

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

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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: