



Tuni Textile Mills Limited



*27th Annual Report
2013-2014*

TUNI TEXTILE MILLS LIMITED

BOARD OF DIRECTORS

Narendra Kumar Sureka	Chairman & Managing Director
Pradeep Kumar Sureka	Executive, Whole Time Director
Pramod Kumar Bajaj	Independent Director
Jayaram Jaithlaya	Independent Director
Ashish P Bajaj	Independent Director

AUDITORS

R S Agrawal & Associates
Chartered Accountant

BANKERS

Indian Overseas Bank

Corporate Identification No. :

L17120MH1987PLC043996

REGISTERED OFFICE

63/71, Dadiseth Agiary Lane
3rd Floor, Kalbadevi Road
Mumbai-400 002

WORKS

1, B-4 & B-5, MIDC Murbad,
Dist. Thane (Maharashtra)

REGISTRAR & SHARE TRANSFER AGENT

Purva Sharegistry (India) Pvt. Ltd.
No. 9, Shiv Shakti Ind. Estate
Gr. Floor, J. R. Boricha Marg
Lower Parel, Mumbai-400 011

ANNUAL GENERAL MEETING

Date : 26th September, 2014
Time : 11.30 A.M.
Venue : Ramee Guest Line Hotel
462, A. B. Nair Road, Opp. Sun-N-Sand
Hotel, Juhu, Vile Parle (W),
Mumbai-400 049



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Members are requested to bring their copy of Annual Report at the time of Meeting

NOTICE

Notice is hereby given that the 27th Annual General Meeting of the members of **TUNI TEXTILE MILLS LIMITED** will be held on Friday, the 26th day of September, 2014 at 11.30 A.M. at Ramee Guest Line Hotel, 462, A. B. Nair Road, Opp. Sun-N-Sand Hotel, Juhu, Vile Parle (W), Mumbai-400 049 to transact the following business as :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st March 2014.
2. To consider and 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, 142 and other applicable provisions, if any, of the Companies Act, 2013 and their corresponding rules and based on the recommendations of the Audit Committee, R. S. Agrawal & Associates, Chartered Accountants, Mumbai (FRN 100156W), who have offered themselves for re-appointment and have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014, be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting up to the conclusion of the fourth consecutive Annual General Meeting (subject to ratification by the members at every subsequent AGM) at a remuneration as may be decided by the Board of Directors of the Company."

SPECIAL BUSINESS:

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

"RESOLVED THAT in supersession of the resolution passed by the Shareholders at the AGM of the Company held on September 30, 2010, consent of the Company be and is hereby accorded to the Board of Directors under Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactments thereof for the time being in force) and the Articles of Association of the Company for borrowing, whether by way of Term Loan / Equipment Finance / Cash Credit facilities / Loans or other borrowings, from time to time, any sum or sums at its discretion from Financial Institutions / Banks or from Others on such terms and conditions and with or without security as the Board of Directors may think fit, which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the bankers of the Company in the ordinary course of business) shall not exceed in the aggregate at any time ₹ 5.85 Crore (₹ Five Crore and Eighty Five Lac Only).

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalise, settle and execute such documents/deeds/writings/agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard and also to delegate all or any of the above powers to the Directors or the Principal Officers of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

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

"RESOLVED THAT pursuant to Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 consent of the Company be and is hereby accorded to the Board of Directors of the Company to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties/assets, both present and future and in such manner as the Board may deem

fit, together with the power to take over the substantial assets of the Company in certain events in favour of the Financial Institutions/Banks/any other investing agencies/trustees for the holders of debentures/bonds/other instruments which may be issued to and subscribed by all or any other person(s)/bodies corporate by way of private placement or otherwise, to secure rupee/foreign currency loans, debentures, bonds or other instruments (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with interest thereon, additional interest, compound interest, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, shall not, at any time exceed ₹ 5.85 Crore (₹ Five Crore Eighty Five Lac Only).

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and are hereby authorized to finalise, settle and execute such documents / deeds / writings / papers / agreements as may be required and to do all acts, deeds, matters and things, as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgage / charge as aforesaid and also to delegate all or any of the above powers to the Principal Officers of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

5. To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution :

"RESOLVED THAT Pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Pramod Kr. Bajaj (DIN: 01438374) an Independent Director and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) years commencing from April 1, 2014 to March 31, 2019."

6. To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution :

"RESOLVED THAT Pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Jayaram Jaithlaya (DIN: 00254094) an Independent Director and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) years commencing from April 1, 2014 to March 31, 2019."

7. To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution :

"RESOLVED THAT Pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ashish P. Bajaj (DIN: 02258321) an Independent Director and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) years commencing from April 1, 2014 to March 31, 2019."

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. NKJ & Associates, Cost Accountants be and are hereby appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting;

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Notes:

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
4. The Register of Member and the Share Transfer Books of the Company will remain closed from 19th September 2014 to 26th September 2014 (both days inclusive).
5. The Register of Directors and key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.
6. Shareholders/Investors are advised to send their queries/complaints through the dedicated e-mail Id tunitextilemills@gmail.com for quick and prompt redressal of their grievances.
7. The Shares of the Company are mandated by the Securities & Exchange Board of India (SEBI) for trading in dematerialized form by all investors.
8. The identity/signature of Members holding shares in electronic/demat form is liable for verification with the specimen signatures furnished by NSDL/CDSL. Such Members are advised to bring the relevant identity card issued by appropriate authorities to the Annual General Meeting.
9. Members desirous of getting any information about the accounts of the Company, are requested to send their queries so as to reach at-least ten days before the meeting at the Registered Office of the Company, so that the information required can be made readily available at the meeting.
10. Members are requested to intimate change in their address immediately to M/s Purva Shareregistry (India) Pvt. Ltd., the Company's Registrar and Share Transfer Agents, at their office at No. 9, Shiv Shakti Ind. Estate, Gr. Floor, J. R. Boricha Marg, Lower Parel, Mumbai-400 011.
11. Members holding shares in physical form in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant Share Certificates to M/s Purva Shareregistry (India) Pvt. Ltd., Registrar and Share Transfer Agents of the Company, at their address given above.
12. Pursuant to SEBI Circular, the Shareholders holding shares in physical form are requested to submit self attested copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.
13. Members holding shares in physical form and wishing to avail of the nomination facility, are

requested to send the duly filled in nomination in the prescribed form (form 2B) to M/s Purva Sharegistry (India) Pvt. Ltd., Registrar and Share Transfer Agents of the Company, at their address given above or to the Compliance Officer at the Registered Office of the Company.

14. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your Depository Participants to enable us to send you're the quarterly reports and other communication via email.
15. Copies of Annual Report 2014 are being sent by electronic mode only to all the members whose email address are registered with the Company's Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the Annual Report. The Members who have not registered their email address, physical copies of Annual Report 2014 are being sent by the permitted mode.
16. The Notice for the 27th AGM and instructions for e-voting, along with Attendance Slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. Members are requested to bring copies of Annual Report to the Annual General Meeting. For members who have not registered their email address, physical copies of aforesaid documents are being sent by the permitted mode.
17. Members can opt for one mode of voting i.e. either by physical ballot or through e-voting. If Members opt for e-voting then do not vote by Physical Ballot or vice-a-versa. However, in case Members cast their vote both by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.
18. In terms of the provisions of Section 107 of the Companies Act, 2013, since the resolutions as set out in this Notice are being conducted through e-voting or physical Ballot, the said resolutions will not be decided on a show of hands at the AGM. **The voting right of all shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date i.e. August 29, 2014.**
19. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to the members facility to exercise their votes at the 38th AGM by electronic means and the business may be transacted through e-voting as per details below:-
 - a) Date and time of commencement of voting through electronic means: **Tuesday, September 15, 2014 at 9.30 a. m.**
 - b) Date and time of end of voting through electronic means beyond which voting will not be allowed : **Thursday, September 17, 2014 at 5.30 p. m.**
 - c) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **August 29, 2014**, may cast their vote electronically irrespective of mode of receipt of notice by the shareholder. **The e-voting module shall be disabled by CDSL for voting thereafter.**
 - d) Details of Website: www.evotingindia.com
 - e) Details of Scrutinizer: Gayatri Bhide, Practising Company Secretary (ACS No. 31886), Prop., M/s. G. S. Bhide & Associates, Vapi (Gujarat). E-mail: gayatribhideandco@gmail.com.
 - f) **Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change/ modify the vote subsequently.**
20. **The instructions for Members for e-voting are as under:**

Applicable in all cases whether NOTICE is received by e-mail or in physical form:

 - i Log on to the e-voting website www.evotingindia.com during the voting period
 - ii Click on "Shareholders" tab

- iii Now, select the TUNI TEXTILE MILLS LIMITED from the drop down menu and click on "SUBMIT"
- iv 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.
- v Next enter the Image Verification as displayed and Click on Login.
- vi 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.
- vii 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 last 8 digits of the demat account/ folio number in the PAN field. • In case the folio 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 Jagdish Kumar with folio number 100 then enter JA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

- viii After entering these details appropriately, click on "SUBMIT" tab.
- ix 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.
- x For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi Click on the EVSN for TUNI TEXTILE MILLS LIMITED on which you choose to vote.
- xii 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.
- xiii Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv 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.
- xv Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii 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.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cDSLindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cDSLindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

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.

21. In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Proxy cum Ballot Form is attached. Members desiring to exercise vote by Ballot are requested to carefully read the instructions printed in the form, to complete the Ballot Form with assent (for) or dissent (against) and send it to Ms. Gayatri Bhide, Scrutinizer, C/o Purva Sharegistry (India) Private Limited, Unit: Tuni Textile Mills Limited, No. 9, Shiv Shakti Industrial Estate, Ground Floor, J. R. Boricha Marg, Opposite Kasturba Hospital, Lower Parel, Mumbai-400 011, Tel. No: +91 22-2301 8261, Fax No : +91 22-2301 2517, E-mail : purvashr@mtnl.net.in so as to reach him on or before September 18, 2014 by 5.30 p.m. Any Ballot Form received after the said date shall be treated as if the reply from the Members has not been received.
22. In light of the recent judgment of the Bombay High Court, until clarity is available members who have not voted electronically or through ballot, will be permitted to deposit the filled in Ballot Forms, physically at the AGM to enable them to exercise their vote.
23. (i) Members who have registered their e-mail addresses with the depositories or with the Company's RTA are being sent Notice of ballot by e-mail and members who have not registered their e-mail addresses will receive Ballot Form along with the Notice through Courier/Post.
(ii) Members can request for a Ballot Form at Purva Sharegistry (India) Private Limited, Unit: Tuni Textile Mills Limited, No. 9, Shiv Shakti Industrial Estate, Ground Floor, J. R. Boricha Marg, Opposite Kasturba Hospital, Lower Parel, Mumbai-400 011 or they may also address their request through e-mail to: purvashr@mtnl.net.in. Contact no +91 22 2301 8261.
(iii) In case of voting by physical ballot, the institutional members (i. e. other than individuals, HUF, NRI, etc.) are required to send a copy of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer along with the Ballot Form so as to reach the Scrutinizer on or before 5.30 p.m. on Thursday, September 18, 2014.
(iv) The Scrutinizer will scrutinize the voting process (both e-voting and voting by physical ballot) in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company. The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be available on the Company's website within two (2) days of passing of the resolution at the AGM of the Company and communicated to the stock exchange.

24. The shareholders can also access the Annual Report 2013-14 of the Company circulated to the Members of the Company and other information about the Company on Company's website, i.e., www.tunitextiles.com or on Stock Exchange websites, which is www.bseindia.com.
25. Additional Information pursuant to Clause 49 of Listing Agreement with Stock Exchanges in respect of the Directors seeking appointments at the AGM are furnished and forms a part of Notice. The Directors have furnished the requisite consents / declarations for their appointment.
26. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
27. Members are requested to quote Folio Number in their correspondence.
28. Members are requested to send their queries in regard to the accounts at-least 10 days in advance to the Registered Office of the Company.
29. The Equity shares of the Company are listed on Bombay, Ahmedabad, Jaipur and Madhya Pradesh Stock Exchanges and Listing Fees for the financial year 2014-2015 have been paid to BSE Limited (Bombay Stock Exchange).

Statement pursuant to Section 102 of the Companies Act 2013

Item No. 3 & 4

In terms of the resolution passed pursuant to Section 293(1)(d) of the Companies Act, 1956 by the Shareholders at the Annual General Meeting held on September 30, 2010; the Board of Directors of the Company is authorised to borrow upto a sum of ₹ 5.85 Crore (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business). In view of the increased scale of operations since then, the mobilization of the funds has been substantially increased. Therefore, it is considered desirable to increase the Board's borrowing powers from the existing limit of ₹ 5.85 Crore to ₹ 10.00 Crore Accordingly, the consent of the Shareholders at the General Meeting is sought under Section 180 (1) (c) of the Companies Act, 2013.

In terms of the resolution passed pursuant to Section 293 (1) (a) of the Companies Act, 1956 by the shareholders at the Annual General Meeting held on September 30, 2010 consent of the Members was secured for authorizing the Board of Directors to create mortgage and / or charge on the immovable and movable properties of the Company upto ₹ 5.85 Crore. The Company would be borrowing monies by way of loans from Financial Institutions / Banks and other Corporate Bodies apart from working capital facilities from banks in ordinary course of business. This in turn would necessitate further creation of securities by suitable mortgages and / or charges on all or some of the immovable and movable properties of the Company, both present and future, in favour of the lenders / trustees upto an extent of ₹ 5.85 Crore. To create mortgage and / or charge upto the said limit, approval of the Members is required to be obtained pursuant to Section 180 (1) (a) of the Companies Act, 2013 authorizing the Board of Directors of the Company in this regard. Hence the said resolutions are placed before the Members for their approval.

The Directors recommend the Resolution in the best interest of the Company for your approval.

None of the Directors or Key Managerial Person of the Company or their relatives is deemed to be concerned or interested in the aforesaid Resolution.

Item No. 5, 6 & 7

Appointment of Mr. Pramod Kr. Bajaj, Mr. Jayaram Jaithlaya & Mr. Ashish P. Bajaj as Independent Directors

The Board has appointed Mr. Pramod Kr. Bajaj, Mr. Jayaram Jaithlaya & Mr. Ashish P. Bajaj as Independent Director of the Company pursuant to Clause 49 of the Listing Agreement.

In accordance with Section 149 and 152 read with Schedule IV of the Companies Act, 2013 that have come into effect from 1 April 2014 and subsequent notification by the Ministry of Corporate Affairs vide its General circular no.14/2014 dated 9 June 2014, the Company is required to appoint its Independent Directors, including its existing Independent Directors in accordance with the

provisions of the Companies Act, 2013 before 31 March 2015. Further, pursuant to the above provisions, the term of such Independent Directors is not liable to determination by rotation.

Accordingly, it is proposed to appoint Mr. Pramod Kr. Bajaj, Mr. Jayaram Jaithlaya & Mr. Ashish P. Bajaj as Independent Directors of the Company in accordance with Section 149 of the Companies Act, 2013, not liable to retire by rotation and to hold office as under:

NAME	NO. OF YEARS	TERM
Mr. Pramod Kr. Bajaj	5 Years	Up to 31st March 2019
Mr. Jayaram Jaithlaya	5 Years	Up to 31st March 2019
Mr. Ashish P. Bajaj	5 Years	Up to 31st March 2019

These Appointments may be terminated by either party by giving one month notice in writing of such termination or as may be mutually agreed between the parties.

The Company has received from Mr. Pramod Kr. Bajaj, Mr. Jayaram Jaithlaya & Mr. Ashish P. Bajaj -

- Consent in writing to act as Directors in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and;
- Intimation in Form DIR-8 in terms of Companies Appointment & Qualification of Directors) Rules, 2014, to effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

The Company has also received notices from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of the above Directors for the office of Directors of the Company.

In the opinion of the Board, Mr. Pramod Kr. Bajaj, Mr. Jayaram Jaithlaya & Mr. Ashish P. Bajaj fulfill the conditions for their appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Agreement and is independent of the management.

A copy of the draft letters of appointment setting out the terms and conditions of appointment of Mr. Mr. Pramod Kr. Bajaj, Mr. Jayaram Jaithlaya & Mr. Ashish P. Bajaj are available for inspection, without any fee, by the members at the Company's registered office during normal hours on working days up to the date of the AGM.

Mr. Mr. Pramod Kr. Bajaj, Mr. Jayaram Jaithlaya & Mr. Ashish P. Bajaj are interested in the resolutions set out respectively at Item No. 4 & 5 of the Notice with regard to their respective appointment.

The relatives of Mr. Mr. Pramod Kr. Bajaj, Mr. Jayaram Jaithlaya & Mr. Ashish P. Bajaj may be deemed to be interested in the resolutions set out respectively at Item No. 5, 6 & 7 of the Notice, to the extent of his shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the resolutions set forth in the Item No. 5, 6 & 7 of the Notice for approval of the members.

Details of Director seeking re-appointment in the 27th Annual General Meeting on 26th September 2014 (in term of Clause 49 of the Listing Agreement)

<p>Pramod Kr. Bajaj Fathers' Name Date of Birth Date of Appointment Expertise in specific functional areas Years of Experience Qualifications List of outside Directorship held Member of Committee on the Board Committee</p> <p>Member/Chairman of Committee in other Companies No. of Shares held in own name or in the name of Relatives</p>	<p>Kashi Prasad Bajaj 19th March 1956 1st February 2005 Accounts, Taxation and Management Consultancy 28 Years B. Com. None Chairman - Audit Committee & Share Transfer</p> <p>Member - Nomination & Remuneration Committee Member - Investor Grievance Committee None</p> <p>Nil</p>
<p>Jayaram Jaithlaya Fathers' Name Date of Birth Date of Appointment Expertise in specific functional areas Years of Experience Qualifications List of outside Directorship held Member of Committee on the Board</p> <p>Member/Chairman of Committee in other Companies No. of Shares held in own name or in the name of Relatives</p>	<p>Sitaram Jaithalaya 23rd November 1981 1st February 2005 Accounts, Taxation, Fabric Merchandise etc. 8 Years B. Com. None Member - Audit Committee, Remuneration & Nomination Committee Chairman - Investor Grievance Committee None</p> <p>Nil</p>
<p>Ashish P. Bajaj Fathers' Name Date of Birth Date of Appointment Expertise in specific functional areas Years of Experience Qualifications List of outside Directorship held Member of Committee on the Board Member/Chairman of Committee in other Companies No. of Shares held in own name or in the name of Relatives</p>	<p>Premkishan Bajaj 6th October 1988 23rd July 2008 Accounts, Taxation and Management Consultancy 7 Years B. Com. None Member - Share Transfer Committee None</p> <p>Nil</p>

Mumbai, May 29, 2014

By order of the Board
 For TUNI TEXTILE MILLS LIMITE

Registered Office :

63/71, Dadiseth Agjary Lane
 3rd Floor, Kalbadevi Road, Mumbai-400002

Narendra Kumar Sureka
 DIN : 01963265
 Chairman

Directors' Report

To

The Members,

Your Directors have pleasure in presenting the 27th Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2014.

(₹ in Lac)

FINANCIAL HIGHLIGHTS	Year Ended 31.03.2014	Year Ended 31.03.2013
Income	2473.74	1959.39
Profit before Tax & Extraordinary Items	22.01	17.82
Less : Provision for Taxation (Including Differed Tax & MAT)	(3.09)	7.78
Profit after Tax	25.10	10.04
Add : Profit/(Loss) brought forward from Previous Year	(237.88)	(247.92)
Balance carried forward	(212.78)	(237.88)

OVERVIEW OF ECONOMY

A survey by global consultancy firm Ernst & Young (E&Y) sees India as the world's most attractive investment destination. With the opening up of foreign direct investment (FDI) in several sectors, India is today an eye-catching destination for overseas investors. The relaxation of norms by the government has created a vast opportunity for foreign players, who are competing for a greater role in the Indian market. Sectors projected to do well in the coming years include automotive, technology, life sciences and consumer products.

India has also become a hotbed for research and development (R&D) and the country is now a preferred destination for automotive R&D, as per a study on the Global Top 500 R&D spenders by globalization advisory and market expansion firm, Zinnov. The study noted that there was strong potential for growth in areas such as engineering analytics and that significant talent could be found in 'Deccan Triangle' region, which encompasses Pune, Bangalore and Hyderabad.

The World Bank has projected an economic growth rate of 5.7 per cent in FY15 for India, due to a more competitive exchange rate and several significant investments going forward.

India is the third biggest economy in the world in terms of purchasing power parity (PPP), according to a World Bank report. The country was ranked 10th in the previous survey conducted in 2005.

The stakes held by foreign institutional investors (FII) in Indian companies touched a record high in the fourth quarter of FY 14. The estimated value of FII holdings in India stands at US\$ 279 billion.

The cumulative amount of FDI equity inflow into India stood at at US\$ 212,031million in the period April 2000-February 2014, while FDI equity inflow during April 2013-February 2014 was recorded as US\$ 20,766 million, as per data published by Department of Industrial Policy and Promotion (DIPP).

Thus, the emphasis is on a massive road connectivity plan which will tie the region together and subsequently enhance economic objectives. Also, agricultural gross domestic product (GDP) in the country is projected to grow by over five per cent in the current agricultural year (July 2013-May 2014).

BUSINESS OPERATIONS & OUTLOOK

The Business environment continues to remain extremely challenging and the recessionary economic conditions leading to slowdown in demand and inflation pushed scale up of input costs left its adverse imprint on overall performance for 2013-2014. Directors are pleased to inform that in spite of difficult times, your Company, based on its intrinsic strength, has broadly maintained its performance. Gross Profit remained positive at figure of ₹ 22.01 Lac for the year.

The Company is in the Business of manufacturing Grey Cloth.

The outlook for the current year is challenging mainly due to sluggish economy and higher rate of inflation. However, your Company expects to grow despite the adverse environment due to its commitment to clients of the Company.

DIVIDEND

In view of inadequate profit and in order to meet financial requirement to implement its future plans, your Directors do not propose any dividend for the year under review.

SUBSIDIARY COMPANY

The Company does not have subsidiary Company.

MANAGEMENT DISCUSSION & ANALYSIS

As required by Clause 49 of Listing Agreement, the Management Discussion and Analysis is annexed and forms part of the Directors' Report.

MANAGEMENT

There is no Change in Management of the Company during the year under review.

DIRECTORS

There is no change in composition of Board during the Financial Year under review.

Further, none of the Directors of the Company are disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

INDEPENDENT DIRECTORS

As per provisions of Section 149 of the 2013 Act, independent directors shall hold office for a term up to five consecutive years on the board of a company, but shall be eligible for re-appointment for another term up to five years on passing of a special resolution by the company and disclosure of such appointment in Board's Report. Further Section 152 of the Act provides that the independent directors shall not be liable to retire by rotation in the Annual General Meeting ('AGM') of the Company.

As per Revised Clause 49 of the Listing Agreement (applicable from October 1, 2014), any person who has already served as independent director for five years or more in a company as on October 1, 2014 shall be eligible for appointment, on completion of the present term, for one more term of up to 5 (five) years only.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

1. In the preparation of the annual accounts, for the year ended 31st March 2014, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed;
2. The Directors had adopted 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 at the end of the financial year and of the profit of the Company for that period;
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. The Directors had prepared the annual accounts on a going concern basis.

INFORMATION TECHNOLOGY

Your Company believes that in addition to progressive thought, it is imperative to invest in Information and Technology to ascertain future exposure and prepare for challenges. In its endeavor to obtain and deliver the best, your Company has tie-ups with an IT solution Company to harness and tap the latest and the best of technology wherever feasible, relevant and appropriate.

RESEARCH & DEVELOPMENT

The Company believes that technological obsolescence is a reality. Only progressive research and development will help us to measure up to future challenges and opportunities. We invest in and encourage continuous innovation. During the year under review, expenditure on research and development is not significant in relation to the nature size of operations of your Company.

AUDITORS

The Auditors M/s R. S. Agrawal & Associates, Chartered Accountants, Mumbai who are Statutory Auditors of the Company and holds the office until the conclusion of ensuing Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company from the conclusion of the 27th Annual General Meeting up to the conclusion of the 32nd consecutive Annual General Meeting (subject to ratification by the members at every subsequent AGM). As required under the provisions of Section 139 & 142 of the Companies Act, 2013 the Company has obtained written confirmation from M/s. R. S. Agrawal & Associates that their appointment, if made, would be in conformity with the limits specified in the said Section.

COMMENTS ON AUDITOR'S REPORT :

The notes referred to in the Auditor's Report are self explanatory and as such they do not call for any further explanation as required under section 217(3) of the Companies Act, 1956.

COST AUDIT

The Company has appointed M/s. NKJ & Associates, Cost Accountants, as cost auditors of the Company for conducting cost audit of the Company for the financial year 2014-2015.

STATUTORY INFORMATION

PARTICULARS OF EMPLOYEES

The information as required by provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) amendments rules, 1975 is reported to be NIL.

PARTICULARS UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956

The Company is engaged in the business of manufacturing Synthetic Fabric. The information regarding Conservation of Energy, Technology Absorption, Adoption and Innovation, the information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is reported to be as under:

MURBAD UNIT- ELECTRICITY	2013-2014	2012-2013
Electricity Purchased [Units (KWH)]	1480814	1327113
Total Amount (₹)	8698103	6637174
Average Rate (₹)	5.87	5.00
Consumption Per Unit of Production		
Cloth Production (Mtrs.)	2733219	2553512
Cost of Electricity Consumption (₹) / Mtrs.	3.18	2.60

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has not earned or used foreign exchange earnings/outgoings during the year under review.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits from the public within the meaning of section 73 of the Companies Act, 2013 and the rules there under.

REPORT ON CORPORATE GOVERNANCE

The Company conforms to the norms of Corporate Governance as envisaged in the Companies Act, 2013 and the Listing Agreement with the BSE Limited. Pursuant to Clause 49 of the Listing Agreement, a Report on the Corporate Governance and the Auditors Certificate on Corporate Governance are annexed to this report.

APPRECIATION

Your Directors wish to place on record their appreciation towards the contribution of all the employees of the Company and their gratitude to the Company's valued customers, bankers, vendors and members for their continued support and confidence in the Company.

Mumbai, May 29, 2014

By order of the Board
For TUNI TEXTILE MILLS LIMITE

Registered Office :

63/71, Dadiseth Agiary Lane
3rd Floor, Kalbadevi Road, Mumbai-400002

Narendra Kumar Sureka
DIN : 01963265
Chairman

Management Discussion & Analysis

MACRO ECONOMIC ENVIRONMENT

In the recent past, the Indian economy has had to overcome varied challenges in its resolve to sustain its economic success. The major challenges included: unsupportive external environment, domestic structural constraints, growth slowdown and inflationary pressures. The slowdown manifested in the decline in the growth of Gross Domestic Product (at factor cost at constant 2004-05 prices) from 8.9 per cent in 2010-11 to 6.7 per cent in 2011-12 and 4.5 per cent in 2012-13. With the economy projected to have registered a growth rate of 4.9 per cent in 2013-14, the declining trend in growth seems to have reversed. The growth slowdown in India is broadly in sync with trends in similar emerging economies. The sharp downturn in growth owes to the interface of domestic factors with the global economic environment of uncertainties and slow growth in many advanced economies. The growth of real GDP has generally shown a declining trend since the first quarter (Q1) of 2011-12, and is characterized by a moderation in services growth and a protracted slowdown in industry. The revival in agriculture on the back of a steady monsoon and robust growth in financial and business services led to a modest uptick in growth in 2013-14.

The policy response of the Government to the present growth slowdown has been in the form of structural reforms aimed at reducing entry-barriers and boosting competition and productivity in various sectors; fiscal consolidation and reforms in administered prices; further strengthening of financial/banking sectors; introduction of instruments to encourage financial savings of households; measures to restart the investment cycle through support to infrastructure financing and encouragement to micro, small and medium enterprises (MSMEs); steps to revive growth in manufacturing and reforms in energy pricing. These policies have gone hand-in-hand with macroeconomic stabilization that has had to balance the concerns of inflation and growth recovery, while managing a volatile external situation characterized by a sharp depreciation of the Rupee witnessed till the second quarter (Q2) of 2013-14.

The monetary policy stance of the Reserve Bank of India has been driven by the imperatives of keeping inflation in check and supporting growth revival while managing a complex external economic situation. With moderation in overall headline inflation, as per the Wholesale Price Index (WPI), during 2012-13 and during the first two quarters of 2013-14, there was a reduction in the repo rate by 25 basis points in May 2013. Headline WPI inflation averaged 6.16 per cent during 2013-14 (April-December) as compared to 7.56 per cent in the corresponding period of the previous year. Despite easing, the level of inflation is high, especially in terms of consumer price indices.

In the face of growing uncertainties in global financial conditions, monetary easing was paused in June 2013. However, there has been significant improvement in the external situation. With acceleration in the growth of exports and decline in imports, the trade deficit for 2013-14 (April-December) has narrowed considerably. Reduction in the trade deficit, complemented by a rise in net invisibles receipts, resulted in significant reduction in the current account deficit (CAD) in the first half (H1) of 2013-14. In response to these developments, and due to steps undertaken to moderate the CAD, the exchange rate, that breached the level of 68 per US\$ in August 2013, recovered to 61.16 per US\$ on October 11, 2013. The exchange rate of the rupee averaged 61.91 per US\$ in December 2013.

