

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. Its stakeholders and the society at large by adopting practices in fair and transparent manner by aligning interests of the company with shareholders and other key stakeholders.

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:

S N	Name of the Director	Promoter, Executive, Non- Executive, Independent	No. of Director- ship/ Committees membership of other Companies	No. of Board Meetings		Whether attended Last Annual General Meeting
				Held	Attended	
1.	Mr. Pankaj Jajoo Chairman- Cum-Managing Director	Executive Promoter	NIL	8	8	Yes
2.	Mr. Manish Jajoo Director	Non-Executive Promoter	1	8	5	Yes
3.	Mr. Pankaj Singhal Director	Non-Executive Independent	1	8	8	Yes
4.	Mr. Sunil Choudhary	Non-Executive Independent	NIL	8	8	Yes

	Director					
5.	Mr. Vijay Bakliwal Director	Non-Executive Independent	NIL	8	8	Yes

Note: An Independent Director is a director who apart from receiving director's remuneration does not have any material pecuniary relationship or transactions with the Company, its promoters or its management or its subsidiaries, which in the judgment of the Board may affect their independence of judgment.

This includes directorships held in Private Limited Companies and Overseas Companies.

None of the Directors of the Company is member of any Committee of any other Company.

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 have been given under the Annexure to Notice of this report.

Number of Board Meetings held and the dates on which held

During the year under review a total of 8 (Eight) Board Meetings were held. The details of the date(s) on which the meetings were held are as follows:

Sr. No.	Date	Day	Time
1.	25 th April' 2013	Thursday	10:00 A.M.
2.	30 th May' 2013	Thursday	4:00 P.M.
3.	12 th August' 2013	Monday	4:00 P.M.
4.	21 st October'2013	Monday	4:00 P.M.
5.	25 th November' 2013	Wednesday	11:00 A.M.
6.	13 th January'2014	Monday	11:00 A.M.
7.	13 th February'2014	Thursday	4:00 P.M.
8.	25 th March'2014	Tuesday	11.30 A.M.

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.

3. AUDIT COMMITTEE

Terms of Reference and Role of Audit Committee

The composition, procedures, powers and role/functions of the Audit Committee constituted by the Company comply with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 1956. 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 Company, internal control systems, scope of audit and 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:

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, 2014, 4 (four) meetings of the Audit Committee were held, as follows:

S.No.	Date	Day	Time
1.	30 th May'2013	Thursday	3:30 P.M.
2.	12 th August'2013	Monday	3.30 P.M.
3.	21 st October' 2013	Monday	3.30 P.M.
4.	13 th February' 2014	Thursday	3.30 P.M.

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

Name	Number of Meetings during the year 2013-14	
	Held	Attended
Mr. Pankaj Singhal	4	4
Mr. Sunil Choudhary	4	4
Mr. Vijay Bakliwal	4	4

4. NOMINATION AND REMUNERATION COMMITTEE

Description and Role of the Nomination & Remuneration Committee:

The Remuneration Committee will review and make recommendations on annual salaries, performance commission, perquisites and other employment conditions of the Executive Directors. The remuneration committee consists of the following Directors:

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

Remuneration paid to the Directors during 2013-14:

Director	Relationship with other directors	Sitting Fees* Rs.	Salary and Perquisites Rs.	Commission Rs.	Total Rs.
Mr. Pankaj Jajoo	Related to Shri Manish Jajoo	Nil	Nil	Nil	Nil
Mr. Manish Jajoo	Related to Shri Pankaj Jajoo	Nil	Nil	Nil	Nil
Mr. Pankaj Singhal	None	Nil	Nil	Nil	Nil
Mr. Sunil Choudhary	None	Nil	Nil	Nil	Nil
Mr. Vijay Bakliwal	None	Nil	Nil	Nil	Nil

5. STAKEHOLDER 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

Name, Designation & Address of Compliance Office:

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

During the year the Company received 0 (Nil) complaints from its shareholders and as on 31.03.2014 no complaint is pending beyond 30 days.

6. GENERAL BODY MEETINGS

i. Annual General Meetings:

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

Year	Date of Annual General Meeting	Time	Venue	No. of Special Resolutions Passed
2012-13	30th Sept., 2013	10:30 A.M.	Registered office	One
2011-12	29th Sept., 2012	10:30 A.M.	Registered office	-
2010-11	30th Sept. 2011	10:30 A.M.	Registered office	-

Financial Calendar F.Y. 2014-15 (Tentative)

Board meeting for first three quarters ending on 30 th June'14, 30 th Sept.'2014 and 31 st Dec.'2014	On or before 45 th day from the end of Quarter
Board Meeting for Last quarter ending on 31 st March 2015	On or before 30 th May'2015
Annual General Meeting for FY 2014-15	On or before 30 th Sept.'2015

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.

7. DISCLOSURES

i. Related Party Transactions

Related party transactions have been disclosed, wherever required, in Notes forming part of the Annual Accounts for the year ended 31st March, 2014.

ii. Details of Non-Compliances by the Company

There are no instances of material non-compliance by the company on any matter related to capital markets, during the last three years and no penalties or strictures have been imposed on the company by Stock Exchange(s), SEBI or any other statutory authority.

iii. Whistle Blower Policy

The Company has conveyed existence of Whistle Blower Policy to all its employees and it is hereby affirmed by the Board that no personnel has been denied access to the Audit Committee.

iv. 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.

8. 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 Agreement.

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.

9. GENERAL SHAREHOLDERS' INFORMATION

i. Annual General Meeting	
Date	30 th September, 2014, Tuesday
Time	11: 00 A.M.
Venue	C-1/A Low Land Area, Pologround

	Industrial Estate, Indore-M.P.
ii. Financial Year	1 st April, 2013 to 31 st March, 2014
iii. Date of Book Closure	Wednesday, 24 th September, 2014 to Tuesday, 30 th September, 2014 (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)

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, 2014

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, 2014

SR. NO.	CATEGORY	NO. OF SHARES HELD	% OF SHARE-HOLDING
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	423703	6.7161%
	(b) Indian Public	1158868	18.3692%
	(c) NRIs/OCBs	197884	3.1367%
	(d) Any Other (Clearing	6100	0.0967%

	Members, Trust, Directors)		
	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, 2014 is as follows:

Particulars of Equity Shares	Equity Shares of Rs.10/- each	
	Number	% of Total
NSDL	2210130	35.03
CDSL	2655576	42.10
Physical	1443047	22.87
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 31.03.2014.

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	Link Intime India Pvt. Ltd. C -13, Kantilal Maganlal Estate,

Agent	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
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Date: 03.09.2014

FOR AND ON BEHALF OF THE BOARD

Place: Indore

Sd/-

Pankaj Jajoo
Managing Director
DIN: 00017748

DECLARATION FROM MANAGING DIRECTOR

A declaration signed by the Managing Director of the company on behalf of the members of the Board and Senior Management Personnel in terms of Clause 49(l)(D)(ii) of the Listing Agreement for the year ended on 31st March, 2014:

DECLARATION

I, Pankaj Jajoo, Managing Director of the Company do hereby affirm and declare on behalf of all the Directors and Senior Management Personnel in terms of Clause 49(l)(D)(ii) of the Listing Agreement that the Company has laid down and complied with the Code of Conduct have confirmed compliance with the code of conduct as adopted by the Company.

Date: 03.09.2014

Place: Indore

Sd/-
Pankaj Jajoo
Managing Director
DIN: 00017748