



**TUNI
TEXTILE
MILLS
LIMITED**

**30th ANNUAL REPORT
2016 - 2017**

BOARD OF DIRECTORS

Narendra Kumar Sureka	Chairman & Managing Director
Pradeep Kumar Sureka	Executive, Whole Time Director
Urmila Sureka	Non-Executive, Non-Independent
Pramod Kumar Bajaj	Independent Director
Aditya P. Khaitan	Independent Director
Parag S. Ambavane	Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Mamta Jain, CS

CHIEF FINANCIAL OFFICER

Mr. Archit Sureka

AUDITORS

R S Agrawal & Associates
Chartered Accountant

BANKERS

Indian Overseas Bank
GP Parsik Bank

REGISTERED OFFICE

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

WORKS

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 : 29th September, 2017
Time : 2.45 P.M.
Venue : Ramee Guest Line Hotel
462, A. B. Nair Road,
Opp. Sun-N-Sand
Hotel, Juhu, Vile Parle (W),
Mumbai-400 049

**30th
Annual
Report
2016 - 2017**

Corporate Identification No. :

L17120MH1987PLC043996

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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 30th Annual General Meeting of the members of TUNI TEXTILE MILLS LIMITED will be held on Friday, the 29th day of September, 2017 at 2.45 P.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 2017.
2. To appoint Director in place of Mr. Pradeep Kr. Sureka (DIN : 01632706), who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following Resolution, as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 read with the Companies (Audit and Auditor) Rules, 2014, 142 and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), and based on the recommendations of the Audit Committee, to fill up the casual vacancy caused due to the resignation of existing Auditors M/s. R. S. Agarwal & Associates, Chartered Accountants, Mumbai, M/s. Rakesh Soni & Co., Chartered Accountants, Mumbai (FRN No. 114625W), who have offered themselves for appointment as Auditors to the Company 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 appointed as Statutory Auditors of the Company and to hold office from the conclusion of the 30th Annual General Meeting up to the conclusion of the 35th 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 :

4. Approval for revision in remuneration of Managing Director & Whole time Director

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

“RESOLVED THAT pursuant to the provisions of Article of Association of the Company read with Section 196 of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) subject to such other consents, approvals and permissions if any needed, remuneration of Mr. Narendra Kr. Sureka, Managing Director and Mr. Pradeep Kr. Sureka, Whole time Director be and are hereby revised on the terms and conditions hereinafter mentioned with effect from 1st September 2017.

Consolidated Salary: Up to a Maximum of ₹ 12,00,000/- per annum which includes the variable pay and perquisites, with the authority to Board to fix the salary within the said maximum amount from time to time.

Benefits over annual CTC: Long Term Incentive, Accident Insurance Coverage, Medical Insurance Coverage, Life time Insurance Coverage and Gratuity as per company policy.

“RESOLVED FURTHER THAT pursuant to provisions of the Section 197 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 the revised remuneration of Mr. Narendra Kr. Sureka, Managing Director and Mr. Pradeep Kr. Sureka, Whole time Director is hereby confirmed that it is well within the prescribed limit mentioned in the said section.”

“RESOLVED FURTHER THAT any of the Directors of the Company or Company Secretary, be and is hereby severally authorised to file necessary forms with the Registrar of Companies, Mumbai, Maharashtra and to do or cause to do such other acts, deeds and things as may be considered necessary in connection with or incidental to the above.”

5. Approval for revision in Directors' Sitting Fees

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

“RESOLVED THAT pursuant to the provisions of section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules notified thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) consent of the members of the Company be and is hereby accorded for increase in sitting fees to Non-Executive and Independent Directors of the Company, from maximum of ₹ 5000/- to maximum of ₹ 15000/-, for attending the meetings of the Board of Directors or Committees thereof, effective from 1st April 2017, apart from reimbursement out-of-pocket expenses, at actuals, for attending such Board and/or Committee Meetings.”

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/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy, in order to be effective, must be received at the Company's Registered Office not less than forty-eight hours before the Meeting.

Pursuant to Section 105 of Companies Act, 2013, a person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total Share capital of those carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any person or shareholder.
3. The Register of Member and the Share Transfer Books of the Company will remain closed from 23rd September 2017 to 29th September 2017 (both days inclusive).
4. 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.
5. A detail of Director seeking appointment / re-appointment in this Annual General Meeting is attached separately to the notice.
6. Corporate Members intending to send their authorized representatives to attend the meeting pursuant to Section 113 of Companies Act, 2013 are requested to send to the Company a certified copy of relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the meeting.
7. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 A.M. to 1.00 P.M. up to the date of this Annual General Meeting.
8. Shareholders/Investors are advised to send their queries/complaints through the dedicated e-mail Id info@tunitextiles.com for quick and prompt redressal of their grievances.
9. The Shares of the Company are mandated by the Securities & Exchange Board of India (SEBI) for trading in dematerialized form by all investors.
10. 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.
11. 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.

12. Members are requested to intimate change in their address immediately to M/s Purva Sharegistry (India) Pvt. Ltd., the Company's Registrar and Share Transfer Agents, at their office at No. 9, Shih Shakti Ind. Estate, Gr. Floor, J. R. Boricha Marg, Lower Parel, Mumbai-400 011.
13. 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 Sharegistry (India) Pvt. Ltd., Registrar and Share Transfer Agents of the Company, at their address given above.
14. The Securities and Exchange Board of India (SEBI) vide Circular ref. No. MRD/DOP/CIR-05/2007 dated April 27, 2007 made PAN mandatory for all securities market transactions and off market/private transaction involving transfer of shares in physical form of listed Companies, it shall be mandatory for the transferee (s) to furnish copy of PAN Card to the Company/RTAs for the registration of such transfer of shares.

SEBI further clarified that it shall be mandatory to furnish a copy of PAN in the following cases:

- a) Deletion of name of the deceased shareholder (s), where the shares are held in the name of two / more shareholders.
 - b) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares.
 - c) Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the name of two or more shareholders.
15. Members holding shares in physical form and desirous of making a nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 read with Rule 19 of Companies (Share Capital and Debentures) Rules, 2014, may fill SH-13 and send the same to the office of RTA of the Company. In case of shares held in dematerialized form, the nomination/change in nomination should be lodged with their DPs.
 16. 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 the quarterly reports and other communication via email.
 17. Copies of Annual Report 2017 together with AGM Notice will be sent by electronic mode only to those 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 2017 are being sent by the permitted mode.
 18. The Notice for the 30th 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.
 19. Members may also note that the Notice of the 30th AGM and the Annual Report for 2016-2017 will also be available on the Company's website www.tunitextiles.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during all working days (except Saturday, Sunday and public holidays) between 11.00 AM to 1.00 PM up to the date of this AGM. Even after registering for e-communication, members are entitled to receive such in physical form, upon making a request for the same by post or email. For any communication, the Shareholders may also send requests to the Company's email id : info@tunitextiles.com
 20. A route map showing directions to reach the venue of the 30th Annual General Meeting is given at the end of the Report.
 21. 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 have casted 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.

22. 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. September 22, 2017.
23. 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 Gayatri V. Phatak, 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 28, 2017 by 5.00 p.m. Any Ballot Form received after the said date shall be treated as if the reply from the Members has not been received.
24. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Company is pleased to provide to the members facility of "remote e-voting" (e-voting from place other than venue of the AGM) to exercise their votes at the 30th AGM by electronic means and the business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).
25. The facility of voting through ballot/polling paper shall also be made available at the venue of the 30th AGM. The Members attending the AGM, who have not casted their vote through remote e-voting, shall be able to exercise their voting rights at the AGM. The Members who have already casted their vote through remote e-voting may attend the AGM but shall not be entitled to cast their vote again at the AGM.
26. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.tunitextiles.com within two days of the passing of the Resolutions at the Annual General Meeting of the Company and will also be communicated to BSE Limited, where the shares of the Company are listed.
27. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
28. The details for voting electronically are as under -
 - a) Date and time of commencement of voting through electronic means: Tuesday, September 26, 2017 at 9.00 a.m.
 - b) Date and time of end of voting through electronic means beyond which voting will not be allowed : Thursday, September 28, 2017 at 5.00 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 September 22, 2017, 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 V. Phatak, Practicing Company Secretary (ACS No. 31886), Prop., M/s. G. S. Bhide & Associates, Vapi (Gujarat). E-mail: gayatrihideandco@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.

29. 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 The shareholders should log on to the e-voting website on 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 sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>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.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in the instructions (iv).

- viii After entering these details appropriately, click on “SUBMIT” tab.
- ix Members holding shares in physical form will then directly reach to 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 the 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.
- xviii Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix Note for Non – Individual Shareholders and Custodians
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - Scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance user should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx 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.

ITEM NO. 4

Revision in the remuneration of Mr. Narendra Kr. Sureka, Managing Director and Mr. Pradeep Kr. Sureka, Whole time Director

Mr. Narendra Kr. Sureka and Mr. Pradeep Kr. Sureka, Executive Directors of the Company, are founder promoters of the Company and is on the post since the inception of the Company.

Mr. Narendra Kr. Sureka, aged 64 years, has completed his Bachelors in Commerce from Mumbai University and Mr. Pradeep Kr. Sureka, aged 58 years, has completed his Bachelors in Commerce from Mumbai University. They both are having an experience of over 30 Years in textile industry and are expertizes in merchandise industry. They both guide our Company through their experience and are instrumental in preparing our growth strategies. In their leadership, the Company has started its textile production and have taken the Company to new heights.

Under the able stewardship of Mr. Narendra Kr. Sureka and Mr. Pradeep Kr. Sureka, the Company has got listing approval from both BSE. They are responsible for day to day administration of the Company. The Company, with its considerable management bandwidth and experience, is committed to building transparent and merit-based organization with fairness, transparency and responsiveness in all dealings.

Mr. Narendra Kr. Sureka and Mr. Pradeep Kr. Sureka would be completed more than 30 years of service as Executive Directors of the Company. The Company has shown exceptional financial performance, with limited financial arrangements, and maintained high governance standards under the leadership and

guidance provided by both of them. Their long, illustrious industry experience has helped a lot in the growth of the Company.

Keeping in view, the significant progress made by the Company under the stewardship of both the Directors, the Board of Directors, subject to approval of the competent authorities and Members, has approved increase in remuneration of Mr. Narendra Kr. Sureka and Mr. Pradeep Kr. Sureka, as mentioned in the resolution.

Your Directors, therefore, recommend the resolution, as set forth in Item No. 4 of this Notice, for your approval.

Save and except Mr. Narendra Kr. Sureka and Mr. Pradeep Kr. Sureka, and Mrs. Urmila Devi Sureka, relatives of Mr. Narendra Kr. Sureka and Mr. Pradeep Kr. Sureka as well as Mr. Archit Sureka, CFO and relatives of both Directors, none of the Directors, Key Managerial Personnel or relatives thereof is, in any way concerned or interested, financially or otherwise, in the said Resolution.

ITEM NO. 5

Revision in the Sitting Fees of Non-Executive & Independent Directors

In the Annual General meetings of the Company, the Company had obtained approval of the members for payment of Sitting Fees up to ₹ 5000/- to the Non-Executive / Independent Directors of the Company. Keeping in view the increased responsibilities of the Non-Executive directors entrusted by the Companies Act 2013 and the corporate governance regulations, it is considered appropriate that the Non-Executive Directors of the Company are compensated reasonably, commensurate with their increased responsibilities and the contributions made by them.

It is therefore proposed that Non-Executive / Independent Directors, be paid, not more than ₹ 15000/- per meeting, as Sitting Fees for attending the meetings of the Board of Directors or Committees thereof.

All the Non-Executive Directors and their relatives are concerned or interested in the ordinary resolution to the extent of payment of sitting fees. None of the executive directors or Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends, the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

Mumbai, May 30, 2017

By order of the Board
For TUNI TEXTILE MILLS LIMITED

Registered Office :

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

Mamta Jain
Company Secretary & Compliance Officer

Details of Director seeking appointment / re-appointment in the 30th Annual General Meeting on 29th September 2017 (in term of Regulation 27 of SEBI (Listing Obligations and Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”))

Name of Director	Mr. Pradeep Kr. Sureka
Directors' Identification No. (DIN)	01632706
Date of Birth	24 th September 1959
Date of Appointment on Board	6 th July 1987
Qualification	B. Com, Graduate
Experience	He is associated with the Company as Executive Director of the Company since July 1987 and is having more than 30 years of experience in the field of Accounts, Taxation, Fabric Merchandise etc.
Terms & Conditions of Appointment / Re-appointment	Appointed as Whole time Director, eligible to retire by Rotation
Remuneration details	Not more than ₹ 50,000/- per month plus contribution to PF and reimbursement of out of pocket expenses.
Shareholding in Company	51,15,500 Equity Shares or 3.92% of Paid-up Capital of the Company.
Relationship with the Company & Other Directors	Part of Promoter Group & Relatives / Family member of Mr. Narendra Kr. Sureka & Mrs. Urmila Devi Sureka.
No. of Board Meeting attended during the year	7 (Seven)
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	Not Any
Memberships / Chairmanships of Audit and Stakeholders' relationship Committees across Public Companies	Nil

Mumbai, May 30, 2017

By order of the Board
For TUNI TEXTILE MILLS LIMITED

Registered Office :

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

Mamta Jain
Company Secretary & Compliance Officer

Directors' Report

To

The Members,

Your Directors have pleasure in presenting the 30th Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2017.

(₹ in lakhs)

Financial Results	Year Ended 31.03.2017	Year Ended 31.03.2016
Income	2813.18	4218.27
Profit/(Loss) before Tax & Extra-ordinary Items	(3.01)	19.37
Less : Provision for Taxation (Including Deferred Tax)	5.46	3.58
Less : Provision for Extra-Ordinary Items	(14.09)	-
Profit/(Loss) after Tax	5.62	15.79
Add : Profit/(Loss) brought forward from Previous Year	(189.99)	(205.78)
Balance carried forward	(184.37)	(189.99)

OVERVIEW OF ECONOMY

India remains the fastest growing economy in the world - economic fundamentals are strong, and reform momentum continues. GST is on track for implementation in the second quarter of the fiscal year, and is expected to yield substantial growth dividends from higher efficiencies, and raise more revenues in the long term, according to a new World Bank Report released. While, agriculture growth delivered in 2016-2017, the report notes that investment growth remains subdued, partly because of banking sector stress.

The fundamentals of the Indian economy remain strong, with robust economic growth, strong fiscal consolidation, low current account deficit, higher agricultural output, growing FDI, low inflation and higher wages in rural areas. Favorable monsoons boosted agriculture and rural consumption, while urban consumption remained robust and exports rebounded in the third quarter of 2016-2017.

PERFORMANCE HIGHLIGHTS & OUTLOOK

During the year, the business environment remained lackluster due to weak demand of consumers. Announcement of demonetization during November-December 2016 created the shortage of cash in the market and that has also affected the business of the Company. All these reasons have pushed company to reduce its production and thus the Company could not do well during the ongoing financial year.

Gross revenue from operations stood at ₹ 2805.42 lakh in comparison to last years' sales of ₹ 4194.34 lakh. In term of PAT, the Company has incurred a loss of ₹ 3.01 lakh in comparison to last years' net profit of ₹ 19.37 lakh. Further, during the year, the Company has written back the entire of amount of gratuity of ₹ 14.09 lakh which has been provided during earlier years.

The Company is in to the business of manufacturing grey cloth at its unit located at Murbad, Dist. Thane, Maharashtra.

The Company is hopeful of coming out of difficult time and will do better as time progresses.

DIVIDEND AND RESERVES

In view of carried forward losses and in order to meet future challenges and financial requirements, your Directors do not propose any dividend for the year under review.

During the year under review, no amount has been transferred to General Reserves.

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2017 was of ₹ 13.17925 Crore. During the year under

review, the Company has not issued any share with differential voting rights nor granted stock options nor sweat equity. As on March 31, 2017, none of the Directors and/or Key Managerial Person of the Company hold instruments convertible in to Equity Shares of the Company.

FINANCE AND ACCOUNTS

Your Company prepares its financial statements in compliance with the requirements the Companies Act, 2013 and the Generally Accepted Accounting Principles (GAAP) in India. The financial statements have been prepared on historical cost basis. The estimates and judgments relating to the financial statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits/(loss) and cash flows for the year ended 31st March 2017.

The Company continues to focus on judicious management of its working capital, receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

There is no audit qualification in the standalone financial statements by the statutory auditors for the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments, if any, covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

SUBSIDIARY COMPANY

The Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year. Accordingly, a policy on material subsidiaries has not been formulated.

RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of Listing Regulations; during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder are not attracted and thus disclosure in term of Section 134(3)(h) r/w Rule 8(2) of the Companies (Accounts) Rules, 2014 and under Regulation 34(3) & 53(f), Para A of Schedule V of SEBI(LODR) Regulations, 2015 is attached as Annexure I. Further, there are no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion and Analysis on the operations of the Company as prescribed under Part B of Schedule V read with regulation 34(3) of the Listing Regulations, 2015 is provided in a separate section and forms part of the Directors' Report.

CHANGE IN NATURE OF BUSINESS, IF ANY.

There are no changes in the nature of business in the financial year 2016-17.

BOARD EVALUATION

The Board of Directors have laid down the manner for carrying out an annual evaluation of its own performance, its various Committees and individual directors pursuant to the provisions of the Act and relevant Rules and the Corporate Governance requirements are in compliance with Regulation 17 of Listing Regulations, 2015. The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of various criteria such as Board Composition, process, dynamics, quality of deliberations, strategic discussions, effective reviews, committee participation, governance reviews etc. The performance of the Committees was evaluated by the Board after seeking inputs from

the Committee members on the basis of criteria such as Committee composition, process, dynamics, deliberation, strategic discussions, effective reviews etc. The Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as transparency, analytical capabilities, performance, leadership, ethics and ability to take balanced decisions regarding stakeholders etc.

NUMBER OF MEETINGS OF THE BOARD

The details of the Board Meetings and other Committee Meetings held during the financial year 2016-17 are given in the separate section of Corporate Governance Report.

BOARD COMMITTEES

All Committees of the Board of Directors are constituted in line with the provisions of the Companies Act, 2013 and applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 year under review.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 requirements of Regulation 25 of Listing Regulations, a person shall not serve as an independent director in more than seven listed entities: provided that any person who is serving as a whole time director in any listed entity shall serve as an independent director in not more than three listed entities. Further, independent directors of the listed entity shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.

DETAILS OF DIRECTORS / KMP APPOINTED AND RESIGNED DURING THE YEAR

Sl. No.	Name	Designation	Date of Appointment	Date of Resignation
1.	-	-	-	-

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, TRIBUNALS OR COURTS

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

There have been no material changes and commitments affecting the financial position of the Company between the end of Financial Year and date of the report.

DIRECTORS RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanations obtained, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

1. that in the preparation of the Annual Accounts for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit/(loss) of the Company for the year ended on that date;
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis;
5. that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BUSINESS RISK MANAGEMENT

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee.

However, provision of Regulation 21 of Listing Regulations for constitution of Risk Management Committee is not applicable to the Company.

INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

Your Company has an Internal Control System, which is commensurate with the size, scale, scope and complexity of its operations. To maintain its objectivity and independence, an independent firm of Chartered accountants has been appointed as the Internal Auditors, who report to the Chairman of the Audit Committee of the Board.

The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control system in your Company, its compliance with operating systems, accounting procedures and policies of your Company. Based on the report of the Internal Auditors placed before the Audit Committee, process owners undertake corrective action in their respective areas and thereby strengthen the controls. The internal controls have been reported by the Auditors to be adequate and effective during the year.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company i.e. www.tunitextiles.com

INFORMATION TECHNOLOGY

Innovation and Technology are synonymous with the Company. The investment in technology acts as a catalyst and enables the Company to be innovative.

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

Statutory Auditors

Existing Auditors M/s R. S. Agarwal & Associates, Chartered Accountants, Mumbai who are retiring in ensuring Annual General Meeting have expressed their un-willingness to re-appoint themselves as Auditors of the Company.

In place of existing Auditors, the Audit Committee recommended M/s Rakesh Soni & Co. (FRN 114625W), Chartered Accountants, Mumbai for appointment to audit the accounts of the Company from the conclusion of the 30th Annual General Meeting up to the conclusion of the 35th 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 under Rule 4 of the Companies (Audit and Auditors) Rules, 2014 from M/s. Rakesh Soni & Co.; that they are eligible for appointment as auditors, and are not disqualified for appointment under the Companies Act, 2013, the Chartered Accountants Act, 1949, or the rules and regulations made there-under.

The proposed appointment is as per the term and within the limits laid down by or under the authority of the Companies Act, 2013 and that there are no proceedings pending against them or any of their partners with respect to professional conduct.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s G. S. Bhide & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report in the form of MR-3 is annexed in this Annual Report as Annexure II.

Internal Auditors

The Company has appointed M/s D. Thakkar & Associates, Chartered Accountants, Mumbai (FRN 132824W) to undertake the Internal Audit of the Company.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, extract of the Annual Return for the financial year ended 31st March, 2017 made under the provisions of Section 92(3) of the Act is attached as Annexure III to this report.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197(12) read with Rule, 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as under -

i	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Directors & KMP		Ratio
		Narendra Kumar Sureka		1.71:1
		Pradeep Sureka		1.71:1
		Archit Sureka		1.20:1
		Mamta Jain		0.68:1
		1. The median remuneration of employees of the Company was ₹ 2,85,826/- 2. Figures has been rounded off wherever necessary		
ii	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Name	Designation	Increase %
		Narendra Kumar Sureka	Managing director	0
		Pradeep Sureka	whole time director	0
		Archit Sureka	CFO	0
		Mamta Jain	CS	0
iii	the percentage increase/decrease in the median remuneration of employees in the financial year;	18.57%		
iv	the number of permanent employees on the payrolls of Company	49 employees as on 31.03.2017		
v	the explanation on the relationship between average increase in remuneration and company performance;	The profit before tax for the financial year ended March 31, 2017 decreased by 52.74% whereas the increase in median remuneration was 18.57% in line with industry standard and the performance of the company		
vi	comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	The total remuneration of key Managerial Personnel increased by 52.74% from ₹ 18,60,000/- in 2016-17 to ₹ 12,17,741/- in 2015-16 whereas the Profit before Tax decreased by 42.77% to ₹ 11,08,391/- in 2016-17 (₹19,37,008/- in 2015-16)		
vii	variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	Particulars	31st March 2017	31st March 2016
		Market Capitalization	640 Lakhs	640 Lakhs
		Price Earnings Ratio	122.50%	40.83%
		Networth of the Company	12,54,40,904/-	12,48,78,940/-
		The Company has not made any public issue during the year		
viii	Average percentile increase in salaries of employees other than managerial personnel	0.00%		

- | | | | | |
|----|--|-----------------------|-----------------------------|--|
| ix | Comparison of each remuneration of key managerial personnel against the performance of the company | Particulars | 31 st March 2017 | Reason against performance of the company |
| | | Narendra Kumar Sureka | 6,00,000/- | Profit before tax decreased by 42.77% and profit after tax decreased by 64.41% in FY 2016-17 |
| | | Pradeep Sureka | 6,00,000/- | |
| | | Archit Sureka | 4,20,000/- | |
| | | Mamta Jain | 2,40,000/- | |
- x The key parameters for any variable component of remuneration availed by the directors; None
- xi The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; None
- xii Affirmation that the remuneration is as per the remuneration policy of the company. Remuneration paid to all Employees is in accordance with the Remuneration Policy

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013 READ WITH RULES

Pursuant to the requirements of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 read with Rules thereunder, the Company has not received any complaint of sexual harassment during the year under review.

PARTICULARS UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013

The Company is engaged in the business of manufacturing Synthetic Fabric. The information regarding Conservation of Energy, Technology Absorption, Adoption and Innovation and the information required under section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of the Companies (Accounts) Rules, 2014 are reported to be as under:

MURBAD UNIT- ELECTRICITY	2016-2017	2015-2016
Electricity Purchased [Units (KWH)]	1449857	1404292
Total Amount (₹)	4067778	4931148
Average Rate (₹)	2.81	3.51
Consumption Per Unit of Production		
Cloth Production (Mtrs.)	2566575	2780453
Cost of Electricity Consumption (₹) / Mtrs.	1.58	1.77

FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars regarding Foreign Exchange earnings and expenditures appear at in Note No. 37 in the Notes to the Financial Statement.

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

As per Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

CAUTIONARY STATEMENT

Statements in this Directors' Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

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.

By order of the Board
For TUNI TEXTILE MILLS LIMITED

Mumbai, May 30, 2017

Registered Office :

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

Narendra Kumar Sureka

DIN : 01963265
Managing Director

Management Discussions & Analysis

MACRO ECONOMIC ENVIRONMENT

During the current Financial Year 2016-17, the Indian Economy has continued to consolidate the gains achieved in restoring macro-economic stability. Despite the continuing global sluggishness and recent pick-up in petroleum prices, the economic growth has continued to be robust and inflation has remained more or less stable in the current year, while Fiscal Deficit and Current Account Deficit as percentage of GDP have improved. The Growth Rate of the economy during the First Half of the current Financial Year is estimated at 7.2 per cent, which makes India one of the fastest growing major economies in the world. At the sectoral level, the growth rates for agriculture & allied sectors, industry and services sectors for the First Half of the current year are estimated at 2.5 per cent, 5.6 per cent, and 9.2 per cent respectively. The stress given to fiscal consolidation through expenditure rationalization and revenue raising efforts and the focus on administrative measures for cooperative financial governance and also steps towards containing inflation have contributed significantly to macro-economic stability.

India's merchandise exports (customs basis) declined by 15.5 per cent to US\$ 262.3 billion in 2015-16. In 2016-17 (April-October), growth of exports declined by 0.2 per cent (US\$ 154.9 billion vis-à-vis US\$ 155.2 billion in the corresponding period of previous year). Imports declined by 15.0 per cent to US\$ 381.0 billion in 2015-16. Imports for 2016-17 (April-October) were at US\$ 208.1 billion which is lower by 10.9 per cent as compared to US\$ 233.4 billion in the corresponding period of previous year. During 2016-17 (April-October), trade deficit decreased to US\$ 53.2 billion as against US\$ 78.2 billion in the corresponding period of previous year. There has been significant market diversification in India's trade from Europe and America to Asia and Africa in recent years – a process that has helped in coping up with the sluggish global demand.

REVIEW OF OPERATIONS

Gross revenue from operations stood at ₹ 2805.42 lakh in comparison to last years' sales of ₹ 4194.34 lakh. In term of PAT, the Company has incurred a loss of ₹ 3.01 lakh in comparison to last years' net profit of ₹ 19.37 lakh. Further, during the year, the Company has written back the entire of amount of gratuity of ₹ 14.09 lakh which has been provided during earlier years.

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

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 11 per cent of total exports. The textiles industry is also labour intensive and is one of the largest employers.

The Indian textiles industry is extremely varied, with the hand-spun and hand woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

The Indian textiles industry, currently estimated at around US\$ 108 billion, is expected to reach US\$ 223 billion by 2021. The industry is the second largest employer after agriculture, providing employment to over 45 million people directly and 60 million people indirectly. The Indian Textile Industry contributes approximately 5 per cent to India's gross domestic product (GDP), and 14 per cent to overall Index of Industrial Production (IIP).

The Indian textile industry has the potential to reach US\$ 500 billion in size according to a study by Wazir Advisors and PCI Xylenes & Polyester. The growth implies domestic sales to rise to US\$ 315 billion from currently US\$ 68 billion. At the same time, exports are implied to increase to US\$ 185 billion from approximately US\$ 41 billion currently.

THREATS & CONCERNS

The Indian textiles and apparels industry plays a crucial role in contributing to employment generation, industrial output and export earnings. However, in its race towards becoming the second largest producer of textiles and apparels in the world, it has faced several challenges and continues to battle them to not only retain its position in the global map but also to improve it. Some of the major challenges faced by the

industry in India that could potentially come in the way of its contribution to the Government's 'Make in India' programme, including:

- Paucity of domestic producers of shuttle-less looms and spindles greatly affects the industry with the waiting time per order being as much as 2 to 3 years. Obsolete machinery leads to low efficiency and poor quality products. Lack of investment and research in the area of textile machinery, is forcing imports to compete with other textile producing countries.
- Stiff competition from mechanised mills, changing consumer preferences and the pursuit of less demanding means of livelihood have threatened the vibrancy of the handloom industry. Traditional hand woven products are in danger of becoming obsolete and weaving skills face threat of dilution. The lack of credit facilities extended to the handloom sector adds to its woes.
- Textile mills face acute power shortage. Frequent electricity cuts and load shedding lead to loss of man hours and low production in the mills. Textile SMEs are severely affected by power shortage and are forced to use manual machines, which produce lower quality products and are more costly to maintain.
- Manufacturers of original products, face enormous losses due to counterfeit products which are often sold at prices, usually 40% to 45% lower than original value. Anti-counterfeiting measures in India are not effectively implemented, further aggravating the problem.
- Labour related issues such as threat to safety and health of workers, poor working environment, and exploitation of children, strict labour laws and skills gap pose a major challenge to the industry.
- India has differential tax treatments for cotton and man-made fibres, thus creating needless distortions within the industry. While excise duty on natural fibres like cotton, wool and flax is nil, manmade fibre, filament and yarn attract duty as high as 12.5%.
- The Indian textiles industry faces acute shortage of raw materials in the form of cotton and raw silk. Fluctuating prices and uncertainties in the availability of raw materials leads to low production and sickness of mills

HUMAN RESOURCES

The Company recognizes that its success is deeply embedded in the success of its human capital. During 2016-2017, 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.

CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY

The provision of the Section 135 and Schedule VII of the Companies Act, 2013 as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014 effective from April 1, 2014 relating to CSR Initiatives are not applicable to the Company.

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.

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 30, 2017

Registered Office :

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

By order of the Board
For TUNI TEXTILE MILLS LIMITED

Narendra Kumar Sureka

DIN : 01963265
Managing Director

DETAILS OF RELATED PARTY TRANSACTIONS

- A. (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

All related party transactions entered during the year were in ordinary course of business and on arm's length basis and the same have been disclosed under Note No. 33 of the Notes to Financial Statements.

No material related party transactions arising from contracts/ arrangements with related parties referred to in the Section 188(1) of the Companies Act, 2013 were entered during the year by the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

- B. Disclosures pursuant to Regulation 34(3) & 53(f) and Para A of Schedule V of SEBI (LODR) Regulations, 2015

S I . No.	In the Account of	Disclosures of amount at the year end and the maximum amount of loans/advances/Investments outstanding during the year.	
1.	Holding Company	o Loans and advances in the nature of loans to subsidiaries by name and amount	Not Applicable
		o Loans and advances in the nature of loans to associates by name and amount	
		o Loans and advances in the nature of loans to Firms/Companies in which directors are interested by name and amount	
2.	Subsidiary	o Loans and advances in the nature of loans to subsidiaries by name and amount	
		o Loans and advances in the nature of loans to associates by name and amount	
		o Loans and advances in the nature of loans to Firms/Companies in which directors are interested by name and amount	
3.	Holding Company	o Investment by the loanee in the shares of parent Company and subsidiary Company has made a loan or advance in the nature of loan.	

By order of the Board
For TUNI TEXTILE MILLS LIMITED

Mumbai, May 30, 2017

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

Narendra Kumar Sureka
DIN : 01963265
Managing Director

SECRETARIAL AUDIT REPORT**FORM NO. MR-3****FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2017**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,

Tuni Textile Mills Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tuni Textile Mills Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided to us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Tuni Textile Mills Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2013;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during audit period)
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

6. Other laws applicable specifically to the company namely:
- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - b) Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;
 - c) Reserve Bank of India Act, 1934 and the rules made there under to the extent of provisions applicable to Non-Banking Financial Companies and Regulations made thereunder;
 - d) Factories Act, 1948;
 - e) Provident Fund Act 1952;
 - f) Maharashtra Shop and Establishment Act 1948;
 - g) Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, professional tax, ESIC, compensation etc.;
 - h) Acts prescribed under prevention and control of pollution;
 - i) Acts prescribed under Environmental protection;
 - j) Land Revenue laws of respective States;
 - k) Labour Welfare Act of respective States;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above, except the followings –

- Statutory liabilities are not paid within the dues dates as reported by the auditors;

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no instances of:

- a) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- b) Redemption / buy-back of securities.
- c) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- d) Merger / amalgamation / reconstruction etc.
- e) Foreign technical collaborations.

For G. S. Bhide & Associates
Company Secretaries

Place : Mumbai
Date : May 30, 2017

Gayatri V. Phatak
Proprietor
C. P. No. 11816

Annexure A to the Secretarial Audit Report

The Members,

M/s. Tuni Textile Mills Limited

Mumbai

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test check basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For G. S. Bhide & Associates
Company Secretaries

Place : Mumbai

Date : May 30, 2017

Gayatri V. Phatak
Proprietor
C. P. No. 11816

EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2017

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT - 9

I. Registration & Other Details	
CIN	L17120MH1987PLC043996
Registration Date	06/07/1987
Name of the Company	Tuni Textile Mills Limited
Category / Sub-Category of the Company	Category : Company having Share Capital Sub-Category : Indian Non-Government Company
Address of the Registered Office and contact details	63/71, Dadiseth Agiary Lane, 3 rd Floor, Kalbadevi Road Mumbai-400 002 Tel : +91 22 2201 4577, Fax : +91 22 2205 6350
Whether listed company	Listed Company
Name, address and contact details of Registrar and Transfer Agent, if any	Purva Sharegistry (India) Pvt. Ltd. No. 9, Shiv Shakti Ind. Estate, Gr. Floor, J. R. Boricha Marg, Lower Parel, Mumbai-400 011 Tel : +91 22 2301 8261 / 0771

II. Principal Business Activities of the Company		
All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:		
Name and Description of main Businesses	NIC Code of Business	% of Total Turnover of the Company
Manufacturing of Grey Fabrics (Cotton and Cotton mixture Fabrics)	13121	99.72%

III. Details of Subsidiary / Associate / Holding Companies				
Name & Address of Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
Not Any	Not Applicable	Not Applicable	Not Applicable	Not Applicable

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as % of Total Equity)
Category wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	28382750	-	28382750	21.73	28382750	-	28382750	21.73	-
b) Central Govt. (s)	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FIs	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub Total A(1)	28382750	-	28382750	21.73	28382750	-	28382750	21.73	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FIs	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub Total A(2)									
Total Shareholding of Promoters (A1) + (A2)	28382750	-	28382750	21.73	28382750	-	28382750	21.73	-
B. Public Shareholding									
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds / UTI	-	494000	494000	0.38	-	494000	494000	0.38	-
b) Banks / FI	359	-	359	0.00	359	-	359	0.00	-
c) Central Govt. (s)	-	-	-	-	-	-	-	-	-
d) State Govt. (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub Total B(1)	359	494000	494359	0.38	359	494000	494359	0.38	-
(2) Non-Institutions									
a) Bodies Corporate									
i. Indians	15937517	80000	16012517	12.26	13460766	75000	13535766	10.37	1.89
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i. Individual Shareholders holding nominal share capital up to ₹ 2 lakh	56042689	1079400	57122089	43.73	57983562	1078000	59061562	45.21	1.49
ii. Individual Shareholders holding nominal share capital in excess of ₹ 2 lakh	19266229	-	19266229	14.75	19926876	-	19926876	15.25	0.50
c) Others (Specify)									
i. HUF	2638361	-	2638361	2.02	2644347	-	2644347	2.02	0.00
ii. Clearing Members	1041538	-	1041538	0.80	1230341	-	1230341	0.94	0.14
iii. NRI	5668157	5000	5673157	4.34	5349999	5000	5354999	4.10	0.24
iv. Trust	-	-	-	-	-	-	-	-	-
Sub Total B(2)	100594491	1164400	101753891	77.89	100595891	1158000	101753891	77.89	-
Total Public Shareholding B = B(1) + B(2)	100594850	1658400	102248250	78.27	100596250	1652000	102248250	78.27	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	128977600	1658400	130631000	100.00	128979000	1652000	130631000	100.00	-

ii) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding during and at the end of the year			% change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
Prabhu Dayal Sureka	8,713,000	6.67%	Nil	8,713,000	6.67%	Nil	N.A.
Narendra Kr. Sureka	6,797,500	5.20%	Nil	6,797,500	5.20%	Nil	N.A.
Pradeep Kr Sureka	5,115,500	3.92%	Nil	5,115,500	3.92%	Nil	N.A.
Narendra Kr. Sureka, HUF	3,148,500	2.41%	Nil	3,148,500	2.41%	Nil	N.A.
Urmila Devi Sureka	1,633,750	1.25%	Nil	1,633,750	1.25%	Nil	N.A.
Annpurna Devi P Sureka	1,165,500	0.89%	Nil	1,165,500	0.89%	Nil	N.A.
Archit P Sureka	1,100,000	0.84%	Nil	1,100,000	0.84%	Nil	N.A.
Pradeep Kr Sureka, HUF	648,000	0.50%	Nil	648,000	0.50%	Nil	N.A.
Neha N Sureka	36,000	0.03%	Nil	36,000	0.03%	Nil	N.A.
Ruchi N Sureka	25,000	0.02%	Nil	25,000	0.02%	Nil	N.A.

iii) Change in Promoters' Shareholding (Please specify, if there is no change)

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Date of Changes	Reason for Changes
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company		
At the beginning of the year	28382750	21.73	28382750	21.73	No Changes	
At the end of the Year	28382750	21.73	28382750	21.73		

iv) Shareholding of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs & ADRs)

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date wise increase/ decrease in Shareholding	Shareholding during and at the end of the year	
	No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of Co.
Shilpa Agarwal	28,72,000	2.20	No Change	28,72,000	2.20
True Capital And Finance Pvt. Ltd.	20,78,000	1.59	No Change	20,78,000	1.59
Nectar Dealtrade Private Limited	20,55,760	1.57	No Change	20,55,760	1.57
Vijaya Devi	15,83,000	1.21	No Change	15,83,000	1.21
Mrigank Singhal	15,12,364	1.16	No Change	15,12,364	1.16
Hillview Impex Private Limited	14,60,500	1.12	No Change	14,60,500	1.12
Manav Agarwal	12,82,000	0.98	No Change	12,82,000	0.98
Rajesh Anchalwar	10,03,319	0.77	No Change	10,03,319	0.77
Madhavi Vemulapalli	0	0.00	Refer Note 1 below	9,63,000	0.74
Lakshmi Sriramulu	8,10,000	0.62	No Change	8,10,000	0.62

Note 1 : The Equity Shares of the Company are frequently traded on BSE and the Company does not procure Beneficiary Positions (BENPOS) on daily basis from Depositories. Due to these reasons the Company is unable to provide details of date wise change in Shareholding of top 10 shareholders during the current financial year.

v) Shareholding of Directors and Key Managerial Personnel				
For Each of Directors & KMP	Shareholding at the beginning of the year		Shareholding during the year and at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Narendra Kr. Sureka				
At the beginning of the year / at the end of the year	6797500	5.20	6797500	5.20
Pradeep Kr. Sureka				
At the beginning of the year / at the end of the year	5115500	3.92	5115500	3.92
Urmila Devi Sureka				
At the beginning of the year / at the end of the year	1633750	1.25	1633750	1.25
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	Not Applicable (As there is no change in Shareholding of any of the Directors and Key Managerial Person either at the beginning or at the end of year)			

In Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans Excluding deposits ₹ in Lakh	Unsecured Loans ₹ in Lakh	Deposits ₹ in Lakh	Total Indebtedness ₹ in Lakh
Indebtedness at the beginning of the financial year				
i. Principal Amount	655.08	51.88	Nil	706.96
ii. Interest due but not Paid	Nil	Nil	Nil	Nil
iii. Interest Accrued but not due	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
· Addition	Nil	Nil	Nil	Nil
· Reduction	12.49	19.60	Nil	32.09
Indebtedness at the end of the financial year				
i. Principal Amount	642.59	32.28	Nil	674.87
ii. Interest due but not Paid	Nil	Nil	Nil	Nil
iii. Interest Accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	642.59	32.28	Nil	674.87

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

S r . No.	Particulars Remuneration	of Narendra Kr. Sureka (MD)	Pradeep Kr. Suareka (WTD)	Mamta Jain Co. Secretary	Archit P. Sureka CFO
1.	Gross Salary	₹ 6,00,000/-	₹ 6,00,000/-	₹ 2,40,000/-	₹ 4,20,000/-
2.	Value of Perquisites	₹ 21,600/-	₹ 21,600/-	Nil	₹ 21,600/-
3.	Stock Options	Nil	Nil	Nil	Nil
4.	Sweat Equity	Nil	Nil	Nil	Nil
5.	Commission	Nil	Nil	Nil	Nil
6.	Others (Please specify)	Nil	Nil	Nil	Nil

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. Company					
Penalty			No Instance		
Punishment					
Compounding					
B. Directors					
Penalty			No Instance		
Punishment					
Compounding					
C. Other Officers in Default					
Penalty			No Instance		
Punishment					
Compounding					

Annexure to the Directors' Report

CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) read with Schedule V of SEBI LODR Regulations, 2015 (hereinafter referred as "Listing Regulations") along with other requirements as specified in Schedule V of these regulations, Compliance with the requirements of Corporate Governance is set out below.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's governance philosophy is based on trusteeship, transparency and accountability. As a corporate citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust of our stakeholders. The Company's Code of Business Conduct and Ethics, Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders and the Charter-Business for Peace are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliances.

The Company's governance framework is based on the following principles:

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- Timely disclosure of material operational and financial information to the stakeholders;
- Availability of Information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties;
- Systems and processes in place for internal control; and
- Proper business conduct by the Board, Senior Management and Employees.

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, Nomination & Remuneration Committee and Stakeholders' Relationship 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 six 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. The Chairman of the Board is an Executive Director.

The composition and category of the Board of Directors as at March 31, 2017, 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 Listed Co.	Committee Chairmanship of other Listed Co.	No. of Directorship of other Listed Co.
Mr. Narendra Kumar Sureka*	Managing Director	01963265	6 th July 1987	Nil	Nil	Nil
Mr. Pradeep Kumar Sureka	Whole time Director	01632706	6 th July 1987	Nil	Nil	Nil
Mrs. Urmila Devi Sureka	Non-Executive Non – Independent Director	02344028	23 rd March 2015	Nil	Nil	Nil
Mr. Pramod Kumar Bajaj	Independent Director	01438374	1 st Feb. 2005	Nil	Nil	Nil
Mr. Aditya P. Khaitan	Independent Director	07009083	13 th Feb 2015	Nil	Nil	Nil
Mr. Parag S. Ambavane	Independent Director	07255656	11 th Jan 2016	Nil	Nil	Nil

*Chairman of the Board

Notes:

1. Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.
2. Chairmanship/Membership of Committee only includes Audit Committee and Stakeholders' Relationships Committee in Indian Public Limited companies other than M/s. Tuni Textile Mills Limited.
3. Members of the Board of the Company do not have membership of more than ten Board-level Committees or Chairperson of more than five such Committees.
4. Apart from Mr. Narendra P. Sureka, Mr. Pradeep Kr. Sureka and Mrs. Urmila Devi Sureka, who are family members, no Directors are related with each other.
5. Details of Director(s) retiring or being re-appointed are given in notice to Annual General Meeting.

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 to meet with requirements of Regulation 16(b) of Listing Regulations. Further, none of the Independent Director is serving more than seven listed companies. A formal letter of appointment to Independent Director as provided in Companies Act, 2013 and the Listing Regulations has been issued and draft of the same has been disclosed on website of the Company.

BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiaries. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board is circulated to the Directors well in advance to facilitate the Directors to plan their schedules. In case of business exigencies, the Board's calls the meeting as per requirements of prevailing Act.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company.

Information placed before the Board

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective meetings or by way of presentations and discussions during the meeting.

Post Meeting Mechanism

The important decisions taken at the Board / Board Committee meetings are communicated to the concerned department/s and/or division.

Board Support

The Company Secretary attends the Board meetings and advises the Board on Compliances with applicable laws and governance.

Familiarization Programme for Directors

At the time of appointing Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected of him/her as a Director of the Company. The Director is also explained in detail the Compliance required from him/her under the Companies Act, 2013, requirements of Listing Regulations, 2015 and other relevant regulations and affirmation taken with respect to the same. The Chairman & Managing Director also has one to one discussion with the newly appointed Director to familiarize him/her with the Company's operations. Further, the Company has put in place a system to familiarize the Independent Directors about the Company, its services, business and the on-going events relating to the Company.

Further, at the time of appointment of Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a Director. The format of the letter of appointment is available on Company website.

Details of Board Meetings

The Board of Directors met 7 times on 16th May, 30th May, 5th August, 10th November and 24th November in year 2016 and on 10th February and 23rd March in the year 2017 during the financial year 2016-2017.

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

Name	Designation	Attendance at the AGM	Meetings Attended
Narendra Kumar Sureka*	Chairman & CEO	Yes	7
Pradeep Kumar Sureka	Executive Director	Yes	7
Mrs. Urmila Devi Sureka	Non-Executive Director	Yes	7
Pramod Kumar Bajaj	Independent Director	Yes	7
Mr. Aditya P. Khaitan	Independent Director	Yes	7
Mr. Parag S. Ambavane	Independent Director	Yes	7

*Chairman of the Board

AUDIT COMMITTEE

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulations. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function.

TERMS OF REFERENCE

The Audit Committee inter alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting system, internal controls system, discussion on financial results, interaction with

Statutory and Internal Auditors, one-on-one meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory Auditors and their remuneration, recommendation for the appointment and remuneration of Internal Auditors, Review of Business Risk Management Plan, Management Discussions and 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 provisions of section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. 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.

FUNCTIONS OF AUDIT COMMITTEE

The Audit Committee, while reviewing the Annual Financial Statements also reviews the applicability of various Accounting Standards (AS) referred to in Section 133 of the Companies Act, 2013. Compliance of the Accounting Standards as applicable to the Company has been ensured in the preparation of the Financial Statements for the year ended March 31, 2017.

The Audit Committee bridges the gap between the Internal Auditors and the Statutory Auditors. To ensure good Governance, the Company has been rotating Partners of Statutory Auditors. The Statutory Auditors are responsible for performing Independent audit of the Company's financial statements in accordance with the generally accepted auditing practices and issuing reports based on such audits, while the Internal Auditors are responsible for the internal risk controls.

Besides the above, Chairman and Managing Director, Chief Financial Officer, the representatives of the Statutory Auditors and the Internal Auditors are permanent invitees to the Audit Committee Meetings. The Company Secretary acts as a Secretary to the Committee as required by Regulation 18(1)(e) of the Listing Regulations.

The Company follows best practices in financial reporting. The Company has been reporting on quarterly basis, the Un-audited Financial Results as required by the Regulation 33 of the Listing Regulations. The Company's quarterly Un-audited Standalone Financial Results are made available on the website www.tunitextiles.com and are also sent to the Stock Exchanges where the Company's equity shares are listed for display at their respective websites.

The Audit Committee also oversees and reviews the functioning of a vigil mechanism (implemented in the Company as a Whistle Blower Policy) and reviews the finding of investigation into cases of material nature and the actions taken in respect thereof.

INTERNAL CONTROLS AND GOVERNANCE PROCESSES

The Company continuously invests in strengthening its internal control and processes. The Audit Committee along with the CFO formulates a detailed plan to the Internal Auditors for the year, which is reviewed at the Audit Committee Meetings. The Internal Auditors attend the meetings of Audit Committee at regular intervals and submit their recommendations to the Audit Committee and provide a road map for the future.

CONSTITUTION OF MEETINGS OF AUDIT COMMITTEE

The composition of Audit Committee was re-constituted in the meeting of Board of Directors held on 16th May 2016.

The members of Audit Committee met five times on dated 16th May, 30th May, 5th August and 10th November in year 2016 and on 10th February in the year 2017 during the financial year ended on 31st March 2017.

Name	Number of Meetings Held	Meetings Attended
Mr. Pramod Kumar Bajaj*	5	5
Mr. Aditya P. Khaitan	5	5
Mr. Narendra Kr. Sureka	5	5

*Chairman of Committee

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of three Non-executives, Independent Directors. All

members of the Nomination and Remuneration Committee are financially literate and they have accounting or related financial management expertise. The Composition of Remuneration and Nomination Committee is pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations.

Terms of Reference

The Board has framed the Remuneration and Nomination Committee Charter which ensure effective Compliance of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations, which are as follows:

- Reviewing the overall compensation policy, service agreements and other employment conditions of Managing/Whole-time Director(s) and Senior Management (one level below the Board);
- to help in determining the appropriate size, diversity and composition of the Board;
- to recommend to the Board appointment/reappointment and removal of Directors;
- to frame criteria for determining qualifications, positive attributes and independence of Directors;
- to recommend to the Board remuneration payable to the Directors (while fixing the remuneration to Executive Directors the restrictions contained in the Companies Act, 2013 is to be considered);
- to create an evaluation framework for Independent Directors and the Board;
- to provide necessary reports to the Chairman after the evaluation process is completed by the Directors;
- to assist in developing a succession plan for the Board;
- to assist the Board in fulfilling responsibilities entrusted from time-to-time;
- Delegation of any of its powers to any Member of the Committee or the Compliance Officer.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR

REMUNERATION

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration. This Policy is accordingly derived from the said Charter.

Criteria of selection of Non-Executive Directors

- The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of accounting, finance, taxation, law etc. However Women Director is exempted from said criteria.
- In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director –
 - a. Qualification, expertise and experience of the Directors in their respective fields;
 - b. Personal, Professional or business standing;
 - c. Diversity of the Board.
- In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

Remuneration

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CEO & Managing Director – Criteria for selection / appointment

For the purpose of selection of the CEO & MD, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Remuneration for the CEO & Managing Director

- At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under the Companies Act, 2013.
- The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- The remuneration of the CEO & Managing Director is paid by way of salary, allowances, perquisites, amenities and retirement benefits.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Chairman and Managing Director and the Non Independent Directors was carried out by the Independent Directors. The Directors express their satisfaction with the evaluation process.

Constitution and Meetings of Nomination & Remuneration Committee

The Committee met two times during the year on dated 16th May in year 2016 and on 10th February in the year 2017 during the financial year ended on 31st March 2017.

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. Aditya P. Khaitan*	2	2
Mr. Pramod Kumar Bajaj	2	2
Mr. Parag S Ambavane	2	2

*Chairman of Committee

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholder's Relationship Committee is constituted in line with the provisions of Regulation 20 of the SEBI LODR Regulations 2015, read with Section 178 of the Act and rules made thereunder.

Terms of Reference

The Board has clearly defined the terms of reference for this committee, which generally meets once a month. The Committee looks into the matters of Shareholders / Investors grievances along with other matters listed below:

- approval of transfer of shares/debentures and issue of duplicate/split/consolidation/sub-division of share/ debenture certificates;
- opening/modification of operation and closing of bank accounts;
- grant of special/general Power of Attorney in favour of employees of the Company from time to time in connection with the conduct of the business of the Company particularly with Government and Quasi- Government Institutions; to fix record date/book closure of share/debenture transfer book of the Company from time to time;
- to appoint representatives to attend the General Meeting of other companies in which the Company is holding shares;
- to change the signatories for availing various facility from Banks/Financial Institutions;
- to carry out any other duties that may be delegated to the Committee by the Board of Directors from time-to-time.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent, Purva Sharegistry (India) Private Limited attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. The Minutes of the Stakeholders' Relationship Committee Meetings are circulated to the Board and 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 updated telephone numbers and e-mail addresses to facilitate prompt action.

Compliance Officer

The Company has appointed Ms. Mamta Jain, Company Secretary as a Compliance Officer within the meaning of Regulation 6 of Listing Regulations.

Composition of Committee and Meetings attended

During the year, four meetings of the Committee of Directors were held on 16th May, 5th August, and on 10th November in year 2016 and on 10th February in the year 2017 during the financial year ended on 31st March 2017.

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	Member	Chairman & Managing Director	4
Mr. Aditya P. Khaitan	Member	Independent, Non-Executive	4
Mr. Pramod Kr. Bajaj	Chairman	Independent, Non-Executive	4

Details of Shareholders' Complaints

There was Nil Complaint pending at the beginning of the Financial Year. During the year the Company did not receive any complaint from any of the shareholders. Further, there was no pending complaint at the close of the financial year.

As required under Regulation 40(9) of Listing Regulations, 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.

The Company has designated email id info@tunitextiles.com to lodge Investor complaints. Apart from this, the SEBI has also facilitated Investors to lodge complaints directly on SCORES on SEBI website for faster addressing and resolutions of Investor Complaints.

Independent Directors' Meeting

During the year under review, the Independent Directors met on March 31, 2017, inter alia, to discuss:

- Evaluation of the Performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the Performance of Chairman of the Company; taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

GENERAL BODY MEETINGS

Location & time for the last three Annual General Meetings :

Annual General Meeting	Date & Time	Venue
29 th Annual General Meeting	30 th September 2016, 2.30 PM	Ramee Guest Line Hotel, 462, A. B. Nair Road, Opp. Sun-N-Sand Hotel, Juhu, Vile Parle (W), Mumbai-400 049
28 th Annual General Meeting	30 th September 2015, 2.30 PM	Same as above
27 th Annual General Meeting	26 th September 2014, 11.30 AM	Same as above

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:

During Financial Year 2014-2015, following Special Resolutions were passed by Members –

- Adoption of new set of Articles of Association of the Company as per Section 14 of the Companies Act, 2013

No Special Resolutions were proposed or passed during remaining two out of last three financial years.

BOARD DISCLOSURES

Compliance with Governance Framework

The Company is in compliance with all mandatory requirements under Listing Regulations, 2015.

STRICTURES AND PENALTIES

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets activities during the last three years.

DISCLOSURE OF ACCOUNTING TREATMENT

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

RISK MANAGEMENT

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee.

SEBI / STOCK EXCHANGE COMPLIANCE

The Company has complied with all requirements of the Listing Agreement entered into with Stock Exchanges and also SEBI Listing Regulations (effective from 1st December 2015). 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.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations); with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. The Company Secretary is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

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, 2015) 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: As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the company's shares are Listed the audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

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/she 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.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website viz. www.tunitextiles.com

COMMUNICATION WITH THE MEMBERS/SHAREHOLDERS

- The unaudited quarterly / half yearly / yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the close of the financial year as per the requirements of the Listing Regulations.
- The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper and in local language (Marathi) newspaper, within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.
- The Company's financial results and official press releases are displayed on the Company's Website-www.tunitextiles.com.
- Any presentation made to the institutional investors or/and analysts are also posted on the Company's website.
- Management Discussion and Analysis forms part of the Annual Report, which is sent to the shareholders of the Company.
- The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre.
- The Company also informs by way of intimation to BSE, all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members.
- A separate dedicated section under 'Investor Relation' on the Company's website gives information on unclaimed dividends, quarterly compliance reports / communications with the Stock Exchanges and other relevant information of interest to the investors / public.

DISCLOSURES ON NON-MANDATORY REQUIREMENTS

Adoption of non-mandatory requirements of Listing Regulations is being reviewed by the Board from time-to-time.

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 30th Annual General Meeting for the financial year ended on 31st March 2017 is as follows :-

Date : Friday, 29th September, 2017
 Time : 2.45 P.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 for next financial year :

Subject Matter	Tentative Dates
Financial Reporting of 1 st Quarter ended on 30 th June 2017	Mid of August, 2017
Financial Reporting of 2 nd Quarter ended on 30 th September 2017	Mid of November, 2017
Financial Reporting of 3 rd Quarter ended on 31 st December 2017	Mid of February 2018
Financial Reporting of 4 th Quarter ended on 31 st March 2018	During May 2018
Date of Annual General Meeting	During September 2018

d. Date of Book Closure : September 23 to September 29, 2017. (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. Unclaimed Dividend / Share Certificates

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125. The details of unclaimed/unpaid dividend are available on the website of the Company viz. www.tunitextiles.com.

Section 124(6) of the Companies Act, 2013 mandates transfer of all those shares, in respect of which Unpaid or Unclaimed dividend has been transferred by the Company to the IEPF.

Details of Unclaimed Dividend and Due Dates for transfer are as follows as on March 31, 2017:

Sr. No.	Year of Declaration of Dividend	Date of Declaration of Dividend	Unclaimed Amount ₹	Due Date for transfer to IEPF Account
1.	N.A.	N.A.	N.A.	N.A.

Further, as required to be disclosed under Regulation 34(3) read with Schedule V of Listing Regulations, Nil Shares are lying at the beginning or at the close of financial year in the Suspense Account. Further the Company did not moved in/out any Equity Share in said Suspense Account during the current financial year.

h. Listing of Shares : BSE Limited

i. Listing Fees : Annual Listing Fees for Financial year 2017-2018 has been paid.

j. Stock Code & ISIN : Scrip Code 531411 on BSE.
 ISIN INE560D01027 on NSDL & CDSL

k. Market Price Data (Equity Shares of Face Value of ₹ 1/-) :

Month	Price on BSE (₹) & Volume			S&P BSE Sensex	
	High	Low	Volume	High	Low
April 2016	0.49	0.49	2,12,273	26,100.54	24,523.20
May 2016	0.50	0.49	1,28,105	26,837.20	25,057.93
June 2016	0.49	0.49	4,60,241	27,105.41	25,911.33
July 2016	0.50	0.49	2,93,840	28,240.20	27,034.14
August 2016	0.50	0.49	1,35,085	28,532.25	27,627.97
September 2016	0.49	0.49	1,42,714	29,077.28	27,716.78
October 2016	0.49	0.49	51,901	28,477.65	27,488.30
November 2016	0.50	0.49	2,18,630	28,029.80	25,717.93
December 2016	0.49	0.49	5,96,695	26,803.76	25,753.74
January 2017	0.49	0.49	1,62,408	27,980.39	26,447.06
February 2017	0.49	0.49	2,16,645	29,065.31	27,590.10
March 2017	0.49	0.49	5,25,265	29,824.62	28,716.21

l. 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 Shareregistry (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

m. Share Transfer Systems

The Share transfer is processed by the Registrar & Share Transfer Agent, Purva Shareregistry (India) Pvt. Ltd. and approved by Stakeholders' Relationship Committee, if the documents are complete in all respects, within 15 days from the date of lodgment.

n. Distribution Schedule as on 31st March 2017

Shareholding of Nominal Value of	No. of Share Holders	% of Share Holders	Total No. of Shares Held	% of Share Holding
Up to 5000	3858	63.67	7060147	5.40
5001-10000	868	14.33	7484759	5.73
10001-20000	518	8.55	7988560	6.12
20001-30000	231	3.81	5890440	4.51
30001-40000	113	1.86	4080286	3.12
40001-50000	112	1.85	5397329	4.13
50001-100000	183	3.02	14444167	11.06
100001 and Above	176	2.90	78285312	59.83
Total	6059	100.00	130631000	100.00

o. Shareholding Pattern with Categories of Shareholders as on 31st March 2017

Categories	No. of Shares	% of Shareholding
Promoters, Directors, Relatives & Person acting in concert	28382750	21.73
Indian Mutual Fund	494000	0.38
FII (Mauritius Based)	359	0.00
Private Corporate Bodies	13535766	10.36
Resident Individuals	78988438	60.47
Others (Clearing Members)	1230341	0.94
NRIs (Non-Repatriation)	3406002	2.61
NRIs (Repatriation)	1948997	1.49
Hindu Undivided Families	2644347	2.02
Total	130631000	100.00

p. 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 2017 –

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

q. 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 15 days from the date of issue of Shares.

The Shares of Company are admissible for trading on BSE Limited. As on 31st March 2017, 98.74% Equity Shares of the Company held under public category are in dematerialized form.

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

r. 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.

s. 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.

t. 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, Purva Sharegistry (India) Pvt. Ltd. to their dedicated e-mail id i.e., "purvashr@mtnl.net.in"

u. 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.

v. 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).

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

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

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

Not Any.

y. Investors' Correspondence

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

Ms. Mamta Jain - cs@tunitextiles.com

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

Email : info@tunitextiles.com ; Tel : +91 22 2201 4577, Fax : +91 22 2205 6350

bb. Plant Location

Tuni Textile Mills Limited

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

CEO / CFO Certification

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of M/s. Tuni Textile Mills Limited (“the Company”) to the best of our knowledge and belief certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year 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) We further state that 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) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) 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

Archit P. Sureka
Chief Financial Officer
Mumbai, dated 30th May 2017

For Tuni Textile Mills Limited

Narendra Kr. Sureka
DIN : 01963265
Managing Director

ANNUAL CERTIFICATE UNDER REGULATION 26(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with M/s. Tuni Textile Mills Limited Code of Business Conduct and Ethics for the year ended March 31, 2017.

For Tuni Textile Mills Limited

Narendra Kr. Sureka
DIN : 01963265
Managing Director

Mumbai, dated 30th May 2017

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of

M/s. TUNI TEXTILE MILLS LIMITED

We have examined the compliance of conditions of Corporate Governance by M/s. Tuni Textile Mills Ltd. (The Company), for the year ended March 31, 2017 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to 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 opinion on the financial statements 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 SEBI Listing Regulations, 2015.

