

NOTICE is hereby given that Annual General Meeting of the Members of the Company will be held at its Registered Office of the Company situated at "C-1/A Low Land Area, Pologround Industrial Estate, Indore (M.P.)-452001 on Monday, the 30th September 2013 at 10.30 A.M. to transact the following business:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2013 and the Profit & Loss Account of the Company for the year ended on that date together with the Auditors and Director's Report thereon.
2. To appoint Director in place of Shri Manish Jajoo, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Director in place of Shri Mr. Pankaj Jajoo, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, pass a following resolution as special resolution for appointment of the Auditors and authorization to Board to fix their remuneration.

RESOLVED THAT in pursuance of section 224A (1) of the Companies Act, 1956 and other applicable provisions, if any, consent of the Shareholders of the Company be and is hereby accorded for appointment of M/s B. Bansal & Co., Chartered Accountants, as a statutory Auditors of the Company for the Financial year 2013-14 and be eligible to hold office from the date of his appointment till the conclusion of next Annual General Meeting of the Company;

RESOLVED FURTHER THAT Board of Directors of the Company be authorised to decide the remuneration of the Statutory Auditors of the Company and to do or perform all such acts, deeds and things as may be considered necessary and expeditious to give effect to above resolution"

AS SPECIAL BUSINESS:

To consider and, if thought fit, to pass, with or without modification(s), the following resolutions:

AS SPECIAL RESOLUTION:

ITEM 5:

RE-APPOINTMENT OF SHRI PANKAJ JAJOO AS A MANAGING DIRECTOR

RESOLVED THAT pursuant to section 198, 269, 309 read with Schedule XIII and other applicable provisions and of the Companies Act, 1956, as per recommendation of Remuneration Committee consent of the Shareholders of the Company, be and is hereby accorded to the re-appointment of Mr. Pankaj Jajoo as Chairman cum Managing Director of the Company for further period of five years commencing from 01st October, 2013.

RESOLVED FURHTER THAT Mr. Pankaj Jajoo, be paid managerial remuneration as approved by Remuneration Committee from time to time subject to Section 198, 309 and Section I of Part II of Schedule XIII of Companies Act, 1956 and other applicable provisions in relation therewith.

RESOLVED FURHTER THAT the period of office of Mr. Pankaj Jajoo shall not be liable to determination by retirement of directors by rotation at the Annual General Meeting of the Members of the Company till the end of his tenure as Managing Director.

RESOLVED FURHTER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, he may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto.

**BY ORDER OF THE BOARD
THE DHAR TEXTILES MILLS LIMITED**

**Place: Indore
Dated: 03.09.2013**

**SD/-
PANKAJ JAJOO
MANAGING DIRECTOR**

NOTE:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of resolution set out under item Nos.5 is annexed thereto.
3. The Register of Members and the Share Transfer Books shall remain closed from Wednesday the 25th Sept., 2013 to Monday the 29th Sept., 2013 (Both Day inclusive).
4. All documents refereed to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays between 11.00 A.M.to 1.00 P.M.
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 (M.P.)-452001 at least seven days before the date of the Meeting.
6. Members or their respective proxies are requested to bring copies of Annual Report sent to the Members as copies of Annual Report shall not be distributed at the Annual General Meeting.
7. Members are requested to inform immediately any change in their address to the Company's Share Transfer Agents.
8. All communications relating to shares are to be addressed to the Company's Share Transfer Agents M/s Link Intime India Private Limited
9. As the members are aware your company's shares are tradable compulsory in electronic form and in view of the numerous advantages offered by the Depository System, members are requested to avail of the facility of dematerialization.

10. Relevant Details, in terms of Clause 49 of the Listing Agreement, in respect of the **Director/s proposed to be appointed by resolution No. 5** is provided in the Explanatory Statement attached to the notice and those of the **Directors retiring by rotation and proposed to be re-appointed** are as under:

1. Shri Manish Jajoo

Shri Manish Jajoo, Director of the Company, born in the year 1968, obtained a Bachelors degree in Civil Engineering from S.G.S.I.T.S., Indore and a Post Graduation in Environmental Engineering from Rensselaer Polytechnic Institute, Albany, U.S.A. As DTM's Director he brings in innovative ideas for improvement in product mix and development of new products.

Shri Manish Jajoo does not hold any shares (either in his name or in the name of any other person on a beneficial basis) in the company.

2. Shri Pankaj Jajoo

Shri Pankaj Jajoo, born in the year 1961, obtained his Bachelors' Degree in Commerce and Masters' Degree in Business Administration with specialization in Marketing. With a pro-active and uncompromising approach to business he has nurtured the Company since its inception. 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.

Shri Pankaj Jajoo holds 19,73,625 shares (in his name) in the company.

EXPLANATORY STATEMENT TO THE ITEM NO. 4

Industrial Bank of India holds all preference share capital of the Company which individually form more than 35% of the subscribed capital of the company and section 224A of the Companies Act, 1956 being applicable on the Company require Shareholders to pass special resolution for appointment of Auditors of the Company. M/s B. Bansal & Co., Chartered Accountants, have given consent in pursuance of Section 224(1A) of the

Companies Act, 1956 and eligible to be appointed as Statutory Auditor of the Company.

Directors of your Company recommends appointment of M/s B. Bansal & Co., Chartered Accountants, as Statutory Auditor of the Company.

None of the Directors of the Company is concerned or interested in the Resolution.