On the fiscal front, the slowdown in growth affected tax collections and receipts from disinvestment of Public Sector Undertakings. However, the Government is on track to achieve the fiscal deficit to GDP target envisaged for 2013-14

REVIEW OF OPERATIONS

The operational performance of the Company during the year was satisfactory looking to the weak

market scenario, high input cost, lack of demand by consumers due to high inflation rate, steep competition in profit margin of products, increase in cost of production due to high wages and cost of electricity etc.

The Company registered a gross turnover / income of ₹ 2473.74 Lac as compared to ₹ 1959.39 Lac in previous financial year. PBIT Margin during the year remains ₹ 22.01 Lac in comparison to last years' figure of ₹ 17.82 Lac whereas Net Profit remains at ₹ 25.10 Lac in comparison to last years' figure of ₹ 10.04 Lac.

BUSINESS SEGMENT

During the year, the Company is into the business of fabric manufacturing i.e. manufacturing of Synthetic Fabric, a part of textile products in accordance with the Accounting Standard 17 notified by Companies (Accounting Standards) Rules 2006.

OPPORTUNITIES

The Indian textiles industry is set for strong growth, buoyed by strong domestic consumption as well as export demand.

The most significant change in the Indian textiles industry has been the advent of man-made fibres (MMF). India has successfully placed its innovative range of MMF textiles in almost all the countries across the globe. MMF production recorded an increase of 10 per cent and filament yarn production grew by 6 per cent in the month of February 2014. MMF production increased by about 4 per cent during the period April 2013-February 2014.

Cotton yarn production increased by about 10 per cent during February 2014 and by about 10 per cent during April 2013-February 2014. Blended and 100 per cent non-cotton yarn production increased by 6 per cent during February 2014 and by 8 per cent during the period April 2013-February 2014.

Cloth production by mill sector registered a growth of 9 per cent in the month of February 2014 and of 6 per cent during April 2013-February 2014.

Cloth production by power loom and hosiery increased by 2 per cent and 9 per cent, respectively, during February 2014. The total cloth production grew by 4 per cent during February 2014 and by 3 per cent during the period April 2013-February 2014.

Textiles exports stood at US\$ 28.53 billion during April 2013-January 2014 as compared to US\$ 24.90 billion during the corresponding period of the previous year, registering a growth of 14.58 per cent. Garment exports from India is expected to touch US\$ 60 billion over the next three years, with the help of government support, said Dr A Sakthivel, Chairman, Apparel Export Promotion Council (AEPC).

THREATS & CONCERNS

We have identified following Threat and Concerns in Indian Textile Industry -

- Indian Textile Industry is highly fragmented Industry that is lead by several small-scale industries. Because of this, there is lack of Industry Leadership. These small companies do not have fiscal resources to invest in technological up-gradation and they are not able to generate economies of scale. This leads to inability to establish a world-class competitive player.
- Despite many policies Industry is bound with historical regulations that are reason for Complex Industry Structure.
- Though Industry has cheap and skilled manpower but they are less productive.
- Industry is unable to generate economies of scale, as a result, it is tough to balance the demand and supply equation.
- There is lack of technological up-gradation in various steps of value chain that affect the quality,

cost and distribution.

- There are high Costs like, High Indirect Taxes, Power and Interest Rates.
- Inadequate Research & Development.
- There is less FDI in this industry that is hurdle to make industry more competitive on global basis.
- Industry has unfavorable labor Laws.
- India lacks in various trade memberships, which restrict to tap potential market.
- Inappropriate energy supplies to rural and sub-urban areas.

RISK MANAGEMENT

The Company has aligned its policy on risk assessment in line with global approach and risk assessment reports are reviewed on regular intervals. The Company has adopted a focused approach towards risk management in the form of a corporate insurance program which has the goal of optimizing the financing of insurable risks by using a combination of risk retention and risk transfer. The program covers all potential risks relating to business operations of the Company.

The Company's business critical software is operated on a server with regular maintenance and back-up of data. The system's parallel architecture overcomes failures and breakdowns. Reliable and permanently updated tools guard against virus attacks. Updated tools are regularly loaded to ensure a virus free environment.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has implemented a comprehensive system of internal controls and risk management systems for achieving operational efficiency, optimal utilisation of resources, credible financial reporting and compliance with local laws. These controls are regularly reviewed by both internal and external agencies for its efficiency and effectiveness. Management information and reporting system for key operational activities form part of overall control mechanism.

The Company has retained the services of independent firms of professionals to function as internal auditors and provide reports on various activities covering observations on adequacy of internal controls and their recommendations. Findings of internal audit reports and effectiveness of internal control measures are reviewed by top management and audit committee of the Board. During the year, internal audit team of Company performed audits of major operational areas of the Company and carried out elaborate checks and verification and shared their findings with top management for remediation of minor gaps wherever required.

HUMAN RESOURCES

The Company recognizes that its success is deeply embedded in the success of its human capital. During 2013-2014, the Company continued to strengthen its HR processes in line with its objective of creating an inspired workforce. The employee engagement initiatives included placing greater emphasis on learning and development, launching leadership development programme, introducing internal communication, providing opportunities to staff to seek inspirational roles through internal job postings, streamlining the Performance Management System, making the compensation structure more competitive and streamlining the performance-link rewards and incentives.

The Company believes that learning is an ongoing process. Towards this end, the Company has built a training infrastructure which seeks to upgrade skill levels across grades and functions through a combination of in-house and external programme.

CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY

The Company constantly strives to meet and exceed expectations in terms of the quality of its business and services. The Company commits itself to ethical and sustainable operation and development of all business activities according to responsible care and its own code of conduct. Corporate Social Responsibility is an integral part of the Company's philosophy and participates in activities in the area of education and health.

CAUTIONARY STATEMENT

Certain statements under "Management Discussion & Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statement within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

COMPLIANCE

The Compliance function of the Company is responsible for independently ensuring that operating and business units comply with regulatory and internal guidelines. The Compliance Department of the Company is continued to play a pivotal role in ensuring implementation of compliance functions in accordance with the directives issued by regulators, the Company's Board of Directors and the Company's Compliance Policy. The Audit Committee of the Board reviews the performance of the Compliance Department and the status of compliance with regulatory/internal guidelines on a periodic basis.

New Instructions/Guidelines issued by the regulatory authorities were disseminated across the Company to ensure that the business and functional units operate within the boundaries set by regulators and that compliance risks are suitably monitored and mitigated in course of their activities and processes. New products and process launched during the year were subjected to scrutiny from the Compliance Standpoint and proposals of financial services were screened from risk control prospective.

The Company has complied with all requirements of regulatory authorities. No penalties/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

Mumbai, May 29, 2014

By order of the Board
For TUNI TEXTILE MILLS LIMITE

Registered Office :
63/71, Dadiseth Agiary Lane
3rd Floor, Kalbadevi Road, Mumbai-400002

Narendra Kumar Sureka
DIN : 01963265
Chairman

Annexure to the Directors' Report

Corporate Governance for the Company means achieving high level of accountability, efficiency, responsibility and fairness in all areas of operation. Our Employees are committed towards the protection of the interest of the Stakeholders viz. Shareholders, creditors, investors, clients etc. Our policies consistently undergo improvements keeping in mind our goal i.e. maximization of value of all the stakeholders.

The goal is achieved through -

- ✓ Infusion of best expertise in the Board;
- ✓ Consistent monitoring and improvement of the human and physical resources;
- ✓ Board/Committee meetings at regular intervals to keep the Board informed of the recent happenings.

GOVERNANCE STRUCTURE

The Corporate Governance Structure at Tuni Textile Mills Ltd. (Tuni) is as under:-

1. **Board of Directors:** The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosure.
2. **Committees of the Board:** The Board has constituted the following committees viz. Audit Committee, Remuneration & Nomination Committee, Share Transfer Committee and Shareholders' Grievance Committee. Each of said Committee has been managed to operate within a given framework.

BOARD OF DIRECTORS

Size and Composition of Board

The Board has five members with an executive Chairman. The Independent Directors on the Board are competent and highly respected professionals from their respective fields and have vast experience in general corporate management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as members of the Board. The day to day management of the Company is conducted by Managing Director subject to supervisions and control of the Board.

None of the non-executive directors has any material pecuniary relationships or transactions with the company, its promoters, directors and associates which in their judgment would affect their independence. None of the directors are inter-se related to each other.

The composition and category of the Board of Directors as at March 31, 2014, the number of other Directorships/Committee memberships held by them and their other details are as under:

Name	Designation	DIN	Date of Joining Board	Committee Membership of other Public Limited Co.	Committee Chairman-ship of other Public Limited Co.	No. of Directorship of other Public Ltd. Co.
Narendra Kumar Sureka*	Managing Director	01963265	6th July 1987	Nil	Nil	Nil
Pradeep Kumar Sureka	Executive Director	01632706	6th July 1987	Nil	Nil	Nil
Pramod Kumar Bajaj	Non-Executive Director, Independent	01438374	1st Feb. 2005	Nil	Nil	Nil
Mr. Jayaram Jaithlaya	Non-Executive Director, Independent	00254094	1st Feb. 2005	Nil	Nil	Nil
Mr. Ashish P Bajaj	Non-Executive Director, Independent	02258321	23rd July 2008	Nil	Nil	Nil

*Chairman of the Board

BOARD INDEPENDENCE

The Non-Executive Independent Directors fulfill the conditions of independence as specified in Section 149 of Companies Act, 2013 and Rules made there under and meet with requirement of Clause 49 of Listing Agreement entered into with Stock Exchange.

BOARD MEETINGS

Board Meetings are conducted in accordance with the Articles of Association of the Company. The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The Board Meetings are pre scheduled and a tentative annual calendar of the Board is circulated to the Directors in advance to facilitate the Directors to plan their schedules.

The Notice of each Board Meeting is given in writing to each Director. The Agenda along with relevant notes and other material information are sent in advance separately to each Director and in exceptional cases, tabled at the meeting. This ensures timely and informed decisions by the Board. The Minutes of Board Meetings are also circulated in advance to all Directors and confirmed at subsequent Meetings. The Board reviews the performance of the Company.

The Board of Directors met 6 times on 15th April, 30th May, 14th August, and 13th November in year 2013 and on 17th January and 14th February in the year 2014 during the financial year 2013-2014.

Attendance of Board of Directors at the Board Meeting and at the last Annual General Meeting :

Name	Designation	Attendance at the AGM	Meetings Attended
Narendra Kumar Sureka*	Chairman & CEO	Yes	6
Pradeep Kumar Sureka	Executive Director	Yes	6
Pramod Kumar Bajaj	Independent Director	Yes	6
Mr. Jayaram Jaithlaya	Independent Director	Yes	6
Mr. Ashish P Bajaj	Independent Director	Yes	6

*Chairman

AUDIT COMMITTEE

The Audit Committee of the Board consists of the three Directors out of which two are independent. The Chairman is an Independent and Non-executive Director. All members of the Audit Committee are financially literate and they have accounting or related financial management expertise.

The primary purpose of the Audit Committee is to assist the Board of Directors (the "Board") of Tuni Textile Mills Limited, (the "Company") in fulfilling its oversight responsibilities with respect to (a) the accounting and financial reporting processes of the Company, including the integrity of the audited financial results and other financial information provided by the Company to its stockholders, the public, any stock exchange and others, (b) the Company's compliances with legal and regulatory requirements, (c) the Company's independent auditors' qualification and independence, (d) the audit of the Company's Financial statements, and the performance of the Company's internal audit function and its Independent Auditors.

Terms of Reference

The Audit Committee inter alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting System, internal control system, discussion on quarterly, half-yearly and annual financial results, interaction with Statutory & Internal Auditors, one-on-one meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory and fixing their remuneration, appointment and remuneration of Internal Auditors, Review of Business Risk Management Plan, Management Discussions & Analysis, Review of Internal Audit Reports, significant related party transactions. The Company has framed the Audit Committee Charter for the purpose of effective compliance of Clause 49 of the Listing Agreement. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

Additionally, the following terms of reference were issued to the Audit Committee by the Board of Directors:

- a) to consider and recommend to the Board the investment guidelines for Capital and Money Market operations;
- b) to review the Annual Budget;
- c) to take note of the significant decisions taken or important developments considered at the Management
- d) Committee/Working Board Meetings; and
- e) to carry out any other duties that may be delegated to the Audit Committee by the Board of Directors from time-to-time.

Authority and Responsibilities

The Audit Committee has power to investigate any activity within its terms of reference, call upon any of the Employees of the Company, to obtain outside legal or other professional advice as and when the same is being required and to secure attendance of outsiders with relevant expertise, if it considers necessary.

Following are the Role of Audit Committee -

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing 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 the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

In addition to the above, Audit Committee reviews the followings :

- i Management discussion and analysis of financial condition and results of operations;
- ii Statement of significant related party transactions submitted by management;
- iii Management letters / letters of internal control weaknesses issued by the statutory auditors and qualification in draft audit report;
- iv Internal audit reports relating to internal control weaknesses;
- v The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The members of Audit Committee met four times on dated 30th May, 14th August, and 13th November in year 2013 and on 14th February in the year 2014 during the financial year ended on 31st March, 2014.

Name	Number of Meetings Held	Meetings Attended
Mr. Pramod Kumar Bajaj *	4	4
Mr. Jayaram Jaithlaya	4	4
Mr. Pradeep Kumar Sureka	4	4

*Chairman of Committee

NOMINATION AND REMUNERATION COMMITTEE (Earlier known as Remuneration Committee)

The Company had set up a Remuneration Committee as required under the provisions of the Companies Act, 1956 which has been renamed as Nomination and Remuneration Committee as required under the provisions of the Companies Act 2013. The Company at present does not have any written policy for the remuneration to its Directors and Senior Executives, however the Company is planning to have a Remuneration Policy that would be based on 3 parameters i.e. to pay for responsibility, pay for performance and potential and pay for growth.

The Committee is vested with all necessary powers and authority to ensure appropriate disclosure on the remuneration of Whole-time Directors and to deal with all the elements of remuneration package of all such Directors.

As for non-whole time Directors their appointments are for the benefit of their professional expertise in their individual capacities as independent business executive. Accordingly the service contract, notice period and severance fees if any are not applicable to such Directors. However as a Company's Policy, upon attaining the age of 70 years the non-whole time Directors seek retirements by not offering themselves for re-appointment at the Annual General Meeting of the Company.