We 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

R. S. Agarwal
Partner
Membership No. 033216

Place : Mumbai
Date : May 30, 2017

INDEPENDENT AUDITORS' 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 31 March 2017, the Statement of Profit and Loss, the 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

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

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, of the state of affairs of the Company as at March 31, 2017 and its profit and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, referred to our separate report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to our best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements (refer note no.29)
 - (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - (iv) The company has provided requisite disclosures in its financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of account maintained by the Company - Refer Note 38 to the financial statements

For R. S. AGRAWAL & ASSOCIATES

Chartered Accountants

(Firm Registration No. 100156W)

R.S. Agrawal

Partner

Membership No. 033216

Place: Mumbai

Dated: May 30, 2017

**“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE
STANDALONE FINANCIAL STATEMENTS OF TUNI TEXTILE MILLS LIMITED**

Referred to in paragraph 1 under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date

In terms of information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i. (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) according to the representation made, and to the best of our knowledge and belief, the title deeds of immovable properties are held in the name of the company.
- ii. (a) the inventories have been physically verified at the close of the year by the management. In our opinion, the frequency of verification needs to be increased. No material discrepancies, as represented to us, were noticed on such verification.
- iii. the Company has, during the year, not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Act. Accordingly the provisions of clauses (a), (b) and (c) of paragraph 3 (iii) of the Order are not applicable;
- iv. in our opinion and according to the information and explanations given to us, the Company has not granted any loans, made any investments, given any guarantee or provided any security in connection with a loan during the year. Therefore the provisions of section 185 and 186 of the Act have not been applicable to the Company;
- v. the Company has not accepted any deposit from the public and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2015 with regard to the deposits accepted from the public are not applicable;
- vi. as informed to us, the cost records, specified under sub section (1) of Section 148 of the Act for the products of the company for the year under review, have not been made and maintained by the company;
- vii. In case of 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	20902	20/06/2016	08/07/2016
		20431	20/12/2016	29/03/2017
		20431	20/01/2017	29/03/2017
		20431	20/02/2017	29/03/2017
		20431	20/03/2017	29/03/2017
b.	Profession tax	8375	30/04/2016	17/05/2016
		8375	31/05/2016	27/06/2016
		8375	30/06/2016	11/07/2016
		8575	31/07/2016	10/08/2016

Sr. no	Nature	Amount in ₹	Due date	Date deposited on
		8575	31/08/2016	17/09/2016
		8575	30/09/2016	13/10/2016
		8575	31/10/2016	18/11/2016
		6375	30/11/2016	20/01/2017
		6375	31/12/2016	20/01/2017
		10550	31/01/2017	04/03/2017
		10550	28/02/2017	27/03/2017
		14275	31/03/2017	28/04/2017
c.	Service tax	3105	05/05/2016	16/01/2017
		3473	05/06/2016	16/01/2017
		4175	05/07/2016	16/01/2017
		3616	05/08/2016	16/01/2017
		4166	05/09/2016	16/01/2017
		3871	05/10/2016	16/01/2017
		3407	05/11/2016	24/04/2017
		4246	05/12/2016	24/04/2017
		4082	05/01/2017	24/04/2017
		3419	05/02/2017	24/04/2017
		2900	05/03/2017	24/04/2017
		3566	31/03/2017	24/04/2017

There are no arrears of undisputed statutory dues as at 31st March, 2017 for the period of more than six months from the date they became payable; and

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

Name of 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.

- viii. on the basis of selective checks carried out during the course of audit, we are of the opinion that the Company has not defaulted in the repayment of loans or borrowing to banks There had been no dues payable to financial institution, Government, or debenture holders;
- ix. according to the representation made, and to the best of our knowledge and belief the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans during the year except term loan for purchase of vehicle.
- x. according to the representation made, and to the best of our knowledge and belief, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit;
- xi. according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act;
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company;
- xiii. according to the representation made, and to the best of our knowledge and belief, all transactions with the related parties are in compliance with section 177 and 188 of the Act and the details have been disclosed in the Financial Statements as required by the applicable accounting standards;
- xiv. according to the representation made, and to the best of our knowledge and belief, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of clause 3 (xiv) of the Order are not applicable to the Company;
- xv. according to the representation made, and to the best of our knowledge and belief, the company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause 3 (xv) of the Order are not applicable to the Company; and
- xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and therefore, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For R. S. AGRAWAL & ASSOCIATES

Chartered Accountants

(Firm Registration No. 100156W)

R. S. Agrawal

Partner

Membership No. 033216

Place : Mumbai.

Dated : May 30, 2017

“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF TUNI TEXTILE MILLS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Tuni Textile Mills Limited (“the Company”) as of 31st March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R. S. AGRAWAL & ASSOCIATES

Chartered Accountants
(Firm Registration No. 100156W)

R. S. Agrawal

Partner

Membership No. 033216

Place : Mumbai.

Dated : May 30, 2017

Balance Sheet as at 31st March, 2017

(Amount in ₹)

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	13,17,92,500	13,17,92,500
(b) Reserves and surplus	3	(63,51,596)	(69,13,560)
2 Non-current liabilities			
(a) Long-term borrowings	4	34,00,896	56,86,156
(b) Long-term provisions	5	7,97,048	21,90,664
3 Current liabilities			
(a) Short-term borrowings	6	6,40,85,901	6,50,10,266
(b) Trade payables	7	5,14,80,012	3,71,19,968
(c) Other current liabilities	8	84,18,406	26,71,248
(d) Short-term provisions	9	8,20,467	5,89,572
TOTAL		25,44,43,634	23,81,46,814
II. ASSETS			
Non-current assets			
1 Fixed assets			
(i) Tangible assets	10	2,26,52,428	3,01,08,153
(ii) Intangible assets		-	-
(iii) Capital work-in-progress	10	-	-
(b) Non-current investments	11	15,95,989	15,95,989
(c) Deferred tax assets (net)	12	62,91,542	68,37,969
(d) Long-term loans and advances	13	7,05,953	7,05,953
(e) Other non-current assets	14	46,25,950	44,14,746
2 Current assets			
(a) Inventories	15	11,24,41,624	9,79,81,444
(b) Trade receivables	16	9,92,42,017	8,86,37,321
(c) Cash and cash equivalents	17	4,77,662	13,18,970
(d) Short-term loans and advances	18	59,18,076	61,68,612
(e) Other current assets	19	4,92,394	3,77,659
TOTAL		25,44,43,634	23,81,46,814

Contingent Liabilities and Commitments

29

(To the extent not provided for)

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

Pradeep Kumar Sureka
Whole Time Director

R. S. Agrawal
Partner
Membership no. 033216

Archit Sureka
Chief Financial Officer

Mamta Jain
Company Secretary

Mumbai, 30th May'2017

Statement of Profit and Loss for the year ended 31st March, 2017

(Amount in ₹)

Particulars	Note No.	For the year ended 31.03.2017	For the year ended 31.03.2016
I. Revenue from operations	20	28,05,41,937	41,94,34,158
II. Other income	21	7,76,298	23,92,464
III. Total Revenue (I + II)		28,13,18,234	42,18,26,622
IV. Expenses:			
Cost of materials consumed	22	7,14,24,310	6,31,59,465
Purchases of Stock-in-Trade	23	16,75,42,670	30,81,53,281
Changes in inventories	24	(1,39,48,284)	(44,76,790)
Employee benefits expense	25	1,59,07,847	1,52,95,756
Finance costs	26	87,80,528	81,46,660
Depreciation and amortization expense	10	73,98,452	78,52,071
Other expenses	27	2,45,13,641	2,17,59,171
Total expenses		28,16,19,164	41,98,89,614
V. Profit before exceptional and extraordinary items and tax (III-IV)		(3,00,930)	19,37,008
VI. Exceptional items:			
Provision for Gratuity no longer required written back		(14,09,321)	-
VII. Profit before extraordinary items and tax (V - VI)		11,08,391	19,37,008
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		11,08,391	19,37,008
X. Tax expense:			
(1) Current tax		2,11,204	3,69,097
(2) Deferred tax		5,46,427	3,52,035
(2) MAT Credit Entitlement		(2,11,204)	(3,69,097)
(4) Tax adjustment for earlier years		-	5,856
XI Profit (Loss) for the period from continuing operations (VII-VIII)		5,46,427	3,57,891
XII Less/(Add) : Adjustments for earlier years			
Tax adjustments		-	-
MAT Credit Entitlement		-	-
XIII Profit (Loss) for the period from continuing operations (VII-VIII)		5,61,964	15,79,117
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)		5,61,964	15,79,117
XVIII Earnings per equity share:			
Basic and Diluted	28	0.004	0.012
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

Pradeep Kumar Sureka

Whole Time Director

R. S. Agrawal

Partner

Membership no. 033216

Archit Sureka

Chief Financial Officer

Mamta Jain

Company Secretary

Mumbai, 30th May'2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in `)

	2016-2017		2015-2016	
(A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extraordinary items	1,108,391		1,937,008	
Adjustment for				
Depreciation	7,398,452		7,852,071	
Profit / Loss on sale of fixed assets	273,559		300,342	
Interest on late payment of taxes	-		-	
Interest / other income	(738,779)		(2,392,464)	
Dividend	(37,519)		-	
Interest expenses	8,780,528		8,146,660	
Operating profit before working capital changes	16,784,633		15,843,617	
Adjustment for				
Trade and other receivables	(10,468,895)		(39,158,731)	
Inventories	(14,460,180)		(3,852,761)	
Trade payables	18,961,517		11,835,300	
Cash generated from operations	10,817,075		(15,332,575)	
Direct taxes paid	(228,242)		(383,963)	
Cash flow before extraordinary items	10,588,833		(15,716,538)	
Prior period items	-		-	
Extraordinary items	-		-	
NET CASH FLOW FROM OPERATING ACTIVITIES		10,588,833		(15,716,538)
(B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(260,340)		(1,545,307)	
Sale of fixed assets	44,053		110,000	
Movement of advances for capital goods	-		-	
(Purchase) / sale of investments (Net)	-		(500,000)	
(Increase) / decrease in deposits	-		-	
Interest / other income	738,779		2,392,464	
Dividend received	37,519		-	
NET CASH USED IN INVESTING ACTIVITIES		560,011		457,157
(C) CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital	-		-	
Proceeds from long term borrowings	-		1,186,156	
Repayment of long term borrowings	(2,285,260)		(2,609,218)	
Proceeds from short term borrowings	-		-	
Repayment of short term borrowings	-		-	
Change in working capital borrowing from banks	(924,366)		24,791,344	
Interest paid	(8,780,528)		(8,146,660)	
NET CASH FROM FINANCING ACTIVITIES		(11,990,153)		15,221,622
NET INCREASE IN CASH AND CASH EQUIVALANTS (A+B+C)		(841,310)		(37,759)
OPENING BALANCE OF CASH AND CASH EQUIVALANTS		1,318,972		1,356,730
CLOSING BALANCE OF CASH AND CASH EQUIVALANTS		477,662		1,318,972

Notes to cash flow statement:

- The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on "Cash Flow Statement" prescribed in the Companies (Accounting Standards) Rules, 2006.
- 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

Pradeep Kumar Sureka
Whole Time Director

R. S. Agrawal
Partner
Membership no. 033216

Archit Sureka
Chief Financial Officer

Mamta Jain
Company Secretary

Mumbai, 30th May'2017Mumbai, 30th May'2017

NOTE "1": SIGNIFICANT ACCOUNTING POLICIES

(annexed to and forming part of the financial statements for the year ended 31st March, 2017)

1. SYSTEM OF ACCOUNTING

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis.

2. USE OF ESTIMATES

The preparation of financial statements requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual reserves and estimates are recognised in the period in which the results are known/materialised.

3. FIXED ASSETS:

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

4. 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.

5. DEPRECIATION:

- a) Premium on leasehold land is amortised over the period of the lease term.
- b) Depreciation on fixed assets is provided under the "straight line method" based on the useful lives of assets as prescribed under Part C of Schedule II to the Act.
- 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 put to use.
- 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.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. 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 Profit & Loss Account.