EXPLANATORY STATEMENT U/S 173

Following Explanatory Statement, pursuant to the provisions of Section 173(2) of the Companies Act, 1956 sets out the material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. - 5

Mr. Pankaj Jajoo, born in the year 1961, obtained his Bachelors' Degree in Commerce and Masters' Degree in Business Administration with specialization in Marketing. With a pro-active and uncompromising approach to business he has nurtured Company since inception. 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. Board

Board has passed the necessary resolution for appointment of **Mr. Pankaj Jajoo** as Chair man cum Managing Director of the Company for the period of five years at their Meeting held on 03rd September, 2013 and the same is subject to approval of shareholders in the General Meeting of the Company. Thus, for the above purpose consent of Shareholders of the company is required.

The resolution is proposed by the Board of Directors of the Company to be passed as Special resolution

Shri Pankaj Jajoo holds 19,73,625 shares (in his name) in the company

None of the Directors of the Company, except **Mr. Pankaj Jajoo** himself and Mr. Manish Jajoo is concerned or interested in the Resolution.

DIRECTORS REPORT

Directors have pleasure in presenting their Annual Report on the Financial Performance of the Company for the year ended the **31st March 2013:-**

Financial Results:

	(Rs.)	
	2012-2013	2011-2012
Income From Operation	339664865.00	312939948.00
Loss (-) / Profit before Interest, Depreciation and Taxes	44372298.00	-1809141.00
Less: Interest	312965055.00	277416701.00
Less: Depreciation & Amortization	3050726700	30420344.00
Loss (-)/ Profit before Tax	-299100024.00	-309646186.00
Less: Provision for Tax including Deferred Tax	0.00	0.00
Loss after Tax	-299100024.00	-309646186.00

Working Performance Review:

The total turnover of the Company during the year is Rs. 3396.64 Lacs as compared with Rs. 3129.40 Lacs for the previous year and resulting decrease in loss of the company to Rs. 2991.00 Lacs as compared to loss of Rs. 3096.46 Lacs of previous year. Your Directors are confident and trying hard to increase the profitability during the current financial year with dedicated efforts of the management. Company is having two units situated at Indore and Pithampur. Indore unit is not working since last so many years. Pithampur Unit of the has achieved turnover of Rs. 33.97 Cr. And there is growth of more than 8%. Detailed comments on performance are contained in the report on Management Discussion & Analysis.

Exports :

The company has not done any export during the year as well as previous year.

Dividend :

The Board of Directors regrets their inability to recommend any dividend for the year, due to absence of profit during the year.

Sick Industrial Company :

The Company is a sick company, as its having accumulated losses more than its net worth. Reference of the Company at BIFR, is restored by the BIFR during the financial year to its original number. BIFR has directed to the Company to prepare Draft Rehabilitation Scheme and submit the same to Operating Agency and the same is under process.

Directors

Shri Manish Jajoo and Shri Pankaj Jajoo are retiring by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment. The Board recommends their reappointment. Board has recommended re-appointment of Mr. Pankaj Jajoo as Chairman cum Managing Director of the Company for further period of five years.

Auditors

M/s. B. Bansal & Co., Chartered Accountants, Indore, the Statutory Auditors of the company is retiring at the forthcoming Annual General Meeting and they are eligible for re-appointment. The Board recommends their re-appointment.

Auditors' Report

Explanation for remark in Auditor's Report:

Point No.3 (iv) No provision for Impairment of Assets AS-28, has been made as management is of opinion that assets can be realized at the value stated in books, which is compliance of AS-28. There is regular maintenance carried out by the Company for the Plant and Machinery to keep them in working condition.

Point No.4 (a) 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. A detailed note is also provided in Notes to the Account annexed with Balance Sheet of the Company.

Point No.4 (b) 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.

Point No. 4 (c) In growing capital market, company is hopeful that investment will recover their value in future and nature of Investment is classified as non-current investment, hence no provision is required.

Point No. 4 (d) Company has adapted conservative approach towards liabilities in respect of self adjustment of interest on Loans and confirmations from banks are subject to pending settlement with them.

Point No. 9 (As per Annexure Referred to in Paragraph 3 of the Auditor's Report) Due to the unfavorable financial position and accumulated Losses, the Company is irregular in depositing undisputed statutory dues. Company has obtained installment facility for depositing various dues from the concerned authorities. Matters relating to disputed liabilities are pending at appropriate authority/court.

Point No. 11 (As per Annexure Referred to in Paragraph 3 of the Auditor's Report) Company is in continues in touch with Banks and Financial Institutions for settlement to clear their dues and matter is pending in the Court.

Public Deposits

The company has not accepted deposits from the public in terms of Companies (Acceptance of Deposit) Rules 1985 and there are no unpaid or unclaimed deposits with the company.

Management Discussion & Analysis

A detailed report on Management Discussion & Analysis is Annexed and forming part of this report.

Audit Committee is constituted by the Company for looking after various requirements of Companies Act and Listing Agreement. Detail has been given in Corporate Governance Report.

Report on Corporate Governance

A detailed report on Corporate Governance as required under Clause 49 of the listing Agreement is Annexed and 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 -

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures, if any.
- ii) 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 2013 and of the profit of the company for that year.
- iii) 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.
- iv) The directors have prepared the annual accounts for the year ended 31st March 2013 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 enclosed and forming part of this report.

Particulars of Employees

Particulars of the employees, pursuant to Section 217 (2A) of the companies Act, 1956 read with the Companies (Particulars of the Employees) Rules 1975 is nil, as none of the employee has received remuneration of Rs. 5.00 Lacs per month or Rs. 60.00 Lacs per year or more.

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 and Suppliers throughout the year. The Board also acknowledges the contributions made by the officers and staff of the company at all levels for their diligent, devotion and whole-hearted efforts throughout the year for the progress of the company.

BY ORDER OF THE BOARD

**PLACE: INDORE
DATE: 03.09.2013**

**SD/-
PANKAJ JAJOO
CHAIRMAN & MANAGING DIRECTOR**