareholder(s) and at such meeting and at any adjournment thereof, to vote, for me/us and in my/ our name/s..... [here, 'if for', insert 'for'; 'if against', insert 'against', and in the latter case, strike out the words below after arrangement'] the said arrangement either with or without modification as my/our proxy may approve.

Resolution No.

Sl. No.	Resolution(S)	Vote	
		For	Against
1.	To consider and adopt the Audited Balance Sheet as at 31 st March, 2015 and the Profit & Loss Account of the Company for the year ended on that date together with the Auditors and Board's Report thereon.		
2.	To appoint a director in place of Shri. Pankaj Jajoo (DIN: 00017748), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To appoint the Statutory Auditors of the Company and authority to Board to fix their remuneration		
4.	To ratify the remuneration of the Cost Auditors for the financial year 2014-15		

* Applicable for investors holding shares in Electronic form.

* [Strike out what is not necessary.]

Signed this _____ day of _____, 2015

Affix
Revenue

Signature of Shareholder Signature of Proxy holder

Signature of the shareholder
Across Revenue Stamp

Note:

1. Proxy to be deposited at the Registered Office of the Company at "C-1/A, Low Land Area, Pologround Industrial Estate, Indore – 452015," not later than FORTY-EIGHT hours before the meeting.
2. All alterations made in the Form of Proxy should be initialed.
3. Please affix appropriate Revenue Stamp before putting signature.
4. In case of multiple proxies, proxy later in time shall be accepted.
5. A proxy need not be a shareholder of the Company

THE DHAR TEXTILE MILLS LIMITED

REGD. OFFICE: C-1/A, Low Land Area, Pologround Industrial Estate, Indore – 452015

CIN: L15314MP1996PLC010741

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

Annual General Meeting on 30th September, 2015

Full name of the members attending _____

(In block capitals)

Ledger Folio No. /Client ID No. _____ No. of shares held: _____

Name of Proxy _____

(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company convened Wednesday, 30th September, 2015 at 11.30 A.M. at C-1/A, Low Land Area, Pologround Industrial Estate, Indore – 452015.

(Member's /Proxy's Signature)

Note:

1. Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
2. The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
3. A Proxy need not be a member of the Company.
4. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

-----TEAR HERE-----

The E-Voting Particulars are set out as below

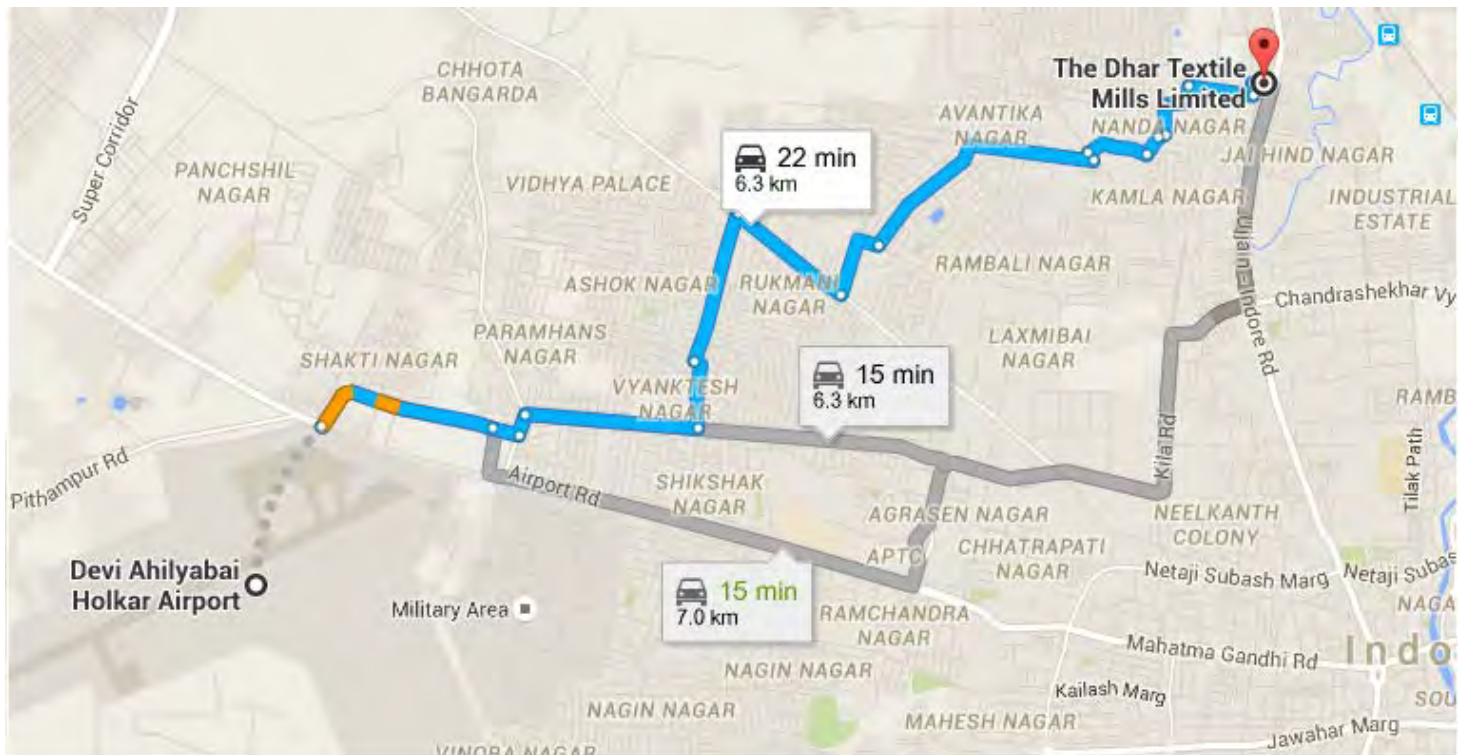
Note: Please read common instructions carefully before exercising the vote

The E-Voting facility will be available during the following voting period:

Commencement of E-voting	End of E-voting
From 10.00 A.M. (IST) on 27 th Day of September, 2015	Upto 05.00 P.M. (IST) on 29 th Day of September, 2015

Note: The procedure and instructions for e-voting as provided in the Notice should be followed.

AGM VENUE ROUTE MAP



AGM VENUE:


C-1/A, LOW LAND AREA, POLOGROUND INDUSTRIAL ESTATE, INDORE – 452015

ROUTE GUIDANCE:

1. From Devi Ahilyabai Holkar Airport, you can easily reach AGM Venue via following modes of transit:
 - a. Local Taxi (Mini Van) and Hired Cabs*.

**Some of the Contact No.s of Cabs is provided hereunder below for your ease:*

- | | | | |
|-----|---------------|---|----------------|
| i. | OLA Cabs | - | (0731) 3355335 |
| ii. | Taxi for Sure | - | (0731)6060101 |

					Book – Post
			To,	<div></div> <div></div> <div></div> <div></div> <div></div>	
<div>THE DHAR TEXTILE MILLS LTD.</div>					
<div>If undelivered, Kindly return to: <u>THE DHAR TEXTILE MILLS LIMITED</u> C-1/A, LOW LAND AREA, POLOGROUND INDUSTRIAL ESTATE, INDORE – 452001 Phone: +91 731 2566767, 2421890 Fax: +91 731 2421940 Email: sunil@dhartextile.com Website: http://www.dhartextile.com</div>					