18. 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:

(Amount in ₹)

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number	Amount	Number	Amount
Note "2" :SHARE CAPITAL				
Authorised				
Equity Shares of ₹ 1/- each	135000000	13,50,00,000	135000000	13,50,00,000
Issued,Subsribed and Paid up				
Equity Shares of ₹ 1/- each	130631000	13,06,31,000	130631000	13,06,31,000
Add: Forfeited shares (amount originally paid up in respect of 227500 shares)	-	11,61,500	-	11,61,500
Total	130631000	13,17,92,500	130631000	13,17,92,500

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:-

(Amount in ₹)

Particulars	As at 31 March 2017		As at 31 March 2016	
	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	As at	As at
	31 March 2017	31 March 2016
a. Capital Reserves		
Balance as per the last financial statements	45,00,000	45,00,000
Sub-total	45,00,000	45,00,000
b. Securities Premium Account		
Balance as per the last financial statements	75,85,627	75,85,627
Sub-total	75,85,627	75,85,627
c. Surplus in the Statement of Profit and Loss		
Balance or (deficit) as per the last financial statements	(1,89,99,187)	(2,05,78,304)
Adjustment relating to fixed assets (refer note no 36)		
Add/ (Less) : Depreciation	-	-
Add/ (Less) : Deferred Tax	-	-
Add/(Less): Net Profit/(Loss) for the year	5,61,964	15,79,117
Sub-total	(1,84,37,223)	(1,89,99,186.93)
Total	(63,51,596)	(69,13,560)

Notes on Financial Statements:

(Amount in ₹)

Note "4": LONG-TERM BORROWINGS	As at 31 March 2017	As at 31 March 2016
Secured		
Term Loans from banks (refer note no 4.1)	1,72,731	4,97,780
Unsecured		
Loans and advances from related parties (refer note no 4.2 and 33)	32,28,165	51,88,376
Total	34,00,896	56,86,156

4.1 : Terms of Repayment and Security details of Term Loans :	
Name of the Bank	ICICI Bank Ltd.
Type of Loan	Vehicle Loan
Loan Account No.	LAMUM00033629701
Amount sanctioned	9,38,000
Amount availed	9,38,000
Sanction Date	10.11.2015
Rate of Interest	9.99%
Total No.of Instalments	36
No.of Instalments paid	18
No.of balance Instalments to be paid	18
Amount of Instalment	36 installment of ₹ 30016
Repayment Type	Monthly
Nature of Security	
1.Term Loans from ICICI Bank is secured by Hypothecation of specific vehicles.	
2.Personally guaranteed by two directors of the company.	
Installments falling due in respect of all the above loans upto 31.03.2018 have been taken in "Other current liabilities" under the head "Current maturities of long term debts" (Refer note no.8)	

4.2 Maturity profile of other unsecured loans are as under:		
Name of lender	Narendra kumar Sureka	Pradeep kumar Sureka
Loan Referance No.	1	2
Amount taken (₹)	1079296	2148869
Interest rate	Interest free	Interest free
Repayment of loan	After 1/4/2017	After 1/4/2017

Particulars	As at 31.03.2017	As at 31.03.2016
Note 5: LONG TERM PROVISIONS		
Provision for employee benefits		
Gratuity (unfunded)	7,82,648	21,58,464
Leave Encashment (unfunded)	14,400	32,200
Total	7,97,048	21,90,664

Notes on Financial Statements:

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:-

(Amount in ₹)

	2016-2017	2015-2016
Employer's Contribution to Provident Fund	1,33,580	1,07,041
Employer's Contribution to superannuation Fund	-	-
Employer's Contribution to Pension Fund	-	-

ii) Defined Benefit Plan

Leave Encashment: During the year 2016-17, the amount paid to employees as leave encashment is ₹ NIL

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.

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

Particulars	Gratuity (Unfunded)	
	2016-2017	2015-2016
Defined Benefit obligation at beginning of the year	22,14,629	13,91,014
Current Service Cost	4,81,291	4,40,900
Interest Cost	2,10,759	1,43,476
Actuarial (gain) / loss	(17,87,275)	2,39,239
Benefits paid	(32,660)	-
Settlement cost	-	-
Defined Benefit obligation at year end		
Current Liability	3,04,096	56,164
Non-Current Liability	7,82,648	21,58,465

II. Reconciliation of Opening and closing balances of fair value of plan assets:

Particulars	Gratuity (Unfunded)	
	2016-2017	2015-2016
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	-	-

Notes on Financial Statements:

(Amount in ₹)

III. Reconciliation of fair value of assets and obligations:

Particulars	Gratuity (Unfunded)	
	2016-2017	2015-2016
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").

Particulars	Gratuity (Unfunded)	
	2016-2017	2015-2016
Current Service Cost	4,81,291	4,40,900
Interest Cost	2,10,759	1,43,476
Expected return on plan assets	-	-
Actuarial (gain) / loss	(17,87,275)	2,39,239
Net Cost	(10,95,225)	8,23,619

V. Actuarial Assumption

Particulars	Gratuity (Unfunded)	
	2016-2017	2015-2016
Mortality Table (LIC)	LIC 1994-96 Mortality Table	LIC 1994-96 Mortality Table
Discount rate (per annum)	7.35%	7.90%
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.

Note 6: SHORT TERM BORROWINGS	As at 31.03.2017	As at 31.03.2016
Secured		
Loans repayable on demand from banks:		
Working Capital Loan	6,40,85,901	6,50,10,266
Nature of Security :		
1. The working capital loan from G.P. Parsik Bank is secured against hypothecation of stocks, book debts and Plant & Machinery of the company.		
2. Collaterally secured by simple mortgage of lands and buildings located at B-4 and B-5 MIDC industrial Area, Murbad, Dist. Thane		
3. Also personally guaranteed by 3 directors and CFO of the company .		
Total	6,40,85,901	6,50,10,266

Notes on Financial Statements:

(Amount in ₹)

Particulars	As at 31.03.2017	As at 31.03.2016
Note 7: TRADE PAYABLES		
Due to Micro and Small Enterprises *	-	-
Others	5,14,80,012	3,71,19,968
* 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 31.03.2016		
Note 8: OTHER CURRENT LIABILITIES		
Current maturities of long-term debts (refer note no 4.1)	3,25,048	2,94,241
Statutory Liabilities	11,59,868	12,29,248
Security deposits	4,47,120	5,82,586
Advance from Customers	1,04,895	1,80,589
Advance against sale of fixed assets	60,00,000	-
Other accrued expenses to related parties (refer note no.33)	33,000	11,290
to others	3,48,475	3,73,294
Total	84,18,406	26,71,248
Note 9: SHORT TERM PROVISIONS		
Provision for employee benefits	3,04,096	56,165
Provision for Taxation (net of taxes paid)	5,16,371	5,33,407
Provision for Tax	20,63,365	18,52,161
Less : Advance tax	15,46,994	13,18,754
Total	8,20,467	5,89,572

Notes on Financial Statements:

(Amount in ₹)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK			
	As on 31.03.2016	Additions during the year	Deduction during the year	As on 31.03.2017	Total upto 31.03.2016	Provided for the year	WDV adjusted against Opening P & L A/c	Written back during the year	Total upto 31.03.2017	Total as on 31.03.2017	Total as on 31.03.2016
Tangible Asset											
Leasehold Land	205329.03	0.00	0.00	205329.03	6476.00	3238.00	0.00	0.00	9714.00	195615.03	198853.03
Free hold land	5966514.14	0.00	0.00	5966514.14	190416.00	95208.00	0.00	0.00	285624.00	5680890.14	5776098.14
Factory Building	10564916.39	210840.00	0.00	10775756.39	5155733.08	725891.00	0.00	0.00	5881624.08	4894132.31	5409183.31
Office Premises	913147.00	0.00	0.00	913147.00	182331.70	17460.00	0.00	0.00	199791.70	713355.30	730815.30
Plant & Machineries	42982921.00	0.00	0.00	42982921.00	28145968.32	5892576.25	0.00	0.00	34038544.57	8944376.43	14836952.68
Electrical equipment	2853657.65	0.00	0.00	2853657.65	2036780.06	133378.00	0.00	0.00	2170158.06	683499.60	816877.60
Furniture & Fixtures	297295.04	0.00	0.00	297295.04	282182.53	3536.00	0.00	0.00	285718.53	11576.51	15112.51
Office Equipments	838264.00	26000.00	0.00	864264.00	585049.62	96741.62	0.00	0.00	681791.24	182472.76	253214.38
Computers	815537.00	23500.00	0.00	839037.00	659320.57	65004.43	0.00	0.00	724325.00	114712.00	156216.43
Vehicles #	3427039.47	0.00	1607277.00	1819762.47	1512210.12	365419.00	0.00	1289664.64	587964.48	1231797.99	1914829.35
TOTAL AS AT 31.03.2017	68864620.72	260340.00	1607277.00	67517683.72	38756467.99	7398452.30	0.00	1289664.64	44865255.64	22652428.08	30108152.73
TOTAL AS AT 31.03.2016	70113195.81	1545307.00	2793882.09	68864620.72	33287937.16	7852071.09	0.00	2383540.26	38756467.99	30108152.73	36825258.65

Stand in name of Director

Notes on Financial Statements:

(Amount in ₹)

Particulars	As at 31.03.2017	As at 31.03.2016
Note 11: NON CURRENT INVESTMENTS		
Long term investments (at cost)		
Immovable Properties [refer note no.29(b)(i)]	9,52,500	9,52,500
Unquoted: Investments in fully paid equity instruments		
G.P. Parsik Bank (50000 equity shares having face value of ₹ 10/- each)	5,00,000	5,00,000
Other Non- Current Investment		
Gold coin (50gms)	1,43,489	1,43,489
Total	15,95,989	15,95,989
Note 12: DEFERRED TAX ASSETS(net)		
Deferred Tax Liabilities:		
Difference between book and tax depreciation	(15,19,736)	(2,43,386)
Deferred Tax Assets:		
Gratuity	3,35,804	6,84,320
Business Losses	41,20,828	55,98,438
Deferment of Allowances	3,15,174	3,11,825
Total	62,91,542	68,37,969
Note 13: LONG TERM LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Advance for Capital Goods [refer note no.29(b)(ii)]	-	-
Security Deposits	7,05,953	7,05,953
Total	7,05,953	7,05,953
Note 14: OTHER NON CURRENT ASSETS		
Long term deposits with banks having maturity more than 12 months	9,95,784	9,95,784
MAT Credit Entitlement	36,30,166	34,18,962
Total	46,25,950	44,14,746
Note 15: INVENTORIES		
(Refer note 1.5)		
Raw Materials and components	2,67,76,750	2,64,75,054
Work-in-progress	32,48,700	31,32,000
Finished goods	8,06,80,574	6,68,48,990
Stores and spares	17,35,600	15,25,400
Total	11,24,41,624	9,79,81,444

Notes on Financial Statements:

(Amount in ₹)

Note 16:TRADE RECEIVABLES	As at 31.03.2017	As at 31.03.2016
Unsecured,considered good		
Outstanding over six months	2,50,24,137	46,37,041
Others	7,42,17,880	8,40,00,280
Total	9,92,42,017	8,86,37,321

Note 17:CASH AND BANK BALANCES		
Cash and Cash equivalents		
Balances with Bank	3,29,019	11,126
In Deposit accounts (less than 3 months maturity)	-	-
Cash on hand	1,48,643	13,07,843
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	9,95,784	9,95,784
Less:- Long term deposits with maturity more than 12 months considered under "Other Non Current Assets"	9,95,784	9,95,784
Total	4,77,662	13,18,970

Note 18:SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Sales Tax Receivable	18,08,124	24,45,823
Advance to suppliers	36,51,530	30,79,388
Advance to Staff	1,56,835	1,75,000
Prepaid expenses	69,788	1,41,903
Others	2,31,799	3,26,498
Total	59,18,076	61,68,612

Note 19:OTHER CURRENT ASSETS		
Interest accrued but not due on fixed deposits	4,92,394	3,77,659
Other Current Assets	-	-
Total	4,92,394	3,77,659

Notes on Financial Statements:

(Amount in ₹)

Particulars	2016-2017	2015-2016
Note 20: REVENUE FROM OPERATION		
Sale of Products :		
Fabrics:		
Grey Fabrics	9,21,11,130	10,32,33,249
Finished Fabrics*	1,72,83,091	-
Goods traded in:		
Grey Fabrics	-	26,20,427
Finished Fabrics	16,31,17,624	30,74,38,311
	27,25,11,845	41,32,91,987
Sale of Services :		
Job charges	78,30,108	60,19,608
Other operating revenue		
Scrap Sale	1,37,835	1,22,563
Export incentives	62,149	-
Total	28,05,41,937	41,94,34,158
* Finished Fabrics		
Local	1,61,65,335	-
Export	11,17,756	-

Note 21: OTHER INCOME		
Rent (Refer note 21.a)	-	19,11,229
Dividend	37,519	-
	-	-
Interest	7,38,779	4,81,235
Total	7,76,298	23,92,464

Note 22: COST OF MATERIALS CONSUMED		
Yarn	7,14,24,310	6,31,59,465
Total	7,14,24,310	6,31,59,465

Note 23: PURCHASES OF STOCK IN TRADE		
Grey Fabrics	14,95,264	23,82,565
Finished Fabrics	16,60,47,406	30,57,70,716
Total	16,75,42,670	30,81,53,281

Notes on Financial Statements:

(Amount in ₹)

Note 24:CHANGES IN INVENTORIES	2016-2017	2015-2016
Opening Stock:		
Finished Goods	6,68,48,990	6,22,78,900
Stock in process	31,32,000	32,25,300
Closing Stock:		
Finished Goods	8,06,80,574	6,68,48,990
Stock in process	32,48,700	31,32,000
Total	(1,39,48,284)	(44,76,790)

Note 25: EMPLOYEE BENEFIT EXPENSE		
Salaries and Wages	1,54,53,793	1,43,23,705
Contribution to Provident and Other Funds	4,54,054	9,72,051
Total	1,59,07,847	1,52,95,756