Terms of Reference

The terms of reference of the Committee are as follows:

1. to ensure that our Company has formal and transparent procedures for the selection and appointment of new directors to the board and succession plans;

2. to develop and implement a plan for identifying and assessing competencies of directors;
3. to identify individuals who are qualified to become board members, taking into account a variety of factors, including, but not limited to:
 - a. the range of skills currently represented on the board;
 - b. the skills, expertise, experience (including commercial and/or industry experience) and particular qualities that make individuals suitable to be a director of our Company; and/or
 - c. the individual's understanding of technical, accounting, finance and legal matters;
4. to make recommendations for the appointment and removal of directors;
5. ensure that our Company has in place a programme for the effective induction of new directors;
6. to review, on an ongoing basis, the structure of the board, its committees and their inter relationship;
7. to recommend to the Board, the remuneration packages of our Company's Managing / Joint Managing / Deputy Managing / Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
8. to be authorised at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, our Company's policy on specific remuneration packages for Company's Managing / Joint Managing / Deputy Managing / Whole-time / Executive Directors, including pension rights and any compensation payment;
9. to implement, supervise and administer any share or stock option scheme of our Company; and
10. to attend to any other responsibility as may be entrusted by the Board within the terms of reference.

Details of Meetings of Remuneration & Nomination Committee

The Committee met four times during the year on dated 30th May, 14th August, and 13th November in year 2013 and on 14th February in the year 2014 during the financial year ended on 31st March, 2014. The Composition of the Remuneration Committee and their attendance to the meetings of the committee are as under :-

Name	Number of Meetings Held	Meetings Attended
Mr. Jayaram Jaithlaya *	4	4
Mr. Pramod Kumar Bajaj	4	4
Mr. Pradeep Kumar Sureka	4	4

*Chairman of Committee

Details of Remuneration paid to Directors

The Company has constituted a Remuneration Committee to look into payment of remuneration to the executive Directors.

The Company has no pecuniary relationship or transaction with its Non-Executive Independent Directors. The Company does not have an incentive plan, which is linked to performance and achievement of the Company's objectives. The Company has no stock option and pension scheme.

During the period under consideration, the Company has not paid any sitting fees to Non-Executive Directors. The details of remuneration paid to the Executive Directors of the Company during the year ended 31st March, 2014 are given as under:

	Particulars	Unit	Narendra Kr. Sureka	Pradeep Kr. Sureka
a)	Salary (p.a.)	₹	6,00,000	6,00,000
b)	Fixed Component - contribution to P.F.	₹	21,600	21,600
c)	Bonus, benefits and other allowances	₹	Nil	Nil
d)	Service contract	Years	3	3
e)	Notice period	Months	Nil	Nil
f)	Severance fees	₹	Nil	Nil

Further, no Stock option has been allotted to any of the Directors during the financial year 2013-2014.

None of the Independent Directors holds any shares in their name or in the name of their relatives as on 31st March, 2014.

SHARE TRANSFER COMMITTEE

The Company has constituted a Share Transfer Committee under the Chairmanship of Mr. Pramod Kr. Bajaj, Independent Director with two other Directors namely Mr. Ashish P. Bajaj & Mr. Narendra Kr. Sureka.

The members of Share Transfer Committee met four times on 30th May, 14th August, and 13th November in year 2013 and on 14th February in the year 2014 during the financial year ended on 31st March, 2014 during the financial year ended on 31st March 2014.

Name	Number of Meetings Held	Meetings Attended
Mr. Pramod Kr. Bajaj *	4	4
Mr. Ashish P. Bajaj	4	4
Mr. Narendra Kr. Sureka	4	4

*Chairman of Committee

STAKEHOLDERS RELATIONSHIP COMMITTEE (Earlier known as Shareholders Grievance Committee):

The Board of Tuni Textile Mills Limited has constituted a Committee of Directors, which inter-alia also functions as "Shareholders/Investors" Grievance Committee, consisting of three members, chaired by a Non-Executive, Independent Director. The Committee meets once in a month and inter-alia, deals with various matter relating to:

- ✓ Transfer/transmission/transposition of shares;
- ✓ Consolidation/splitting of shares/folios;
- ✓ Issue of Share Certificates for lost, sub-divided, consolidated, defaced etc;
- ✓ Investors' grievances and redressal mechanism and recommend measures to improve the level of Investor Services.

The Share Department of the Company and the Registrar and Share Transfer Agent, Purva Sharegistry (India) Pvt. Ltd. attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges and Registrar of Companies etc.

The Minutes of Shareholders'/Grievances Committee are noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt action.

Compliance Officer

The Company has appointed Ms. Reshma Wadkar as a Compliance Officer within the meaning of Listing Agreement.

Composition of Committee and Meetings attended

During the year, twelve meetings of the Committee of Directors were held on April 2, May 2, June 4, July 2, August 1, September 3, October 1, November 1 and December 3 in year 2013 and on January 2, February 3 and March 3 in year 2014.

Brief Details of Names, Position, Category and meeting attended by Members of Committee is as follows:

Name	Position	Category	Meetings Attended
Mr. Narendra Kr. Sureka	Chairman	Chairman & Managing Director	12
Mr. Jayaram Jaithlaya*	Member	Independent, Non-Executive	12
Mr. Pramod Kr. Bajaj	Member	Independent, Non-Executive	12

*Chairman of Committee

Details of Shareholders' Complaints

During the year the Company has received 4 Complaints from its two investors pertaining to forfeiture of Shares and all the compliants have been resolved during the year and there was no pending complaint at the beginning or close of the financial year. Further, as required under Clause 47C of the Listing Agreement, a Certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to the Stock Exchanges within stipulated time.

Designated email ID under Clause 47(f) of Listing Agreement is tunitextilemills@gmail.com.

GENERAL BODY MEETINGS

Location & time for the last three Annual General Meetings :

Annual General Meeting	Date & Time	Venue
26th Annual General Meeting	30th September 2013, 11.30 AM	Ramee Guest Line Hotel, 462, A. B. Nair Road, Opp. Sun-N-Sand Hotel, Juhu, Vile Parle (W), Mumbai-400 049
25th Annual General Meeting	28th September 2012, 11.30 AM	Ramee Guest Line Hotel, 462, A. B. Nair Road, Opp. Sun-N-Sand Hotel, Juhu, Vile Parle (W), Mumbai-400 049
24th Annual General Meeting	30th September 2011, 11.30 AM	Ramee Guest Line Hotel, 462, A. B. Nair Road, Opp. Sun-N-Sand Hotel, Juhu, Vile Parle (W), Mumbai-400 049

Location and time of Extra-Ordinary General Meetings :

No Extra-Ordinary General Meeting was being held during last three financial years.

POSTAL BALLOT

At the forthcoming Annual General Meeting, there is no item on the agenda that needs approval by Postal Ballot.

SPECIAL RESOLUTION PASSED AT LAST THREE ANNUAL GENERAL MEETINGS:

No Special Resolution has been passed during last three financial years.

BOARD DISCLOSURES**Compliance with Governance Framework**

The Company is in compliance with all mandatory requirements of Clause 49 of Listing Agreement. In addition, the Company has also adopted the non-mandatory requirements of constitution of Remuneration and Nomination Committee and tenure of office of Independent Directors.

Disclosure on materially significant related parties transactions that may have potential conflict of interests of the Company at large

There are no materially significant related party transactions made by the Company with its Promoters, their subsidiaries, Directors, Senior Management or relatives etc., which may have potential conflict with the interest of the Company at large.

Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed the Accounting Standards referred to in Section 211(3)(c) of the Companies Act, 1956. The Significant Accounting Policies which are consistently applied are set out in the Notes to the Financial Statements.

Risk Management

The Company has a Risk Management Policy which has been adopted by the Board of Directors, currently, the Company's risk management approach comprises of the following :-

- ❖ Governance of Risk
- ❖ Identification of Risk
- ❖ Assessment of Control of Risk

The risks have been prioritized through a companywide exercise. Members of Senior Management have undertaken the ownership and are working on mitigating the same through co-ordination among the various departments, insurance coverage, security policy and personal accident coverage for lives of all employees.

The Company has appointed a Risk Officer and also put in place the risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions.

Risk Officer will make a presentation periodically on risk management to the Board of Directors and the Audit Committee. The Board and the Audit Committee provide oversight and review the risk management policy periodically.

SEBI / Stock Exchange Compliance

The Company has complied with all requirements of the Listing Agreement entered into with the Stock Exchange as well as the regulations and guidelines of SEBI. Consequently there were no strictures or penalties imposed either by SEBI or Stock Exchange or any Statutory Authority for non-compliance of any matter related to the Capital Markets during the last three years.

Insider Trading

The Securities and Exchange Board of India (SEBI) has over the years introduced various amendments to the Insider Trading Regulations of 1992 which ordain new action steps by corporate and other market intermediaries for the purposes of prevention of Insider Trading.

Pursuant to the above requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as

amended, the Company has adopted a `Code of Conduct` for Prevention of Insider Trading (The Code) with effect from October 1, 2002. The Code is applicable to all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Compliance Officer has been appointed for monitoring adherence to the said Regulations.

DISCLOSURES

- (a) There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, Subsidiaries or Relatives that may have potential conflict of interest with the Company at large.
- (b) Attention to the members is drawn to the disclosures of transactions with the related parties set out in the Note No. 33 of Financial Statement.
- (c) There has been no instance of non-compliance by the Company on any matter related to Capital Markets and hence the question of penalties or strictures being imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority does not arise.
- (d) In Compliance with the Securities & Exchange Board of India (Prohibition of Insider Trading Regulations, 1992) as amended till date, on Prohibition of Insider Trading, the Company has a comprehensive Code of Conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences of non-compliance thereof.
- (e) Reconciliation of Share Capital: A qualified Practicing Company Secretary carries out Secretarial Audit on quarterly basis to reconcile the total capital and the total issued and listed capital. The secretarial audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form as the Company is yet to sign agreements with NSDL and CDSL to admit its Securities on both Depositories.

CODE OF BUSINESS CONDUCT & ETHICS

The Company has adopted Code of Business Conduct and Ethics ("the Code") which is applicable to the Board of Directors and Senior Management Team (one level below the Board of Directors) of the Company. The Board of Directors and the members of Senior Management Team are required to affirm semi-annual compliance of this Code. The Code requires Directors and Employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company website.

CONFLICT OF INTEREST

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. Members of Board while discharging their duties, avoid conflict of interest in the decision making process. The members of Board restrict themselves from any discussions and voting in transactions that they have concern or interest.

DISCLOSURES ON NON-MANDATORY REQUIREMENTS

The Company has adopted/complied with the following non-mandatory requirements as prescribed in Annexure I D to Clause 49 of Listing Agreement with the Stock Exchange :-

- a) None of the Independent Directors on the Board of the Company has served for the tenure of exceeding nine years. The Company has ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which in the opinion of the Company would enable him to contribute effectively to the Company in his capacity as an Independent Director.
- b) There were no other related party transactions of material nature with the promoters, directors, the management or their subsidiaries or relatives during the year that may have

potential conflict with the interest of the company at large.

- c) There was no case of Non-Compliance during financial year 2013-2014 in term of provisions of Listing Agreement entered into with BSE by the Company. Further, no penalties have been levied or actions have been taken by BSE or SEBI during last three years.
- d) The Board of Directors of the Company has adopted the whistle Blower Policy for establishing the mechanism of employees to report to management concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The Company affirms that no employee has been denied access to the Audit Committee.
- e) The Company follows Accounting Standards issued by Institute of Chartered Accountants of India and qualification in the auditors' report have been explained in directors' report.
- f) The Company has complied with all mandatory requirement as stated in clause 49 of Listing Agreement and the non-mandatory requirement have been complied with to the extent feasible.
- g) The Company is committed to conducting its Business in conformity with ethical standards and applicable Laws and Regulations .This commitment stands evidenced by model code of conduct adopted by Board of Directors at their meeting which is applicable to each member of the Board of Director and senior management of the Company.

MEANS OF COMMUNICATIONS

- The Company regularly provides information to the Stock Exchanges as per the requirements of the listing Agreement.
- The Quarterly/Half Yearly/Nine Months & Annual Results have been submitted to Bombay Stock Exchange Ltd. and published in the leading English Newspapers i.e. "Asian Age" and in vernacular language Newspaper i.e. "Mahanayak".
- Company posts its Quarterly Results/Half Yearly/Nine Months & Annual Results on its website www.tunitextiles.com.
- Official News releases have been posted on its web portal www.tunitextiles.com.
- No formal representations were made to Institutional Investors or Analysts during the year under review.
- Management Discussion and Analysis forms part of the Annual Report is available on its website www.tunitextiles.com. Further, if Investor is desirous of getting physical copy of Annual Report, Investor can send their request to M/s. Purva Sharegistry (India) Pvt. Ltd., Registrar & Share Transfer Agent, by sending request letter or by sending email to them.

GENERAL SHAREHOLDER INFORMATION

Detailed information in this regard is provided in section "Shareholders Information" which forms part of this Annual Report.

SHAREHOLDERS' INFORMATION

a. Next Annual General Meeting

The information regarding 27th Annual General Meeting for the financial year ended on 31st March, 2014 is as follows :-

Date	: Friday, 26th September, 2014
Time	: 11.30 A.M.
Venue	: Ramee Guest Line Hotel, 462, A. B. Nair Road, Opp. Sun-N-Sand Hotel, Juhu, Vile Parle (W), Mumbai-400 049

b. Financial Calendar : 1st April to 31st March.

c. Future Calendar :

Subject Matter	Date
Financial Reporting of 1st Quarter ended on 30th June 2014	Mid of August, 2014
Financial Reporting of 2nd Quarter ended on 30th September 2014	Mid of November, 2014
Financial Reporting of 3rd Quarter ended on 31st December 2014	Mid of February 2015
Financial Reporting of 4th Quarter ended on 31st March 2015	End of May 2015
Date of Annual General Meeting	End of September 2015

- d. **Date of Book Closure** : September 19 to September 26, 2014. (Both days inclusive)
- e. **Dividend Payment** : No Dividend has been recommended for the year.
- f. **Dividend History** : The Company has not paid any Dividend during last 10 years.
- g. **Listing of Shares** : Bombay, Ahmedabad, Jaipur and M P Stock Exchanges.
- h. **Custody Charges & Listing Fees** : Annual Custody Charges to NSDL & CDSL and Annual Listing to BSE Fees for Financial year 2014-2015 have been paid.
- i. **Stock Code & ISIN** : Scrip Code 531411 on BSE.
ISIN INE560D01027 on NSDL & CDSL
- j. **Market Price Data** :

Month	Price on BSE (₹) & Volume			S&P BSE Sensex	
	High	Low	Volume	High	Low
April 2013	22.95	18.75	9,76,993	19622.68	18144.22
May 2013	22.50	10.55	51,79,037	20443.62	19451.26
June 2013	10.34	7.26	1,23,441	19860.19	18467.16
July 2013	7.12	4.66	32,779	20351.06	19126.82
August 2013	4.57	3.66	4,29,361	19569.20	17448.71
September 2013	9.64	4.26	4,37,710	20739.69	18166.17
October 2013	11.04	8.35	3,83,135	21205.44	19264.72
November 2013	8.56	6.52	8,52,864	21321.53	20137.67
December 2013	6.54	4.97	10,25,825	21483.74	20568.70
January 2014	5.14	1.99	20,95,828	21409.66	20343.78
February 2014	2.05	1.56	15,18,050	21140.51	19963.12
March 2014	1.62	1.25	30,15,402	22467.21	20920.98

k. Registrar & Share Transfer Agent.

