



**THE
DHAR TEXTILE
MILLS LTD.**

REPORT JUNCTION.COM

18th Annual Report 2001 - 2002

BOARD OF DIRECTORS : Shri Pankaj Jajoo Chairman & Managing Director
: Shri Manish Jajoo Director
: Shri Bhikabhai Patel Director
: Shri Ulhas B. Narkar Director (Nominee of IDBI)

BANKERS : State Bank of India
: State Bank of Indore
: Canara Bank
: State Bank of Saurashtra

AUDITORS : B.Bansal & Co.
Chartered Accountants,
E-1, Ratlam Kothi, INDORE

REGISTERED OFFICE : C-1/A Low Land Area, Pologround,
& SHARES DEPARTMENT Industrial Estate, INDORE (M.P.)
Ph. : +91 (731) 423456
Fax : +91(731) 421940
e-mail : dhartexl@sanchar.net.in
Gram : IMPELLERS

BRANCHES : Bangalore
Calcutta
Chennai
Delhi
Mumbai

WORKS : **YARN DIVISION** :
188, Sector I, Pithampur
Dist. Dhar (M.P.)
Ph. : +91(7292) 53093
FABRIC DIVISION :
C-1/A, Low Land Area,
Pologround, Industrial Estate,
INDORE
Ph. : +91 (0731) 423456



NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Company will be held on **Monday, the 30th September, 2002** at 4 P.M. at the Registered office of the Company at C-1/A, Low Land Area, Pologround Industrial Estate, Indore, Madhya Pradesh, to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on the 31st March, 2002 and Profit & Loss Account for the year ended on the same date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. B.A. Patel who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

3. APPOINTMENT OF STATUTORY AUDITORS

To consider and if thought fit to pass, with or without modification, the following resolution as a **Special Resolution**:-

"RESOLVED THAT pursuant to the provisions of section 224A and other applicable provisions of the Companies Act, 1956 approval of the members of the Company be and is hereby granted for the re-appointment of M/s B.Bansal & Co., Chartered Accountants, Indore, as Statutory Auditors of the Company to hold office from the conclusion of this meeting upto conclusion of the next Annual General Meeting of the Company for the financial accounts of the Company for the financial year 2002-2003.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to determine the remuneration of the Auditors in consultation with them."

4. APPOINTMENT OF DIRECTOR

To consider and if thought fit to pass, with or without modification, the following resolution as an **Ordinary Resolution**:-

"RESOLVED THAT in terms of provisions of section 257 of the Companies Act, 1956, Mr. Ulhas B Narkar be and is hereby appointed as a Director of the Company who shall be liable to retire by rotation"

BY ORDER OF THE BOARD

PANKAJ JAJOO
CHAIRMAN &

INDORE
29th June, 2002

MANAGING DIRECTOR

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES TO BE VALID SHALL BE DEPOSITED WITH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING DULY STAMPED AND SIGNED.
2. Explanatory Statements pursuant to section 173 of the Companies Act, 1956 relating to the Special Business under Item Nos. 3 to 4 are annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will be closed from the 25th September, 2002 to the 30th September, 2002 (both days inclusive).
4. Members who have not yet encashed their Dividend Warrants for the year 1997-98 and 1998-99 are advised to approach the

Company in order to have their Dividend Warrants revalidated. Dividends which remains unclaimed for a period of 7 years from the date of their declaration will be transferred to the Investor Education and Protection Fund of the Central Government u/s 205A of the Companies Act, 1956. Further, once the unclaimed dividend is transferred to the aforesaid Account, no claim shall lie in respect of such amounts.

5. As per the provisions of Section 109 of the Companies Act, 1956, facility for making nomination is now available to the shareholders in respect of the shares held by them. Nomination forms can be obtained from the Registered Office of the Company.
6. Members are requested
 - a) to notify immediately any change in their address to the Company quoting their folio numbers.
 - b) to send to the Company, details of all folios, if holding shares in identical order of names in more than one folio, together with the Share Certificates for consolidating the folios into one. The Share Certificates will be returned to members after making the requisite endorsement thereon.
 - c) to write to the Company at least 7 days before the date of the meeting, if any information with regard to accounts are required, so as to enable the management to keep the information ready.
7. The Company has entered into agreements with National Securities Depository Limited and Central Depository Services Limited. Members are requested to approach their respective Depository Participants for De-materialisation of their Shares.