Note 26:FINANCE COST		
Interest expense on		
Term Loans	-	1,11,128
Working Capital Loans	70,55,105	58,47,867
Delayed payment interest	6,354	13,385
Others	17,19,069	21,74,280
Total	87,80,528	81,46,660

Note 27:OTHER EXPENSES		
A) Manufacturing Expenses		
Job charges	53,44,861	45,67,468
Beam Making and mending charges	14,75,755	14,41,213
Dyeing charges	26,63,157	-
Packing charges	2,24,395	-
Warping charges	8,42,026	7,99,992
Power and fuel (refer note 33)	40,67,778	49,31,148
Water expenses	1,49,444	1,91,044
Stores and spares consumed	18,41,148	15,58,924
Repairs and maintenance :		
Building	11,486	1,51,270
Machine	7,67,696	6,29,074
Others	2,02,409	1,97,516
Total- (A)	1,75,90,155	1,44,67,649

Notes on Financial Statements:

(Amount in ₹)

B) Administrative and General Expenses	2016-2017	2015-2016
Printing and stationery	3,54,695	2,24,244
Postage, telegrams and telephones	3,67,534	3,18,522
Rent (refer note no. 37)	3,97,229	5,35,371
Rates and taxes	41,331	51,583
Insurance	2,11,305	2,72,156
Auditors remuneration (refer note no. 30)	3,12,800	3,09,100
Bank commission/charges	13,718	15,567
Security charges	5,02,961	5,06,855
Electricity expenses	42,590	1,88,977
Legal and professional charges	7,78,325	5,06,116
Computer and software expenses	-	58,762
Donation	1,83,000	1,94,000
General Expenses	6,48,540	4,51,644
Listing fees	3,65,173	3,34,892
Loss on sale of fixed assets	2,73,559	3,00,342
Travelling and conveyance	6,57,052	8,06,076
Office expenses	8,71,364	11,45,951
Prior period items	-	8,11,578
Total- (B)	60,21,177	70,31,737
C) Selling and Distribution Expenses		
Sales Promotion Expenses	4,59,798	1,31,572
Export expenses	1,02,784	-
Net foreign exchange loss(gain)	20,750	-
Brokerage and commission	3,18,977	1,28,213
Total- (C)	9,02,309	2,59,785
Total (A+B+C)	2,45,13,641	2,17,59,171

Note 28: EARNING PER EQUITY SHARE

	UNIT		
Weighted average number of Equity Shares	Numbers	13,06,31,000	13,06,31,000
Nominal Value of a Share	₹	1.00	1.00
Profit/ (Loss) for the year	₹ in lacs	5,61,964	15,79,117
Basic and Diluted Earning Per Share	₹	0.004	0.012

Notes on Financial Statements:

(Amount in ₹)

Note 29 : Contingent liabilities and commitments:	2016-2017	2015-2016
(a) Contingent liabilities not provided:		
(i) Penalty levied by SEBI for delay in submission of certain information to BSE ₹	1,70,000	1,70,000
(ii) Disputed income tax matters in appeal ₹	-	-
(iii) Undertaking given under EPCG Scheme for fulfilment of export obligation ₹ in lacs	150.85	150.85
(iv) Principal and Interest due on Electricity charges due to non - receipt of subsidy from MSEDCL of earlier years ₹	48,04,616	48,04,616
(b) Commitments:		
(i) Uncalled money payable for residential flat to the developers ₹	14,22,500	14,22,500

Note 30 :PAYMENT TO AUDITORS		
Audit Fees	2,01,250	2,00,375
Tax Audit Fees	59,800	57,250
Taxation Matters	34,500	34,350
Certification	17,250	17,125
	3,12,800	3,09,100

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)

Archit Sureka (Son of Key management personnel)

Notes on Financial Statements:

(Amount in ₹)

(b) 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 (₹)	
	2016-2017	2015-2016	2016-2017	2015-2016
Remuneration /Payables				
Shri Pradeep Kumar Sureka	6,00,000	6,00,000	31,200	-
Shri Narendra Kumar Sureka	6,00,000	6,00,000	36,200	-
Rent paid /Payables				
Smt. Geetadevi Sureka	1,74,000	1,74,000	-	-
Salary Paid				
Archit Sureka	3,96,000	11,290	33,000	11,290
Loan taken / (repayments made)/ Payables				
Shri Pradeep Kumar Sureka	83,50,145 (93,29,026)	24,75,000 (17,72,250)	21,48,869	31,27,750
Shri Narendra Kumar Sureka	1,00,000 (10,81,330)	(14,374)	10,79,296	20,60,626
Amount received against personal expenses				
Shri Pradeep Kumar Sureka		1,93,693 (1,93,693)	-	-
Shri Narendra Kumar Sureka		31,740 (31,740)	1,15,080	-
Electricity Charges				
Shri Pradeep Kumar Sureka	Refer note no.35			
Shri Narendra Kumar Sureka				
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

	2016-2017		2015-2016	
	Value (₹)	%	Value (₹)	%
i. Raw Materials:-				
Indigenous	7,14,24,310	100	6,31,59,465	100.00
Imported	NIL	NIL	NIL	NIL
ii. Spare parts and Components:-				
Indigenous	18,41,148	100	15,58,924	100.00
Imported	NIL	NIL	NIL	NIL

Notes on Financial Statements:

Note 35: During an earlier year , a Memorandum of Understanding (MOU) was entered between the company and its two directors. As per the terms of MOU , the company will use the power supplied by the meters standing in the name of such directors and makes payment of electricity bills directly to the power supply company.

Note 36: Leases: The company has taken industrial gala under operating lease or on leave and license basis. These is generally not non-cancellable and for a period ranging between 12 months and above and is renewable at mutual consent on mutually agreeable terms. The company has given refundable interest free security deposit in accordance with the agreed terms. The rent paid in accordance with these agreement is debited to the statement of profit and loss for the year.

(Amount in ₹)

Note 37: Earning in foreign currency		
	2016-2017	2015-2016
FOB value of exports realised	11,13,723.02	0.00

Note 38 : Disclosure on Specified Bank Notes (SBNs)

The details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, as required by the MCA notification G.S.R. 308(E) dated March 30, 2017, is as under:

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	1600000.00	13192.36	1613192.36
(+) Permitted receipts	-	-	-
(+) Withdrawal from bank account	-	474000.00	474000.00
(-) Permitted payments	-	433707.00	433707.00
(-) Amount deposited in Banks	1600000.00	-	1600000.00
Closing cash in hand as on December 30, 2016	-	53485.36	53485.36

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

Note 39: 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)

On behalf of the board

R. S. Agrawal

Partner

Membership no. 033216

Narendra Kumar Sureka

Chairman and Managing Director

Archit Sureka

Chief Financial Officer

Pradeep Kumar Sureka

Whole Time Director

Mamta Jain

Company Secretary

Mumbai, 30th May,2017

Mumbai, 30th May,2017

TUNI TEXTILE MILLS LIMITED

CIN: L17120MH1987PLC043996

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

Tel : +91 22 2201 4577, Email : info@tunitextiles.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 _____ Email Id _____

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

1. _____

having email Id _____ Signature _____ or failing him

1. _____

having email Id _____ Signature _____ or failing him

1. _____

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 30th Annual General Meeting of the Company, to be held at Ramee Guest Line Hotel, 462, A. B. Nair Road, Opp. Sun-N-Sand Hotel, Juhu, Vile Parle (W), Mumbai-400 049 on Friday, 29th September 2017 at 2.45 P.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, 2017		
2	Re-appointment of Mr. Pradeep Kr. Sureka, Director, who retires by rotation, eligible, offers himself for re-appointment		
3	Appointment of M/s. Rakesh Soni & Co., Chartered Accountants, Mumbai (FRN No. 114625W), as Auditors and to fix their remuneration.		
Special Business :			
4	Approval for revision of remuneration of Managing Director & Whole time Director		
5	Approval for revision in Directors' Setting Fees		

Signed this _____ day of _____ 2017

Sign. of Shareholder _____

Sign. of Proxy _____

Affix
Revenue
Stamp

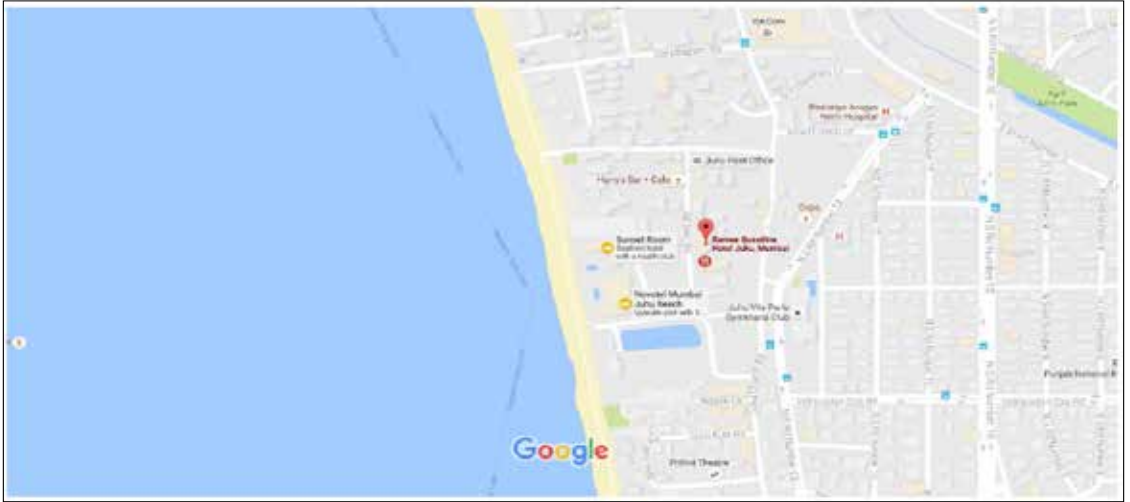
₹ 1/-

Notes :

1. This Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 30th Annual General Meeting.

Route Map

Location Plan of Registered Office (Venue of AGM) of M/s. Tuni Textile Mills Limited



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ATTENDANCE SLIP

Regd. Folio / DP ID & Client ID	
Name and Address of the Shareholder	

1. I hereby record my presence at the 30th Annual General Meeting of the Company, to be held on Friday, 29th September 2017 at 2.45 P.M. at Ramee Guest Line Hotel, 462, A. B. Nair Road, Opp. Sun-N-Sand Hotel, Juhu, Vile Parle (W), Mumbai-400 049 and at any adjournment thereof.
2. Signature of the Shareholder/Proxy Present
3. Shareholder / Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover the same at the entrance duly signed.
4. Shareholder / Proxy holder desiring to attend the meeting may bring his / her copy of the Annual Report for reference at the meeting.

Please hand it over at the Attendance Verification Counter at the Entrance of the Meeting Venue

PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING

ELECTRONIC VOTING PARTICULARS

(1) EVSN (E-Voting Sequence No.)	(2) USER ID.	(3) PAN or Relevant No. as under	(4) Bank Account No.
			(See Note No.1)

Notes:

1. Where Bank Account Number is not registered with the Depositories or Company, please enter your User Id as mentioned in column (2) above.
2. Please read the Instructions printed under the Item No. 29 to the Notice dated 30th May 2017 of the 30th Annual General Meeting. The e-Voting period starts from 9.00 A.M. on 26.09.2017 and ends at 5.00 P.M. on 28.09.2017, the e-voting module shall be disabled by CDSL for voting thereafter.

No gift of any nature will be distributed at the Annual General Meeting

TUNI TEXTILE MILLS LIMITED

CIN: L17120MH1987PLC043996

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Dear Shareholder(s),

This is to inform you that the company is in process of updation of records of the shareholders in order to reduce the physical documentation as far as possible.

With new BSE listing agreement, it is mandatory for all the investors including transferors to complete their KYC information. Hence, we have to update your PAN No., Phone no. and E-mail id in our records. We would also like to update your current signature records in our system to have better services in future.

To achieve this we solicit your co-operation in providing the following details to us :

1. If you are holding the shares in dematerialized form you may update all your records with your Depository Participant (DP).
2. If you are holding shares in physical form, you may provide the following :

Folio No.	:		
PAN No.	:		
E-mail ID	:		
Telephone Nos. with STD Code	:	+91	
Name and Signatures	:	1.	
		2.	
		3.	

Thanking you,

For Tuni Textile Mills Limited

S/d-

Mamta Jain

Company Secretary & Compliance Officer

If undelivered please return to :
TUNI TEXTILE MILLS LIMITED
63/71, Dadiseth Agiyari Lane, 3rd Floor, Mumbai-400 002.