M/s. Purva Shareregistry (India) Pvt. Ltd. has been appointed as Registrar & Share Transfer Agent for all work relating to share registry in terms of both physical mode. All transfer, transmission, request related to correspondence/queries, intimation of change of address etc. should be addressed to our RTA directly at the following Address:

M/s. Purva Sharegistry (India) Private Limited

9, Shiv Shakti Ind. Estate, Ground Floor, J. R. Boricha Marg, Lower Parel, Mumbai-400 011
Tel : 022-23016761, Website : www.purvashare.com

l. Share Transfer Systems

The Trading in Equity Shares of the Company is permitted only in physical form as the Company is yet to sign Tri-partite agreements with both depositories; NSDL and CDSL.

The Share transfer is processed by the Registrar & Share Transfer Agent, Purva Sharegistry (India) Pvt. Ltd. and approved by Share Transfer Committee, if the documents are complete in all respects, within 21 days from the date of lodgment.

m. Distribution Schedule as on 31st March 2014

Shareholding of Nominal Value of	No. of Share Holders	% of Share Holders	Total No. of Shares Held	% of Share Holding
Up to 5000	1255	73.31	1695109	1.30
5001-10000	144	8.41	1173175	0.90
10001-20000	90	5.26	1351212	1.03
20001-30000	47	2.75	1196481	0.92
30001-40000	21	1.22	738598	0.57
40001-50000	21	1.22	1007155	0.77
50001-100000	38	2.22	3055383	2.34
100001 and Above	96	5.61	120413887	92.18
Total	1712	100.00	130631000	100.00

n. Shareholding Pattern with Categories of Shareholders as on 31st March 2014

Categories	No. of Shares	% of Shareholding
Promoters, Directors, Relatives & Person acting in concert	28382750	21.73
Indian Mutual Fund	494000	0.38
FII (Others)	359	0.00
Private Corporate Bodies	87429273	66.93
Indian Public	9395970	7.19
Others (Clearing Members)	261773	0.20
NRIs (Non-Repat)	2879000	2.20
NRIs (Repat)	84341	0.06
Foreign Corporate Bodies	2	0.00
Trust	30000	0.02
Hindu Undivided Families	1673532	1.28
Total	130631000	100.00

o. Details of Shareholders holding more than 5% holding under Public Category

Following holding more than 5% Equity Shares in the Company at the end of Financial Year ended on 31st March 2014 -

Name of Shareholder	No. of Shares Held	% of Shareholding
N. A.	Nil	Nil

p. Dematerialization of Equity Shares & Liquidity

The Company's Equity Shares are in Physical/Demat trading segment and the Company had established connectivity with both NSDL & CDSL by signing the necessary agreements.

Procedures for dematerialization / rematerialization of Equity Shares:-

Shareholders seeking demat / remat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificates to Registrar and Share Transfer Agents of the Company. Upon receipt of the request and share certificates, the Registrar will verify the same. Upon verification, the Registrar will request NSDL/CDSL to confirm the demat request. The demat account of the respective share holder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

In case of remat, upon receipt of the request from the shareholder, the DP generates a request and verification of the same is done by the Registrar. The Registrar then requests NSDL or CDSL to confirm the same. Approval of the Company is being sought and equivalent numbers of shares are issued in physical form to the shareholder. The share certificates are dispatched within one month from the date of issue of Shares.

The Shares of Company are admissible for trading on Bombay Stock Exchange Ltd. As on 31st March 2014, 98.71% Equity Shares of the Company held under public category are in dematerialized form.

The Shares of Company are under "B" category on BSE Limited.

q. Nomination

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination form SH-13 ([Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014] can be obtained from the Company's Registrar and Share Transfer Agent. It is also available on Public domain.

r. Electronic Clearing Service

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the Depositories for depositing dividends. Dividend will be credited to the Members' bank account through NECS wherever complete core banking details are available with the Company. In case where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. The Company complies with the SEBI requirement.

s. Service of Documents through Electronic Mode

As a part of Green Initiatives, the members who wish to receive the notice/documents through e-mail, may kindly intimate their e-mail address to the Company's Registrar and Share Transfer Agent, ABS Consultants Pvt. Ltd. to their dedicated e-mail id i.e., "absconsultant@vsnl.net."

t. Requirement of PAN Card in case of Transfer of Shares in Physical Form

Pursuant to SEBI Circular, the shareholders holding shares in physical form are requested to submit self certified copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.

u. For the Attention of Shareholders holding shares in electronic form

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (Dps).

v. Details on use of Public Funds Obtained in the last three years :

No Public Fund has been raised during last three financial years.

w. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion data likely impact on Equity :

Not Applicable.

x. Investors' Correspondence

Shareholders can contact the following Officials for secretarial matters of the Company :-

Ms. Reshma Wadkar - tunitextilemills@gmail.com

y. Green initiatives in Corporate Governance to receive documents through email by registering your email address :

The Ministry of Corporate Affairs (MCA) has taken a "Green initiative in the Corporate Governance" by providing an opportunity to the shareholders to register their email address with Company and changes therein from time to time.

The Company will send notices/documents such as Annual Reports and notices by email to the shareholders registering their email address. To support this laudable move of the Government, the members who have not registered their email address, so far, are requested to do so at the earliest, in respect of demat holding through the respective Depository Participant (DP) and in respect of physical holding through the Registrar and Share Transfer Agent (RTA) M/s. Purva Sharegistry (India) Pvt. Ltd.

While every notice/document will be sent through email address registered with the Company, in case you desire to receive any notice/document in physical form, please intimate by email and the same shall be sent to your address registered with the Company/DP.

We solicit your patronage and support in joining hands with the Company to implement the e-governance initiative.

z. Code of Conduct

The Board of Directors of the Company has laid down Code of Conduct for Directors and for Senior Management & Employees. All Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the Managing Director & Chief Executive Officer is annexed to this report.

aa. Address for Correspondence

Tuni Textile Mills Limited

63/71, Dadiseth Agiary Lane, 3rd Floor, Kalbadevi Road, Mumbai-400002

bb. Plant Location

Tuni Textile Mills Limited

1, B-4 & B-5, MIDC Murbad, Dist. Thane (Maharashtra)

Chairman & Managing Director's Declaration On Code Of Conduct

As required by Clause 49 of Listing Agreement, the Managing Director and CEO's Declaration for Code of Conduct is given below:

To The Members of

Tuni Textile Mills Limited

- (a) I, Narendra Kr. Sureka, Managing Director of Tuni Textile Mills Limited certify to the Board in terms of requirements of Clause 49(V) of the Listing Agreement, that we have reviewed financial statements and the cash flow statement for the year 2013-2014 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
- (i) no significant changes in internal control over financial reporting during the year;
 - (ii) no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Tuni Textile Mills Limited

Narendra Kr. Sureka
DIN : 01963265
Managing Director

ANNUAL CERTIFICATE UNDER CLAUSE 49(I)(D) OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

I, Narendra Kr. Sureka, Managing Director of the Company declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct during the year ended 31st March 2014.

By Order of the Board
For Tuni Textile Mills Limited

Mumbai, dated May 29 2014

Narendra Kr. Sureka
DIN : 01963265
Managing Director

Secretarial Compliance Certificate for the year ended 31st March 2014

COMPLIANCE CERTIFICATE

To,

The Members

TUNI TEXTILE MILLS LIMITED

Mumbai

We have examined the registers, records, books and papers of M/s. Tuni Textile Mills Limited as required to be maintained under the Companies Act, 1956, (hereinafter referred to as "The Act"), the rules made there under the Act and amended thereto from time to time and includes Companies Act, 2013 as applicable (hereinafter referred to as 2013 Act) and also the provisions contained in the Memorandum of Association and Articles of Association of the Company for the year ended 31st March, 2014. In our opinion and to the best of our information and according to the examinations carried out by and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government. Company Law Board or other authorities within the time prescribed / by paying additional fees as prescribed under the Act and the rules made thereunder.
3. The Company being Public Limited, comments are not required.
4. The Board of Directors duly met 6 (Six) times respectively on 15th April, 2013, 30th May, 2013, 14th August, 2013, 13th November, 2013, 17th January, 2014 and 14th February, 2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members/ Share Transfer Books during from the 23rd September, 2013 to 30th September, 2013 (both days inclusive) during the financial year.
6. The annual general meeting for the financial year ended on 31st March, 2013 was held on 30th September, 2013 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year under scrutiny.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act of the Companies act, 1956 which is now Section 185 as per the Companies act, 2013.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the preview of Section 314 of the Act, the Company has not obtained any approvals from Board of Directors, Members or Central Government.

12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company has
 - (i) delivered all the share Certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
 - (ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (iii) the Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - (iv) no amount is outstanding in respect of unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for the period of seven years and liable to be transferred to Investor Education and Protection Fund.
 - (v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director/Whole time Director/Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The Company has not made any borrowings during the financial year but has defaulted in repayment of dues to its bankers towards the interest for the month of February and March, 2014 amounting to Rs. 118675/- and Rs. 120040/- for a period of 37 days and 23 days respectively (since been paid) and has delayed in depositing profession tax and service tax as undisputed statutory dues with the appropriate authorities.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.

26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year under scrutiny.
31. There was/were no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment imposed on the company during the financial year, for offences under the Act.
32. The Company has not received any amount as security from its employees during the financial year.
33. The Company has delayed in depositing provident fund with Provident Fund Authorities u/s. 418 of the Act during the financial year under review.

For **P. D. Pandya & Associates**
Company Secretaries

Place : Mumbai
Date : 28/05/2014

(Paresh D. Pandya)
Proprietor
C. P. No. 4869

ANNEXURE 'A'

Registers as maintained by the Company

Statutory Registers

1. Register of Members u/s 150
2. Minutes Book u/s 193
3. Books of Accounts u/s 209
4. Register of Particulars of Contracts in which directors are interested u/s 301
5. Register of Directors, Managing Director, Manager and Secretary u/s 303.
6. Register of Directors Shareholding u/s 307.

Other Registers

1. Register of Directors' Attendance
2. Register of Shareholders' Attendance
3. Register of Transfer
4. Register of Documents Sealed

ANNEXURE 'B'

Form and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2014.

Sr. No.	Form N. / Return	Filed u/s	For	Date of filing	Whether filed within prescribed time Yes / No	If delay in filing whether requisite additional Fee paid Yes/No
01.	Form No. 20B	159	Annual Return for 2012-2013	27/11/2013	YES	NO
02.	Form No.23AC & 23ACA- XBRL	220	Balance Sheet and Profit & Loss Account for the year ended on 31st March, 2013	28/10/2013	YES	NO
03.	Form No. 23B	224(1A)	Notice by Auditor for Appointment	26/10/2013	YES	NO
04.	Form 23C	233B(2)	Application to Central Government for approval of appointment of cost auditor for the year 31st March, 2014	24/06/2013	YES	NO
05.	Form 23C	233B(2)	Application to Central Government for approval of appointment of cost auditor for the year 31st March, 2014	16/08/2013	NO	YES
06.	Form A- XBRL	209(1)(d), 600(3)(b)	Form for filing XBRL document in respect of compliance report for the year ended 31st March, 2012	14/06/2013	—	—
07.	Form I- XBRL	233B(4), d600(3)(b)	Form for filing XBRL document in respect of compliance report for the year ended 31st March, 2012	15/10/2013	—	—
08.	Form 23D	233B	Information by Cost Auditor to Central Government for the year ended 31st March, 2014	31/10/2013	—	—
09.	Form 23D	233B	Information by Cost Auditor to Central Government for the year ended 31st March, 2014	25/09/2013	---	—

For P. D. Pandya & Associates
Company Secretaries

Place : Mumbai
Date : 28/05/2014

(Paresh D. Pandya)
Proprietor
C. P. No. 4869

Auditors' Certificate On Corporate Governance

Certificate on Compliance with the mandatory conditions as per Clause 49 of Listing Agreement

To the Members of **TUNI TEXTILE MILLS LIMITED**

We have examined the compliance of the conditions of Corporate Governance by **Tuni Textile Mills Limited** (The Company) for the year ended 31st March 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with all stock exchanges where the Shares of Company are listed, with relevant records and documents maintained by the Company and furnished to us and report of Corporate Governance as approved by the Board of Directors of the Company.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statement of the Company.

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

The Composition of Audit Committee is not in conformity with requirements of Clause 49 of the Listing Agreement with the Stock Exchanges as whole time Company Secretary is not with the Company to act as the Secretary to the Audit Committee.