EXPLANATORY STATEMENTS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 3

The holding of the Public Financial Institutions in the Company is in excess of 25% of Subscribed Capital of the Company and in such a situation provisions of Section 224A of the Companies Act, 1956 require approval of the members of the Company by way of passing a special resolution for the appointment of Statutory Auditors. Hence the re-appointment of M/s. B.Bansal & Co. Chartered Accountants, as Statutory Auditors of the Company is required to be made by passing a special resolution as proposed in the notice.

The Directors recommend passing of the resolution.

None of the Directors of the Company is interested in the resolution.

Item Nos. 4

Upon receiving nomination from IDBI, Mr. Ulhas B. Narkar was appointed as Additional Director of the Company by the Board of Directors in terms of provisions of section 260 of the Companies Act, 1956 on 31st January, 2002, and his office comes to an end at the ensuing Eighteenth Annual General Meeting. The Company has received notices under Section 257 of the Companies Act, 1956 from a Member of the Company signifying his intention to propose him for appointment as Director of the Company. Your Directors recommend passing of the resolution. None of the Directors except Shri Ulhas B. Narkar is interested in the resolution.

BY ORDER OF THE BOARD

PANKAJ JAJOO
CHAIRMAN &
MANAGING DIRECTOR

INDORE
29th June, 2002



DIRECTORS' REPORT

Your Directors have pleasure in presenting their 18th Annual Report on the Audited Statements of Accounts of the Company for the year ended the 31st March 2002.

FINANCIAL RESULTS

	2001-2002 (Rs.in lacs)	2000-2001 (Rs.in lacs)
Sales and other Income	8576.27	10611.47
Gross Profit/Loss (-) before Interest, Dep. and Taxes	-802.63	1492.97
Less: Interest	928.28	957.11
Profit/Loss (-) before Dep. & Tax	-1730.91	535.86
Less: Depreciation	348.32	335.32
Profit/Loss (-) before Tax	-2079.23	200.54
Less: Provisions for tax	---	19.00
Profit/Loss (-) after Tax	-2079.23	181.54
Add: Balance brought forward	370.15	87.34
Excess Provision for dividend written back	---	166.97
Less: Prior period items (Dr.)	55.30	39.19
Income Tax of earlier years	1.32	6.51
Profit/Loss (-) Available for Appropriation	-1765.70	390.15

APPROPRIATIONS

Proposed Dividend		
Corporate Dividend Tax		
Transfer to General Reserve	---	20.00
Balance retained in P&L Account	-1765.70	370.15
	<u>-1765.70</u>	<u>390.15</u>

PERFORMANCE HIGHLIGHTS & FUTURE OUTLOOK

The total income of the Company during the year was Rs. 8576.27 Lacs compared with Rs.10611.47 Lacs for the previous year. The net Loss for the year was Rs.2079.23 lacs (previous year Profit Rs. 200.54 lacs).

The performance was adversely affected because of the imposition of excise duty on garment industry, the major end-user of the company's products, over-dependence on international brands due to this, adverse impact on demand due to terrorist attack on WTC on 11th Sept., and technical problems faced in dyeing. Your Directors are making every effort to improve the performance.

EXPORTS

The Company continues its status of recognised Export House granted by the Government of India. The Company achieved export turnover of Rs.2100.37 lacs during the year as compared to Rs.2369.87 lacs in the previous year.

DIVIDEND

Considering the absence of profit during the year, the Board of Directors do not recommend any dividend on its Equity/Preference Shares for the year 2001-2002.

DIRECTORS

Shri Bhikabhai Patel Director of the Company is retiring by rotation and being eligible offers himself for re-appointment. The Board recommends his re-appointment.

Shri Y.K.Jajoo resigned from the Board during the year due to health reasons and the Board places on records its sincere gratitude for the services rendered by Shri Y.K.Jajoo as Director of the Company.

Shri Manish Jajoo has resigned from whole time Directorship of the Company and now he is the ordinary Director.

Shri Ulhas B. Narkar was nominated on the Board by the Industrial Development Bank of India during the year. He was appointed as additional director on 31.01.2002 and now it is proposed to appoint him as regular Director. The Board recommends his appointment.

AUDITORS

M/S B.Bansal & Co., Chartered Accountants, Indore the statutory auditors of the Company are retiring at the forth coming Annual General Meeting and they are eligible for re-appointment. The Board recommends their re-appointment.