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

For **R. S. Agrawal & Associates**
Chartered Accountants
Firm Registration No. 100156W

Place: Mumbai
Date : May 29, 2014

Anuja Sharma
Partner
Membership No. 123589

Independent Auditor's Report

To

The Members of

TUNI TEXTILE MILLS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of TUNI TEXTILE MILLS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

- (b) in the case of the Statement of Profit and Loss , of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 read with General Circular 15/2013 dated 13th September,2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act,2013 ;
 - e. on the basis of the written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of
R. S. AGRAWAL & ASSOCIATES
Chartered Accountants
(Firm Registration No. 100156W)

Place : Mumbai
Date : May 29, 2014

Anuja Sharma
Partner
Membership No. 123589

Annexure to Independent Auditor's Report

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements of our report of even date

1. in respect of fixed assets:
 - a) the Company has generally maintained records showing particulars, including quantitative details and situation of its fixed assets;
 - b) we have been informed that the management has, at reasonable intervals during the year, physically verified major portion of the fixed assets. No material discrepancies, as represented to us, were noticed on such verification; and
 - c) fixed assets disposed off during the year were not substantial, and therefore do not affect the going concern assumption;
2. in respect of Inventory:
 - a) as explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable;
 - b) the procedures, as explained to us, of physical verification of inventories followed by the management are, in our opinion; reasonable and adequate in relation to the size of the Company and the nature of its business; and
 - c) the Company, for inventory, has maintained proper records. No material discrepancies, as informed to us, have been noticed on physical verification of stock as compared to book records;
3. according to information and explanation given to us :
 - a) the Company has, during the year, not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act ;
 - b) as the Company has not granted any loans, therefore, the provisions of sub clauses (b), (c) and (d) of the clause 4 (iii) of the Order are not applicable to the Company;
 - c) the Company has, during the year, taken unsecured loans from the companies, firm or other parties covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was ₹ 32,21,702/- from 1 party. The year end balance was ₹ 20,01,216/- from such party.
 - d) the terms and conditions of the aforesaid interest free unsecured loans taken were prima facie not prejudicial to the interest of the Company; and
 - e) since the aforesaid loans have not become due for payment, payment of principal amount of the same is considered to be regular. .
4. in our opinion, there are generally adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, no major weakness has been noticed in these internal control systems;
5.
 - a) to the best of our knowledge and belief and representations given to us, we are of the opinion that the particulars of the contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under section 301 of the Act ; and
 - b) in our opinion, there were no transactions, made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act, exceeding the value of ₹ 5,00,000 in respect of any party during the year.
6. in our opinion, the Company has not accepted any deposit from the public; within the meaning of section 58A and 58AA of the Act and the Rules framed thereunder.
7. the Company is required to have an internal audit system as the Company's paid up capital and reserves at the commencement of financial year exceeds ₹ 50,00,000 and its average annual

turnover of preceding three years also exceeds ₹ 5,00,00,000 however, the Company, during the year, had no such internal audit system;

8. we have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government, for the maintenance of cost records under section 209(1)(d) of the Act, and are of the opinion that prima facie the prescribed records have been made and maintained by the Company;
9. In respect of Statutory Dues:
 - a) on the basis of books and records examined by us, the following undisputed statutory dues have delayed been deposited with the appropriate authorities

Sr. No	Nature	Amount in ₹	Due date	Date deposited on
a.	Provident Fund	4185	20.05.2013	02.07.2013
		4185	20.06.2013	15.07.2013
		4260	20.08.2013	20.11.2013
		4695	20.09.2013	20.11.2013
		4845	20.10.2013	20.11.2013
		4845	20.02.2014	15.03.2014
		4845	20.04.2014	24.05.2014
b.	Professional Tax	9525	31.05.2013	02.07.2013
		9525	30.06.2013	15.08.2013
		9525	31.07.2013	15.08.2013
		9350	31.08.2013	28.03.2014
		9700	30.09.2013	28.03.2014
		9700	31.10.2013	28.03.2014
		9700	30.11.2013	28.03.2014
		9700	31.12.2013	28.03.2014
		9700	31.01.2014	28.03.2014
		9700	28.02.2014	28.03.2014
		9525	30.04.2014	24.05.2014
c.	Service Tax	9062	05.05.2013	24.10.2013
		9211	05.06.2013	24.10.2013
		9211	05.07.2013	24.10.2013
		9211	05.08.2013	24.10.2013
		9211	05.09.2013	24.10.2013
		9211	05.10.2013	24.10.2013
		9211	05.11.2013	26.05.2014
		9211	05.12.2013	26.05.2014
		9211	05.01.2014	26.05.2014
		9211	05.02.2014	26.05.2014
		9211	05.03.2014	26.05.2014
		9211	31.03.2014	26.05.2014

There are no arrears except ₹ 5,679/- towards Labour welfare Fund as at 31st March, 2014 for the period of more than six months from they became payable; and

- b) according to the information, the dues in respect of income tax / sales tax / wealth tax / service tax / custom duty / excise duty / cess that have not been deposited with the appropriate authorities on account of dispute, where the disputes are pending, are as under:

Name of the Statute	Nature of dues	Amount (₹)	Period to which the amount relates*	Due date as per notice of demand
Income Tax Act	Interest	947334	1995-1996	10.05.2001
Income Tax Act	Interest	338640	1996-1997	19.09.2003
Income Tax Act	Interest	158134	1997-1998	19.09.2003

*assessment year

- For the above demands, as informed to us, the Company has filed waiver petitions before Chief Commissioner of Income Tax for waiver of interest, those petitions are pending to be heard;
 - The waiver of above demands has been considered in scheme of rehabilitation by BIFR;
 - The Company has represented before the Tax Recovery Officer, to give effect to the order of Honourable BIFR.
10. the Company has not incurred cash losses in the year under review and in the immediately preceding financial year; and its accumulated losses at the end of the financial year under review are not more than fifty percent of its networth;
 11. according to the information and explanation given to us and on the basis of selective checks carried out during the course of audit, we are of the opinion that the Company has defaulted in repayment of dues to its bankers towards the interest for the month of February and March, 2014 amounting to ₹ 1,18,675/- and ₹ 1,20,040/- for a period of 37 days and 23 days respectively (since been paid). There had been no dues payable to financial institutions or to debenture holders.
 12. the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities; therefore, reporting requirement under clause 4(xii) of the Order is not applicable to the Company;
 13. the Company is not a chit fund or a nidhi mutual benefit fund/ society; therefore, reporting requirement under clause 4(xiii) of the Order is not applicable to the Company;
 14. the Company is not dealing or trading in shares, securities, debentures and other investments; therefore, reporting requirement under clause 4(xiv) of the Order is not applicable to the Company;
 15. the Company has not given any guarantee for loans taken by others from bank or financial institutions; therefore reporting requirement under clause 4(xv) of the Order is not applicable to the Company;
 16. on the basis of the records examined by us, and relying on the information complied by the Company for co-relating the funds raised to the end use of the term loans, we have to state that, the Company has, prima facie, applied the term loan for the purpose for which they were obtained.;
 17. on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have, prima facie, been used for long-term investment;

18. the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act; therefore, reporting requirement under clause 4(xviii) of the Order is not applicable to the Company;
19. the Company has not even issued any secured debentures; therefore reporting requirement under clause 4 (xix) of the Order is not applicable to the Company;
20. the Company has not raised any money through a public issue during the year; therefore, reporting requirement under clause 4(xx) of the Order is not applicable to the Company; and
21. according to the representation made, and to the best of our knowledge and belief, no fraud on or by the Company, has been noticed or reported by the Company during the course of our audit.

For and on behalf of
R. S. AGRAWAL & ASSOCIATES
Chartered Accountants
(Firm Registration No. 100156W)

Place : Mumbai
Date : May 29, 2014

Anuja Sharma
Partner
Membership No. 123589

BALANCE SHEET AS AT 31st MARCH, 2014

PARTICULARS	Note No.	31.03.2014 ₹	31.03.2013 ₹
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	131,792,500	131,792,500
(b) Reserves and surplus	3	(9,192,178)	(11,702,875)
2 Non-current liabilities			
(a) Long-term borrowings	4	5,908,321	9,688,640
(b) Long-term provisions	5	924,107	553,173
3 Current liabilities			
(a) Short-term borrowings	6	39,319,149	38,720,002
(b) Trade payables	7	47,136,747	63,344,622
(c) Other current liabilities	8	10,292,049	8,997,852
(d) Short-term provisions	9	948,790	1,127,091
TOTAL		227,129,486	242,521,005
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	10	42,494,931	47,959,118
(ii) Intangible assets		-	-
(iii) Capital work-in-progress	10	2,622,415	1,249,501
(b) Non-current investments	11	1,095,989	952,500
(c) Deferred tax assets (net)	12	7,063,087	6,741,399
(d) Long-term loans and advances	13	705,953	20,261,898
(e) Other non-current assets	14	3,953,272	3,512,882
2 Current assets			
(a) Inventories	15	103,939,316	90,653,755
(b) Trade receivables	16	56,560,564	61,219,987
(c) Cash and cash equivalents	17	1,592,590	1,012,926
(d) Short-term loans and advances	18	6,756,448	8,645,191
(e) Other current assets	19	344,921	311,849
TOTAL		227,129,486	242,521,005
Contingent Liabilities and Commitments (To the extent not provided for)	29		
Significant Accounting Policies	1		

As set out in our attached report of even date

For **R. S. AGRAWAL & ASSOCIATES**

Chartered Accountants

(Firm Registration no. 100156W)

Anuja Sharma

Partner

Membership no. 123589

Mumbai, 29th May 2014

On behalf of the board

Narendra Kumar Sureka
Chairman and Managing Director

Pradeep Kumar Sureka

Whole Time Director

Mumbai, 29th May 2014

Statement of Profit and Loss for the year ended 31st March, 2014

PARTICULARS	Note No.	31.03.2014 ₹	31.03.2013 ₹
I. Revenue from operations	20	245,198,301	193,194,415
II. Other income	21	2,175,463	2,745,045
III. Total Revenue (I + II)		247,373,764	195,939,460
IV. Expenses:			
Cost of materials consumed	22	69,615,939	64,301,730
Purchases of Stock-in-Trade	23	132,369,165	92,558,807
Changes in inventories	24	(10,531,030)	(11,721,930)
Employee benefits expense	25	13,383,648	9,116,459
Finance costs	26	9,569,681	9,131,987
Depreciation and amortization expense	10	5,448,110	5,377,746
Other expenses	27	25,317,026	25,392,714
Total expenses		245,172,540	194,157,513
V. Profit before exceptional and extraordinary items and tax (III-IV)		2,201,224	1,781,946
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		2,201,224	1,781,946
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		2,201,224	1,781,946
X Tax expense:			
(1) Current tax		419,443	341,869
(2) Deferred tax		(321,688)	765,800
(2) MAT Credit Entitlement		(407,227)	(329,660)
XI Profit (Loss) for the period from continuing operations (VII-VIII)		2,510,696	1,003,937
XII Less/(Add) : Adjustments for earlier years			
Tax adjustments		-	-
MAT Credit Entitlement		-	-
XIII Profit (Loss) for the period from continuing operations (VII-VIII)		2,510,696	1,003,937
XIV Profit/(loss) from discontinuing operations		-	-
XV Tax expense of discontinuing operations		-	-
XVI Profit/(loss) from Discontinuing operations (after tax) (XIII-XIV)		-	-
XVII Profit (Loss) for the period (XIII + XVI)		2,510,696	1,003,937
XVIII Earnings per equity share:			
Basic and Diluted	28	0.02	0.01
Significant Accounting Policies	1		

As set out in our attached report of even date
For R. S. AGRAWAL & ASSOCIATES
Chartered Accountants
(Firm Registration no. 100156W)

On behalf of the board

Narendra Kumar Sureka
Chairman and Managing Director

Anuja Sharma
Partner
Membership no. 123589
Mumbai, 29th May 2014

Pradeep Kumar Sureka
Whole Time Director
Mumbai, 29th May 2014

Statement of Cash Flow Annexed to the Balance Sheet as at 31st March 2014

(Amount in ₹)

(A) CASH FLOW FROM OPERATING ACTIVITIES	2013-2014	2012-2013
Net Profit before tax and extraordinary items	2,201,224	1,781,946
Adjustment for		
Depreciation	5,448,110	5,377,746
Profit / Loss on sale of fixed assets	27,664	-
Interest on late payment of taxes	-	-
Interest / other income	(2,203,127)	(2,745,045)
Dividend	-	-
Interest expenses	9,569,681	9,131,987
Operating profit before working capital changes	15,043,553	13,546,634
Adjustment for		
Trade and other receivables	6,515,094	(27,460,888)
Inventories	(13,285,561)	(20,841,668)
Trade payables	(13,276,929)	25,226,853
Cash generated from operations	(5,003,843)	(9,529,069)
Direct taxes paid	(514,068)	(318,561)
Cash flow before extraordinary items	(5,517,911)	(9,847,630)
Prior period items	-	-
Extraordinary items	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	(5,517,911)	(9,847,630)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,784,501)	(3,026,380)
Sale of fixed assets	400,000	-
Movement of advances for capital goods	19,722,845	18,694,089
(Purchase) / sale of investments (Net)	(143,489)	-
(Increase) / decrease in deposits	(200,063)	-
Interest / other income	2,203,127	2,745,045
Dividend received	-	-
NET CASH USED IN INVESTING ACTIVITIES	20,197,919	18,412,754
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	-
Proceeds from long term borrowings	1,181,216	820,000
Repayment of long term borrowings	(6,311,026)	(7,389,166)
Proceeds from short term borrowings	43,173	-
Repayment of short term borrowings	-	-
Change in working capital borrowing from banks	555,975	7,647,067
Interest paid	(9,569,681)	(9,131,987)
NET CASH FROM FINANCING ACTIVITIES	(14,100,343)	(8,054,086)
NET INCREASE IN CASH AND CASH EQUIVALANTS (A+B+C)	579,665	511,037
OPENING BALANCE OF CASH AND CASH EQUIVALANTS	1,012,926	501,889
CLOSING BALANCE OF CASH AND CASH EQUIVALANTS	1,592,590	1,012,926

Notes to cash flow statement:

- All the figures in brackets are outflow.
- Previous year's figures have been regrouped wherever necessary.

As set out in our attached report of even date

For **R. S. AGRAWAL & ASSOCIATES**
Chartered Accountants
(Firm Registration no. 100156W)

On behalf of the board

Narendra Kumar Sureka
Chairman and Managing Director

Anuja Sharma
Partner
Membership no. 123589
Mumbai, 29th May 2014

Pradeep Kumar Sureka
Whole Time Director
Mumbai, 29th May 2014

NOTE "1": SIGNIFICANT ACCOUNTING POLICIES

(annexed to and forming part of the financial statements for the year ended 31st March, 2014)

1. SYSTEM OF ACCOUNTING

- a) These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to circular 15/2013 dated 13.09.2013 read with circular 08/2014 dated 04.04.2014, till the Standards of Accounting or any addendum thereto are prescribed by Central government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 211(3C) (Companies (Accounting Standards) Rules, 2006 as amended and other relevant provisions of the Companies Act, 1956.
- b) All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

2. FIXED ASSETS:

Fixed assets are stated at cost of acquisition or construction inclusive of freight, duties and taxes and incidental expenses, less accumulated depreciation (except land), amortisation and impairment loss, if any.

3. INVESTMENT:

Investments are classified into Non Current and Current investments.

- a) Non Current investments are being valued at cost of acquisition. Provision is made to recognise a decline other than temporary, in the carrying amount of long term investments.
- b) Current investments are being valued at cost or market value whichever is lower.

4. DEPRECIATION:

- a) No depreciation is provided for leasehold land and freehold land.
- b) Depreciation on fixed assets is being provided on "straight line method" basis at the rates and manner specified in Schedule XIV to the Companies Act, 1956, till the WDV is reduced to 5% of the gross value. No further depreciation is provided on such balance amount of 5%.
- c) Depreciation in respect of addition to fixed assets is provided on pro-rata basis from the month in that such assets are acquired/installed/started commercial production.
- d) Depreciation on fixed assets sold, discarded or demolished during the year is being provided at their respective rates up to the month in which such assets are sold, discarded or demolished.