AUDITORS REPORT

The report of the Auditors of the Company is self explanatory and does not require further explanation from the board.

PUBLIC DEPOSITS

The Company has accepted deposits and there are no unpaid or unclaimed deposits with the Company.

REPORT ON CORPORATE GOVERNANCE

The Company has already complied with the requirements of Corporate Governance in terms of listing agreement gradually from the year 2001-2002. A detailed report on Corporate Governance is Annexed as Annexure- II forming part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm that -

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanations relating to material departures.
- The Directors have selected such accounting policies and applied them consistently and have made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at the end of the financial year ended 31st March 2002 and of the loss of the Company for that period.
- 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.
- The Directors have prepared the annual accounts for the year ended 31st March 2002 on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ADAPTATION & INNOVATION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

A statement pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure) of Particulars in the Report of the Board of Directors') Rules, 1988, is annexed forming part of this report (Annexure I).

**PARTICULARS OF EMPLOYEES**

The Company did not have on its rolls during the year any employee receiving remuneration attracting the provisions of sub-section 2(A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended to-date.

INDUSTRIAL RELATIONS

The relations with the employees and the workers continued to be cordial during the year. The Directors wish to place on record their sincere appreciation for the excellent team spirit with which the employees have worked.

ACKNOWLEDGEMENT

Your Directors are pleased to place on record their sincere appreciation for the valuable assistance and co-operation received from the Banks, Institutions, Government Departments, Customers, Suppliers and Service Providers through out the year. They also acknowledge the contributions made by the officers and staff of the Company at all levels for their diligent, devoted and whole-hearted efforts throughout the year for the progress of the Company.

BY ORDER OF THE BOARD

PANKAJ JAJOO
CHAIRMAN &

INDORE
29th June, 2002

MANAGING DIRECTOR

ANNEXURE TO THE DIRECTORS' REPORT**ANNEXURE I**

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Conservation of Energy :

The Company has been continuously making efforts, through its dedicated team, to achieve high productivity and on-stream efficiency. This has enabled the Company to not only reduce energy consumption, but also to increase production. The Company has made investments in heat recovery systems and has plans to make further investments in such system and also in co-generation of energy. Conservation measures taken so far have resulted in an improvement in energy efficiency.

The details of energy conservation in Form A as required under Section 217(1)(e) are given below:-

FORM 'A'

The information regarding consumption of energy is as under :

	2001-02	2001-01
--	---------	---------

(A) Power & Fuel Consumption**(1) Electricity:****a. Purchased**

Units	3302220.00	3285269.00
Total Amount Rs.	14676816.00	13342327.02
Rate/Unit Rs.	4.44	4.06

b. Own Generation (D.G.Sets)

Units	9129539.00	9711642.00
Unit Per Ltr. of Diesel	3.27	3.56
Cost(Rs.)/Unit	4.85	4.45

(2) Furnace Oil

Quantity (K.Ltrs)	5230.62	5952.90
Total Amount Rs.	48332154.00	59753659.00
Average Rate Rs.	9.24	10.04

(3) Diesel

Quantity (K.Ltrs)	2791.86	2725.40
Total Amount Rs.	44248532.60	43214132.00
Average Rate Rs.	15.85	15.86

(B) Consumption Per Unit of Production

Products	Yarn		Processed Fabric	
	2001-02	2000-01	2001-02	2000-01
Electricity (Units)	1.88	2.10	0.72	0.52
Furnace Oil(Ltrs)	--	--	0.51	0.39

Technology Absorption, Adaptation and Innovation :

The Company has so far not imported any technology. The Company manufactures standard products for which technology is established, and therefore, no further research is being carried out. However, constant product development is being done to outpace the competition and conform to the changing quality requirements of customers.

Foreign Exchange Earnings And Outgo :

Details of Inflow/Outgo on account of the above are as follows:

	2001-2002	2000-2001
	(Rs.in Lacs)	(Rs.in Lacs)

Inflow

Earning FOB on Exports	2100.37	2369.87
------------------------	---------	---------

Outgo

a) CIF value of imports	51.18	28.18
b) Expenditure in foreign currency		
i) Travelling expenses	00.25	8.49
ii) Commission	20.54	25.09
iii) Interest on foreign currency Loan	105.27	251.55

BY ORDER OF THE BOARD
THE DHAR TEXTILE MILLS LIMITED

PANKAJ JAJOO
CHAIRMAN &
MANAGING DIRECTOR

INDORE
29th June, 2002



REPORT ON CORPORATE GOVERNANCE

(Annexure to the eighteenth Directors report 2001-2002)

INTRODUCTION

The Securities and Exchange Board of India has introduced a Code of Corporate Governance (Code) by way of amendment to the listing agreements with the Stock Exchanges. The Company has complied with the mandatory requirements of the Code.

1. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The fundamental objective of DTM's Corporate Governance is "enhancement of long-term shareholder value while at the same time protecting the interests of other shareholders and adopting a methodology which enhance effectiveness, better utilization of resources, transparent and harmonious between various interest groups."

2. IMPLEMENTATION

Although the applicability of the code to DTM is effective financial year 2001-2002 and onwards, as per the requirement of the Listing Agreement with stock exchanges, DTM has already taken necessary steps to comply with the same effective from financial year 2000-2001. The full code shall be implemented gradually.

3. BOARD OF DIRECTORS

(a) Composition

The Board of DTM is comprised of 4 Directors of which, none of the Directors of the Company is a member on more than 10 Committees or Chairman of more than 5 Committees (as specified in clause 49 of the listing agreement). The Board is primarily responsible for the overall management of Company's business. The composition of Board as on the date of this report was as under:

No.	Names of Directors	Category
1.	Shri Yugal Kishore Jajoo	Not Independent Executive (Up to 31.10.2001)
2.	Shri Pankaj Jajoo	Not Independent Executive
3.	Shri Manish Jajoo (Not Independent Executive up to 31.01.2002)	Not Independent Non Executive
4.	Shri Bhikabhai Patel	Independent Non Executive
5.	Shri Ulhas B. Narker	Independent IDBI Nominee

(b) Meetings

To enable the Board to function effectively, comprehensive sets of papers are circulated to facilitate focussed deliberations. During the period fifteen Board meetings were held as under :

No.	Name of the Directors	No. of Meetings held during the tenure	No. of Meetings Attended the tenure during
1	Shri Yugal Kishore Jajoo	11	11
2.	Shri Pankaj Jajoo	15	15
3.	Shri Manish Jajoo	15	15
4.	Shri Bhikabhai Patel	15	0
5.	Shri Ulhas B. Narker	2	1

(c) Attendance

The details of meeting wise attendance of Directors are as under :

No.	Name of the Directors	15.04.01	16.04.01	30.04.01	16.05.01	30.07.01	31.07.01	30.08.01
1.	Shri Yugal Kishore Jajoo	P	P	P	P	P	P	P
2.	Shri Pankaj Jajoo	P	P	P	P	P	P	P
3.	Shri Manish Jajoo	P	P	P	P	P	P	P
4.	Shri Bhikabhai Patel	LOA	LOA	LOA	LOA	LOA	LOA	LOA

Note: P=Present, LOA=Leave of Absence

No.	Name of the Directors	15.09	6.10	15.10	31.10	15.01	31.01	25.02	29.06
1.	Shri Yugal Kishore Jajoo	P	P	P	P	--	--	--	--
2.	Shri Pankaj Jajoo	P	P	P	P	P	P	P	P
3.	Shri Manish Jajoo	P	P	P	P	P	P	P	P
4.	Shri Bhikabhai Patel	LOA	LOA	LOA	LOA	LOA	LOA	LOA	LOA
5.	Shri Ulhas B. Narker	--	--	--	--	--	LOA	P	--

P=Present, LOA=Leave of Absence

(d) Sitting Fees

Details of payment for sitting fee during the period are as under :

Sl. No.	Name of Director	Sitting Fee
1.	Shri Yugal Kishore Jajoo	NIL
2.	Shri Pankaj Jajoo	NIL
3.	Shri Manish Jajoo	NIL
4.	Shri Bhikabhai Patel	NIL
5.	Shri Ulhas B. Narker	NIL

(e) General Meeting

During the period Two General Meetings were held as per the details hereunder :

Particulars	EGM - 2001	17th AGM- 2001
Date of Meeting	09.04.2001	29.09.2001
No. of Members Attended	10	11
No. of proxy Attended	-	-
Chairman of Meeting	Shri Y.K. Jajoo Director and Member	Shri Y.K. Jajoo Director and Member
Other Attendees	-	-
Company Secretary	-	-

(f) Other Directorships

The Details of present Directors holding Directorships of other Companies are as under :

No.	Name of Directors	No. of Companies
1.	Shri Pankaj Jajoo	1
2.	Shri Manish Jajoo	2
3.	Shri Bhikabhai Patel	-
4.	Shri Ulhas B. Narker	-

Shri Bhikabhai Patel and Shri Ulhas B. Narker are not directors in any other Company. Shri Manish Jajoo Shri Bhikabhai Patel and Shri Ulhas B. Narker are members of Audit Committee and Share holders Grievance Committee formed in the Company, details of which are given in this report.



4. BOARD COMMITTEES

For effective and efficient functioning of the Company the Board has formed the following Committees:

- Audit Committee
- Shareholders/Investors Grievance Committee.

(A) Audit Committee

- Terms of reference of the Audit Committee as per the guidelines set out in the listing agreements with the Stock Exchanges and the interalia, includes :-

1. Oversee Company's financial reporting process and disclosure of its financial information to ensure that financial statements are correct, sufficient and credible.
2. Recommend appointments or removal of Statutory Auditors, fixation of Audit fees and also approve payment for other services.
3. Review the adequacy of internal control systems with the Management, Statutory and Internal Auditors.
4. Review the Company's financial and risk management policies.

- Composition of Committee

The Board of Directors of your Company had in their Meeting held on 25th Febuary, 2002 reconstituted a sub-committee of the Board as Audit Committee consisting of Shri U B Narkar, Shri B A Patel and Shri Manish Jajoo. The first Audit Committee meeting was held on 29th June, 2002 to review the Annual Accounts for the year ended on 31st March, 2002.

The Audit Committee comprised 3 Directors. All are independent Non-Executive Directors. The Audit Committee is primarily responsible for the overall Audit and accounts, as per the terms of reference.

(B) Shareholders/Investors' Grievance Committee

- Terms of Reference

The Board of DTM constituted a share holder/Investors' Grievance Committee to facilitate prompt and effective redressal of shareholders complaints and the reporting of the same to the Board periodically.

- Composition of Committee

Name of the Director/Members	Category
Shri Manish Jajoo	Non Independent Non Executive
Shri Ulhas B. Narkar	Independent IDBI Nominee
Shri Bhikabhai Patel	Independent Non Executive.

- Share Holders Grievance Committee Meetings

Since the Committee is formed on 29th June 2002 no meeting could be conducted.

During the year, complaints for transfer of shares were negligible.

Shri N K Ajmera G.M. Accounts & Finance of the Company is appointed as Compliance officer.

5. DISCLOSURES

(A) Related Party Transactions

(Rs.)

	Purchase	Sale
MPDTM Global Pvt. Ltd.	32699955	38113081
Impellers (India)	48670	103583

(B) Compliance by the Company

The Company has fairly complied with the requirements of the Stock Exchanges and SEBI guidelines during the last three years. No penalties or stricture have been imposed on the Company by the Stock Exchanges or SEBI on any matter.

6. MEANS OF COMMUNICATION

- Full annual report is sent to each shareholder every year at their registered addresses regularly.
- DTM has been regularly sending quarterly/half-yearly/annual financial results to stock exchanges. These results are also sent to those shareholders who request for the same.
- The quarterly results are published regularly in one Hindi and one English Newspaper having circulation in the region where the Registered Office of the Company is situated.
- The Quarterly financial results and Annual Reports are also sent to financial Institutions/analysts/institutional investors on demand.

7. SHAREHOLDERS MEETINGS

Details of last three AGMs held

Year	Date	Venue	Time
1999	30.09.1999	Regd Office	4 P.M.
2000	30.09.2000	Regd Office	4 P.M.
2001	29.09.2001	Regd Office	4 P.M.

8. GENERAL SHAREHOLDER INFORMATION.

1) Annual General Meeting for the year 2002

Date and time :	30.09.2002 4. P.M.
Place :	Regd Office

2) Financial Calendar

Financial reporting for :	Date of reporting
Quarter ended June 30, 2001	31st July, 2001
Quarter ended September 30, 2001	31st October, 2001
Quarter ended December 31, 2001	31st January, 2002
Quarter and Year ended March 31, 2002	29th June, 2002

3) Dates of Book closure (Both days inclusive)

25th Sept, 2002
to 29th Sept, 2002

4) Registered Office

C-1/A, Lowland
Area, Pologround,
Indore (M.P.) - 15



- 5) The Shares of the company are listed at following seven stock exchanges :
- The Stock Exchange, Mumbai
 - The Madras Stock Exchange Ltd., Chennai
 - The Delhi Stock Exchange Association Ltd., Delhi
 - The Ahmedabad Stock Exchange Association Ltd., Ahmedabad
 - The Jaipur Stock Exchange Ltd., Jaipur
 - The Calcutta Stock Exchange Ltd., Kolkata
 - The Madhya Pradesh Stock Exchange Ltd., Indore
- 6) The Annual Listing Fee for the year 2002-2003 has been paid to Mumbai and M.P.S.E.
- 7) The trade statistics of Equity shares at B.S.E. during the year are as under :

BSE MONTHLY				
Month	High (Rs.)	Low (Rs.)	No. of Share traded	No. of Trades
April, 2001	55.00	52.70	4800	22
May, 2001	55.00	52.90	18000	41
June 2001	55.00	53.00	20000	19
July 2001	54.00	50.00	8600	33
August, 2001	46.95	29.85	5951	48
September, 2001	48.00	35.65	4310	42

9. REGISTRARS AND TRANSFER AGENTS

For Shares held in Physical mode :-

The Transfer of shares in physical mode is handled in house by the Company itself at Share Department. All correspondence with regard to share transfers, dividend, etc. are to be addressed to the Company's Registered office.

For Shares held in Depository mode :-

The Company has engaged the services of following share transfer agent for national connectivity to deal in shares in depository mode :-

Intime Spectrum Registry Private Limited.
Shri Ganesh Industrial House,
1st floor, B wing, Near Amer Cinema,
W.T. Patil Marg, Chembur,
Mumbai-400071

The members may deposit their shares for Dematerialisation to their Depositories.

10. COMPULSORY DEMATERIALIZED TRADING

As the shareholders are aware the Securities and Exchange Board of India (SEBI), has included equity shares of the company for compulsory dematerialised trading for all investors with effect from 28th August 2000. The Company has already entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable members of the company to select the depository of their choice for holding and dealing in shares in electronic form. The shareholders may also note that more than 48 % holding of the Company has already been dematerialised. The shareholders are requested to make use of such facility for maximising their convenience in the dealing of company's shares. ISIN (International Securities Identification Number) of the Company is INE 044B01018.

11. SHARE TRANSFER SYSTEM

- A shareholder's request is normally attended and reply is sent in 10-20 days time and the certificates after transfer of shares are returned within one month period except in the cases that are constrained for technical reasons.
- Shares are being transferred and de mat option latter in their respect are dispatched within 15 days from the date of receipt, so long as the documents have been cleared in all respects.
- INVESTOR RELATIONS**
All complaints received from shareholders have been cleared within the financial year. The complaints are generally replied to within 10 days from their lodgments with the Company. The investors/members may write for their queries to Share Department of the Company.

12. DISTRIBUTION OF SHAREHOLDING AS AT 31ST MARCH, 2002

Slab of Shareholdings (No. of Shares)	No. of Shareholders	%	Amount in Rs.	%
1-5000	1572	98.87	3839960	6.44
5001-10000	2	0.13	147000	0.25
10001-20000	1	0.06	152000	0.25
20001-30000	1	0.06	494000	0.83
30001-40000	0			
40001-50000	0			
50001-100000	4	0.25	2928500	4.91
100001 & above	10	0.63	52026070	87.32
Total	1590	100.00	59587530	100.00

13. SHARE HOLDING PATTERN AS AT 31ST MARCH 02

S.No.	Category	No. of Shares held	% of share holding
1	Promoters	3108000	49.26
2	Public Finance Institutions	2385653	37.81
3	NRI/Overseas Corporate Bodies	184000	2.92
4	Private Corporate Bodies	242800	3.86
5	Indian Public	388300	6.15
	Total	6308753	100.00

14. PUBLIC DEPOSITS : None

15. ADDRESS OF FACTORY :

YARN DIVISION

188, SECTOR-I, PITHAMPUR,
DIST. DHAR (M.P.)

FABRIC DIVISION

C-1/A, LOWLAND AREA,
POLOGROUND, INDUSTRIAL ESTATE,
INDORE (M.P.) 452 015

**BY ORDER OF THE BOARD
THE DHARA TEXTILE MILLS LIMITED**

INDORE
29th June, 2002

PANKAJ JAJOO
CHAIRMAN &
MANAGING DIRECTOR