5. VALUATION OF INVENTORIES:

- a) Valuation of inventories is inclusive of taxes or duties incurred and on FIFO basis except otherwise stated.
- b) Raw materials and Work in progress are being valued at cost or net realisable value whichever is lower.
- c) Stores, Spares and Tools are being valued at weighted average cost.
- d) Goods in Transit, if any, are stated at actual cost up to the date of the Balance Sheet.

- e) Finished Stocks are being valued at direct cost or net realisable values whichever is lower.

6. REVENUE RECOGNISATION:

- a) Sale of Goods is recognized on transfer of significant risks and rewards of ownership which is on the dispatch of goods.
- b) Sales are stated net of discount, claims, and shortage. Commission, brokerage and incentives on sales, wherever applicable, have been separately recognized as an expense.
- c) Incomes from job charges are recognized as and when the services are rendered.
- d) Interest income is accounted on accrual basis.

7. RETIREMENT AND OTHER BENEFITS TO EMPLOYEES:

- (a) Employees' benefit under defined contribution plan such as contribution to provident fund and employees' benefits under defined benefit plan for leave encashment are charged off at the undiscounted amount in the year in which the related service provided.
- (b) Post employment benefits under defined benefit plan such as gratuity are charged off in the year in which the employee has rendered services at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and/or losses in respect of post employment benefits are charged to profit and loss account or capitalised in case of new projects are taken up by the company.

8. CAPITAL WORK IN PROGRESS:

The cost incurred for fixed assets, the construction of which is not completed, are included under "capital work-in-progress" and the same are classified and added to the respective assets on the completion.

9. PRIOR PERIOD EXPENSES / INCOME:

The company follows the practice of making adjustments, as a result of errors and omissions, through "prior period items" in respect of all material transaction pertaining to the period prior to current financial year.

10. INCOME FROM INVESTMENTS:

Income from investments, where appropriate, is taken into revenue in full on declaration or receipt and tax deducted at source thereon is treated as advance tax.

11. TREATMENT OF CONTINGENT LIABILITIES:

Contingent liabilities are not recognised but are disclosed by way of notes to accounts. Disputed demands in respect of central excise, customs, income tax and other proceedings etc. are disclosed as contingent liabilities. Payments in respect of such demands, if any, are shown as advances till the final disposal of the matter.

12. EXCISE DUTY & CENVAT CREDIT

- a) CENVAT credit available as per the provisions of the Excise Rules on raw material, packing material, etc purchased, is accounted for by reducing the cost of the respective items.
- b) Excise duty payable on finished goods lying at the factory premises at the close of the year is provided in the books as per the Excise Rules.
- c) CENVAT credit available as per the provisions of the Excise Rules on capital goods is accounted for by reducing the cost of capital goods.

13. TAXES ON INCOME

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized, on timing differences, being the difference between taxable

incomes and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

14. IMPAIRMENT LOSS

Impairment loss is provided to the extent the carrying amount(s) of assets exceed their recoverable amounts(s). Recoverable amount is the higher of an assets net selling price and its value in use. Value in use is the present value of estimated future cash flow expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm length transaction between knowledgeable, willing parties, less the cost of disposal.

15. SEGMENT REPORTING

Segments have been identified in line with the Accounting Standard-17, taking into account the organisational structure as well as the differing risks and returns. The business segment is disclosed as primary segment.

16. BORROWING COSTS

The company capitalises interest and other costs incurred by it in connection with funds borrowed for the acquisition of fixed assets. Where specific borrowings are identified to a fixed asset or a new unit, the company uses the interest rates applicable to that specific borrowing as the capitalisation rate. Capitalisation of borrowing costs ceases when all the activities necessary to prepare the fixed assets for their intended use are substantially complete. Other borrowing costs are charged to Statement of Profit & Loss.

17. TRANSACTION IN FOREIGN CURRENCIES

- a) Transactions denominated in foreign currencies are recorded by applying the exchange rates prevailing at the date of the transactions.
- b) Monetary items denominated in foreign currencies remaining unsettled at the end of the year, are restated using the closing rates. The exchange difference arising as a result of the above is recognised in the profit and loss account.
- c) In case the monetary items are covered by the forward exchange contracts, the difference between the year end exchange rate and the exchange rate at the date of the inception of the forward exchange contract is recognised as exchange difference.
- d) In respect of hedging transactions, the premium/discount represented by difference between the exchange rate at the date of the inception of the forward exchange contract and forward rate specified in the contract is amortised as expense or income over the life of the contract.

Exchange differences on such contracts are recognised in the statement of profit and loss account in the year in which the exchange rate changes.

Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

- e) Non-monetary foreign currency items such as investments are carried at cost.

Notes on Financial Statements:

Note "2" :SHARE CAPITAL

Particulars	31 March 2014		31 March 2013	
	No.	₹	No.	₹
Authorised Equity Shares of ₹ 1/- each	135000000	135,000,000	135000000	135,000,000
Issued,Subscribed and Paid up Equity Shares of ₹ 1/- each	130631000	130,631,000	130631000	130,631,000
Add: Forfeited shares (amount originally paid up in respect of 227500 shares)	-	1,161,500	-	1,161,500
Total	130631000	131,792,500	130631000	131,792,500

2.a : During the current year and in the previous year, there have been no movements in the numbers of equity shares outstanding.

2.b : Details of Shareholders holding more than 5% of shares of the company:-

Name of Shareholder	31 March 2014		31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Prabhudayal Sureka	8713000	6.67	8713000	6.67
Mr. Narendra Sureka	9946000	7.61	9946000	7.61

2.c : Terms/Rights attached to Equity Shares:-

(i) The Company has only one class of Equity shares having par value of ₹ 1/- per share.

(ii) Each holder of Equity share is entitled to one vote per share.

(iii) In the event of Liquidation of the Company , the holders of Equity shares will be entitled to receive the realised value of the assets of the Company, remaining after payment of all preferential dues(if any). The distribution will be in proportion to the number of equity shares held by the shareholders.

Note "3" : RESERVES AND SURPLUS

Particulars	31 March 2014	31 March 2013
	₹	₹
a. Capital Reserves		
Balance as per the last financial statements	4,500,000	4,500,000
Sub-total	4,500,000	4,500,000
b. Securities Premium Account		
Balance as per the last financial statements	7,585,627	7,585,627
Sub-total	7,585,627	7,585,627
c. Surplus in the Statement of Profit and Loss		
Balance or (deficit) as per the last financial statements	(23,788,502)	(24,792,439)
Add/(Less): Net Profit/(Loss) for the year	2,510,696	1,003,937
Sub-total	(21,277,805)	(23,788,502)
Total	(9,192,178)	(11,702,875)
Note "4": LONG-TERM BORROWINGS		
Secured		
Term Loans from banks (refer note no 4.1)	3,907,105	8,868,640
Unsecured		
Loans and advances from a related party (refer note no 33)	2,001,216	820,000
Total	5,908,321	9,688,640

Notes on Financial Statements:

4.1 : Terms of Repayment and Security details of Term Loans :

Name of the Bank	HDFC Bank	HDFC Bank	Indian Overseas Bank	Indian Overseas Bank
Type of Loan	Vehicle Loan	Vehicle Loan	Term Loan	Term Loan
Loan Account No.	018405632	015611288	062503260900001	062503261000001
Amount sanctioned	630,000	1,410,000	10,000,000	26,000,000
Amount availed	630,000	1,410,000	10,000,000	25,033,640
Sanction Date	13.04.2011	05.11.2009	13.05.2009	29.04.2010
Rate of Interest	12.00%	9.75%	14.25%	14.25%
Total No. of Instalments	36	44	60	60
No. of Instalments paid	36	44	49	39
No. of balance Instalments to be paid	0	0	11	21
Amount of Instalment	EMI of ₹ 20500	EMI of ₹ 37900	59 instalments of ₹166600 and last instalment of ₹ 170600	59 instalment of ₹ 435000 and last instalment of ₹ 335000
Repayment Type	Monthly	Monthly	Monthly	Monthly
Security on loans	Hypothecation of specific vehicles.		First charge by way of hypothecation of machineries purchased under expansion projects. Collaterally secured by equitable mortgage of lands and buildings located at B-4 and B-5 MIDC industrial Area, Murbad, Dist. Thane and Unit no. 5, 6 & 7, Text centre, 26A, Chandivali road, Andheri (E), Mumbai. Personally guaranteed by two directors of the company.	

Installments falling due in respect of all the above loans upto 31.03.2014 have been taken in "Other current liabilities" under the head "Current maturities of long term debts" (Refer note no.8)

Note 5: LONG TERM PROVISIONS

Particulars	31 March 2014 ₹	31 March 2013 ₹
Provision for employee benefits		
Gratuity (unfunded)	901,627	553,173
Leave Encashment (unfunded)	22,480	-
Total	924,107	553,173

5.a : The Disclosures required under Accounting Standard 15" Employee Benefits notified in the Companies (Accounting Standards) Rules, 2006 are given below:

i) Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised are charged off for the year are as under:-

Employer's Contribution to Provident Fund	62,002	72,300
Employer's Contribution to superannuation Fund	-	-
Employer's Contribution to Pension Fund	-	-

ii) Defined Benefit Plan

Leave Encashment: During the year 2012-13, the amount paid to employees as leave encashment is ₹ 10196/-

Gratuity: The employee's gratuity scheme is non-fund based. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Notes on Financial Statements:

I. Reconciliation of Opening and closing balances of Defined Benefit Obligation:

Particulars	Gratuity (Unfunded)	
	2013-2014	2012-2013
Defined Benefit obligation at beginning of the year	661,970	449,185
Current Service Cost	392,367	148,810
Interest Cost	80,495	51,596
Actuarial (gain) / loss	(208,084)	12,379
Benefits paid	-	-
Settlement cost	-	-
Defined Benefit obligation at year end		
Current Liability	25,121	108,797
Non-Current Liability	901,627	553,173
II. Reconciliation of Opening and closing balances of fair value of plan assets:		
Fair value of plan assets at beginning of the year	-	-
Expected return on plan assets	-	-
Actuarial (gain) / loss	-	-
Employer contribution	-	-
Benefits paid	-	-
Fair value of plan assets at year end	-	-
Actual return on plan assets	-	-
III. Reconciliation of fair value of assets and obligations:		
Fair value of plan assets	-	-
Present value of obligation	-	-
Amount recognised in balance sheet	-	-
IV. Expense recognized during the year (under the head "Payments to and Provisions for Employees"):		
Current Service Cost	392,367	148,810
Interest Cost	80,495	51,596
Expected return on plan assets	-	-
Actuarial (gain) / loss	(208,084)	12,379
Net Cost	264,778	212,785
V. Actuarial Assumption		
Mortality Table (LIC)	LIC 1994-96 Mortality Table	LIC 1994-96 Mortality Table
Discount rate (per annum)	9.30%	8.05%
Expected return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	7.00%	7.00%

The estimates of rates of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

Notes on Financial Statements:

Note 6: SHORT TERM BORROWINGS

Particulars	Gratuity (Unfunded)	
	2013-2014	2012-2013
Secured		
Loans repayable on demand from banks:		
Working Capital Loan from Indian Overseas Bank	39,275,976	38,720,002
Nature of Security :		
1. Hypothecation of stocks and book debts of the company.		
2. Collaterally secured by equitable mortgage of lands and buildings located at B-4 and B-5 MIDC industrial Area, Murbad, Dist. Thane and Unit no.5,6,7 , Tex centre , 26A, Chandivali road, Andheri East .Mumbai		
3. Also personally guaranteed by two directors of the company.		
Unsecured		
Borrowings from related party [refer Note no. 33 (c) (iii)]:	43,173.00	-
Total	39,319,149	38,720,002

Note 7: TRADE PAYABLES

Particulars	31 March 2014	31 March 2013
	₹	₹
Due to Micro and Small Enterprises *	-	-
Others	47,136,747	63,344,622
Total	47,136,747	63,344,622

* Based on the information available with the company in response to the enquiries from all existing suppliers with whom the company deals, there are no suppliers who are registered as micro and small enterprises under 'The Micro, Small and Medium Enterprises Development Act, 2006' as at 31.03.2014

Note 8: OTHER CURRENT LIABILITIES

Current maturities of long-term debts (refer note no 4.1)	6,378,675	7,728,166
Statutory Liabilities	1,038,527	142,222
Security deposits	511,190	49,629
Other accrued expenses	1,147,646	1,071,835
Other current Liabilities	-	6,000
Advance from Customers	1,216,011	-
Total	10,292,049	8,997,852

Note 9: SHORT TERM PROVISIONS

Provision for employee benefits	25,121	108,797
Provision for Taxation (net of taxes paid)	923,669	1,018,294
Provision for Tax	4,696,332	4,276,889
Less : Advance tax	3,772,663	3,258,595
Total	948,790	1,127,091

Notes on Financial Statements:

Note 10 : FIXED ASSETS

PARTICULARS	GROSS BLOCKS(AT Cost)			DEPRECIATION			NET BLOCK			
	As at 31.03.2013 the year	Additions during the year	Sold during	As on 31.03.2014 31.03.2013	Total Upto year	Provided for the the year	Written back during 31.03.2014	Total Upto	As at 31.03.2014	As at 31.03.2013
TANGIBLE ASSETS :										
Leasehold land	205,329	-	-	205,329	-	-	-	-	205,329	205,329
Freehold land and site development	5,966,514	-	-	5,966,514	-	-	-	-	5,966,514	5,966,514
Factory building	7,942,501	-	-	7,942,501	3,495,900	265,280	-	3,761,179	4,181,322	4,446,602
Office premises	913,147	-	-	913,147	132,530	14,884	-	147,415	765,732	780,617
Plant and machinery	58,681,606	127,920	15,982,585	42,826,941	26,606,981	4,296,190	15,554,922	15,348,249	27,478,692	32,074,625
Electrical equipments	2,558,229	266,667	-	2,824,896	1,690,974	120,604	-	1,811,579	1,013,317	867,254
Furniture and fixtures	297,295	-	-	297,295	289,510	-	-	289,510	7,785	7,785
Office equipments	682,274	-	-	682,274	174,406	32,408	-	206,814	475,460	507,868
Computers	625,651	17,000	-	642,651	575,002	102,337	-	677,339	(34,688)	50,649
Vehicles	6,488,504	-	-	6,488,504	3,436,629	616,408	-	4,053,037	2,435,467	3,051,875
TOTAL AS AT 31.03.2014	84,361,050	411,587	15,982,585	68,790,052	36,401,932	5,448,110	15,554,922	26,295,121	42,494,931	47,959,118
TOTAL AS AT 31.03.2013	82,584,171	1,776,879	-	84,361,050	31,024,186	5,377,746	-	36,401,932	-	-

Schedules Forming part of Notes on Accounts

Note 11: NON CURRENT INVESTMENTS

Particulars	31 March 2014 ₹	31 March 2013 ₹
Long term investments (at cost)		
Immovable Properties [refer note no.29(b)(l)]	952,500	952,500
Other Non- Current Investment		
Gold coin (50gms)	143,489	-
Total	1,095,989	952,500

Note 12: DEFERRED TAX ASSETS(net)

Deferred Tax Liabilities:		
Difference between book and tax depreciation	2,190,846	2,372,636
Deferred Tax Assets:		
Gratuity	278,603	170,930
Business Losses	8,526,473	8,941,350
Deferment of Allowances	448,857	1,755
Total	7,063,087	6,741,399

Note 13: LONG TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

Advance for Capital Goods [refer note no.29(b)(ii)]	-	19,722,845
Security Deposits	705,953	539,053
Total	705,953	20,261,898

Note 14: OTHER NON CURRENT ASSETS

Long term deposits with banks having maturity more than 12 months	942,363	909,200
MAT Credit Entitlement	3,010,909	2,603,682
Total	3,953,272	3,512,882

Note 15: INVENTORIES

(Refer note 1.5)

Raw Materials and components	23,582,880	21,108,449
Work-in-progress	3,140,800	2,486,400
Finished goods	75,885,236	66,008,606
Stores and spares	1,330,400	1,050,300
Total	103,939,316	90,653,755

Note 16: TRADE RECEIVABLES

Unsecured, considered good

Outstanding over six months	3,083,724	2,636,134
Others	53,476,840	58,583,853
Total	56,560,564	61,219,987

Note 17: CASH AND BANK BALANCES

Particulars	31 March 2014 ₹	31 March 2013 ₹
Cash and Cash equivalents		
Balances with Bank		
In Deposit accounts (less than 3 months maturity)	-	-
Cash on hand	1,592,590	1,012,926
Other Bank Balances		
Long term deposits with maturity more than 3 months but less than 12 months	-	-
Long term deposits with banks having maturity more than 12 months	942,363	909,200
Less:- Long term deposits with maturity more than 12 months considered under "Other Non Current Assets"	942,363	909,200
Total	1,592,590	1,012,926

Note 18: SHORT TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

Sales Tax Receivable	3,092,019	2,846,642
Advance to suppliers	536,505	718,472
Advance to Staff	2,375,000	2,200,000
Prepaid expenses	136,329	160,051
Others	616,595	2,720,026
Total	6,756,448	8,645,191

Note 19: OTHER CURRENT ASSETS

Interest accrued but not due on fixed deposits	232,421	199,349
Other Current Assets	112,500	112,500
Total	344,921	311,849

Note 20: REVENUE FROM OPERATION

Sale of Products :

Fabrics:

Grey Fabrics	106,003,870	90,711,587
Finished Fabrics	131,423,432	94,329,207
Sale of Services :		
Job charges	7,770,999	8,153,621
Total	245,198,301	193,194,415

Note 21: OTHER INCOME

Rent (Refer note 21.a)	1,905,670	2,558,992
Interest	297,457	186,053
Net gain/(loss) on sale of fixed assets	(27,664)	-
Total	2,175,463	2,745,045

21.a The company has given Office Premises on operating lease for a period of 3 years commencing from 16th February 2013 which is non cancellable for 3 years. Interest free refundable deposit received by the company has been taken under current liabilities as security deposits. Other information as required under AS-19 are as under :

Particulars	31 March 2014 ₹	31 March 2013 ₹
(l) Information as to Office Premises:		
Gross carrying amount	765,732	780,617
Depreciation for the year	14,884	14,884
Accumulated depreciation	147,415	132,530
(ii) The total future minimum lease rentals receivable at the balance sheet is as under:		
For a period not later than one year	894,240	1,341,360
For a period later than one year and not later than five years	782,460	1,509,030
For a period later than five years	-	-
Note 22: COST OF MATERIALS CONSUMED		
Yarn	69,615,939	64,301,730
Total	69,615,939	64,301,730
Note 23: PURCHASES OF STOCK IN TRADE		
Grey Fabrics (returned)	1,762,840	253,709
Finished Fabrics	130,606,325	92,305,098
Total	132,369,165	92,558,807
Note 24: CHANGES IN INVENTORIES		
Opening Stock:		
Finished Goods	19,227,606	21,210,876
Stock in trade	46,781,000	33,440,600
Stock in process	2,486,400	2,121,600
Closing Stock:		
Finished Goods	19,227,606	19,227,606
Stock in trade	56,657,630	46,781,000
Stock in process	3,140,800	2,486,400
Total	(10,531,030)	(11,721,930)
Note 25: EMPLOYEE BENEFIT EXPENSE		
Salaries and Wages	13,034,388	8,831,374
Contribution to Provident and Other Funds	349,260	285,085
Total	13,383,648	9,116,459
Note 26: FINANCE COST		
Term Loans	1,855,971	2,784,677
Working Capital Loans	4,866,390	4,309,601
Others	2,847,320	2,037,709
Interest on delayed payment of taxes	-	-
Total	9,569,681	9,131,987

Note 27: OTHER EXPENSES

Particulars	31 March 2014 ₹	31 March 2013 ₹
A) Manufacturing Expenses		
Job charges	4,347,043	4,461,976
Beam Making and mending charges	2,441,885	2,415,538
Picking & testing charges	-	-
Power and fuel (refer note 37)	8,698,103	6,637,174
Water expenses	213,896	166,740
Stores and spares consumed	3,675,057	3,454,068
Repairs and maintenance :		
Building	106,041	121,346
Machine	730,038	853,864
Others	211,900	231,688
Total- (A)	20,423,963	18,342,394
B) Administrative and General Expenses		
Printing and stationery	184,484	209,223
Postage, telegrams and telephones	327,827	231,732
Rent	435,893	518,280
Rates and taxes	38,883	39,638
Insurance	287,348	229,255
Auditors remuneration (refer note no. 30)	303,372	230,338
Bank commission/charges	35,665	43,395
Security charges	467,616	281,553
Electricity expenses	172,277	176,785
Legal and professional charges	358,990	292,631
Computer and software expenses	18,800	98,950
Donation	181,401	145,200
Freight and forwarding	23,263	91,816
Listing fees	112,360	196,630
Travelling and conveyance	609,534	784,858
Sundry balance written off	455,841	-
Interest on delayed payment of service tax	2,928	-
Office expenses	656,574	1,190,468
Total (C)	4,673,056	4,760,753
C) Selling and Distribution Expenses		
Sales Promotion Expenses	21,620	2,171,448
Advertisement Expenses	49,764	32,527
Brokerage and commission	148,623	85,593
Total (B)	220,007	2,289,568
Total (A+B+C)	25,317,026	25,392,714

Note 28: EARNING PER EQUITY SHARE

Particulars	UNIT	31 March 2014 ₹	31 March 2013 ₹
Weighted average number of Equity Shares	Numbers	130,631,000	130,631,000
Nominal Value of a Share	₹	1.00	1.00
Profit/ (Loss) for the year	₹	2,510,696	1,003,937
Basic and Diluted Earning Per Share	₹	0.02	0.01

Note 29 : Contingent liabilities and commitments:

(a) Contingent liabilities not provided:

(i) Penalty levied by SEBI for delay in submission of certain information to BSE	₹	170,000	170,000
(ii) Disputed income tax matters in appeal	₹	71,881	71,881
(iii) Undertaking given under EPCG Scheme for fullfilment of export obligation	₹	150.85	150.85
(iv) Principal and Interest due on Electricity charges due to non - receipt of subsidy from MSEDCL of earlier years	₹	4,804,616	4,726,818

(b) Commitments:

(i) Uncalled money payable for residential flat to the developers	₹	1,422,500	1,422,500
(ii) Estimated amount of contracts, net of advances, remaining to be executed on capital account	₹	-	23,230,000

Note 30 : PAYMENT TO AUDITORS

Audit Fees	146,068	140,450
Tax Audit Fees	39,326	39,326
Taxation Matters	16,854	16,854
Certification	101,124	33,708
Out of Pocket expenses	-	-
	303,372	230,338

Note 31 : The company operates in a single segment i.e. textile having the same risk and return. Hence reporting as per Accounting Standard 17 'Segment Reporting' is not applicable.

Note 32 : The management is of view that as per Accounting Standard-28, no impairment loss is required to be recognised, as the present values of assets are higher than the carrying amount of such assets.

Note 33 : Related Party Disclosure

Related party disclosures as required by Accounting Standard (AS) -18 " Related Party Disclosures" notified by Companies(Accounting Standards) Rules, 2006 (as amended) are given below :

- (a) Key Management Personnel and their relatives :
- Key Management
 - Shri Pradeep Kumar Sureka
 - Shri Narendra Kumar Sureka
 - Relatives
 - Smt. Geetadevi Sureka (Mother of Key management personnel)
- (b) Enterprises over which Key Management Personnel and their relatives have significant influence :
- True Capital and Finance Private Limited
- (c) Transactions during the year and balances outstanding as at year end with the related parties are as follows:

Particulars	Volume of the transaction(₹)		Balance as on (₹)	
	2013-14	2012-13	2013-14	2012-13
Remuneration /Payables				
Shri Pradeep Kumar Sureka	549,900	549,900	43,173	-
Shri Narendra Kumar Sureka	549,900	549,900	-	-
Rent paid /Payables				
Smt. Geetadevi Sureka	102,000	102,000	-	-
Loan taken / (repayments made)/ Payables				
True Capital and Finance Private Limited	3,221,702 (2,040,486)	820,000 -	2,001,216	820,000
Amount received against personal expenses				
Shri Pradeep Kumar Sureka	209,158 (209,158)	4,296 (4,296)	-	-
Shri Narendra Kumar Sureka	124,553 (124,553)	153 (153)	-	-

Related party relationship is identified by the company and relied upon by the auditors.

Note 34 : Value of Raw Material, Spare Parts, Components consumable as a % of the total consumption

	2013-14		2012-13	
	Value (₹)	%	Value (₹)	%
I. Raw Materials:-				
Indigenous	69,615,939	100	64,301,730	100.00
Imported	NIL	NIL	NIL	NIL
ii. Spare parts and Components:-				
Indigenous	3,675,057	100	3,454,068	100.00
Imported	NIL	NIL	NIL	NIL

Note 35 : CIF value of imports

	2013-14		2012-13	
	Quantity (No's)	Value (₹)	Quantity (No's)	Value (₹)
Machineries Purchased	Nil	Nil	1	143,138

Note 36: The management is proposing to make applications for condonation to the appropriate authorities in respect of Purchase and sale of goods amounting to ₹ 15,55,471/- and ₹ 15,48,216/- respectively, entered in to by the company, are in contravention of provisions of section 297 of the Act;

Note 37: During the year , a Multi-partite agreement was entered between company ,two directors of the company and MSEDCL vide Commercial Circular no.151 dated 25.11.2011 issued by the MSEDCL.Since power has been used for the production purposes by the company , the electricity charges have been paid by the company.

Note 38: The Company has reclassified previous year figures to conform to this year's classification.

As set out in our attached report of even date

For **R. S. AGRAWAL & ASSOCIATES**
Chartered Accountants
(Firm Registration no. 100156W)

Anuja Sharma
Partner
Membership no. 123589
Mumbai,29th May 2014

On behalf of the board

Narendra Kumar Sureka
Chairman and Managing Director

Pradeep Kumar Sureka
Whole Time Director
Mumbai,29th May 2014

TUNI TEXTILE MILLS LIMITED

CIN: LI7120MH1987PLC043996

Regd. Office : 63/71, Dadiseth Agiary Lane, 3rd Floor, Kalbadevi Road, Mumbai-400 002

Email : tunitextilemills@gmail.com; Website : www.tunitextiles.com

Form No. MGT - 11, PROXY FORM / BALLOT FORM

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

Name of the Member _____

Registered Address _____

Folio No. / DP/Client ID _____

I/We being the members of _____ Shares of Tuni Textile Mills Ltd., hereby appoint

1. _____ having email Id _____ Signature _____ or failing him

2. _____ having email Id _____ Signature _____ or failing him

3. _____ having email Id _____ Signature _____

As my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on Friday, 26th September 2014 at 11.30 A.M. and at any adjournment thereof in respect of such resolution(s) as are indicated below :

Ordinary Business :		For	Against
1.	Adoption of Financial Statements for the year ended March 31, 2014		
2.	Appointment of M/s. R. S. Agarwal & Associates., Chartered Accountants, as Auditors and to fix their remuneration.		
Special Business :			
4.	Resolution under Section 180(1)(c) of the Companies Act, 2013 for increase in borrowing Limits		
5.	Resolution under Section 180(1)(a) of the Companies Act, 2013 for sell or otherwise dispose off the whole or substantially the whole of the undertakings		
6.	Appointment of Mr. Pramod Kr. Bajaj as an Independent Director for a term of 5 Years.		
7.	Appointment of Mr. Jayaram Jaithlaya as an Independent Director for a term of 5 Years.		
8.	Appointment of Mr. Ashish P. Bajaj as an Independent Director for a term of 5 Years.		

Signed this _____ day of _____ 2014

Signature of Shareholder _____ Signature of Proxy _____



Affix
Revenue
Stamp
₹ 1/-

TUNI TEXTILE MILLS LIMITED

CIN: LI7120MH1987PLC043996

Regd. Office : 63/71, Dadiseth Agiary Lane, 3rd Floor, Kalbadevi Road, Mumbai-400 002

Email : tunitextilemills@gmail.com; Website : www.tunitextiles.com

ATTENDANCE SLIP

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

Registered Folio No. /DP ID/Client Id _____

Name & Address of Share Holder _____

I/We hereby record my/our presence at the 27th Annual General Meeting of the Company at Ramee Guest Line Hotel, 462, A. B. Nair Road, Opp. Sun-N-Sand Hotel, Juhu, Vile Parle (W), Mumbai-400 049 on Friday, 26th September 2014 at 11.30 A.M.

Members' Folio/DPID/Client Id _____

Member/Proxy's Name in Capital _____

Member/Proxy's Signature _____

Please complete the Folio/DP Id/Client Id and Name, sign this Attendance Slip and hand it over at the Attendance verification counter at the Entrance of the Meeting Place.

BOOK-POST

If undelivered, please return to :

TUNI TEXTILE MILLS LIMITED

63/71, Dadiseth Agiary Lane, 3rd Floor, Kalbadevi Road, Mumbai-400 002.