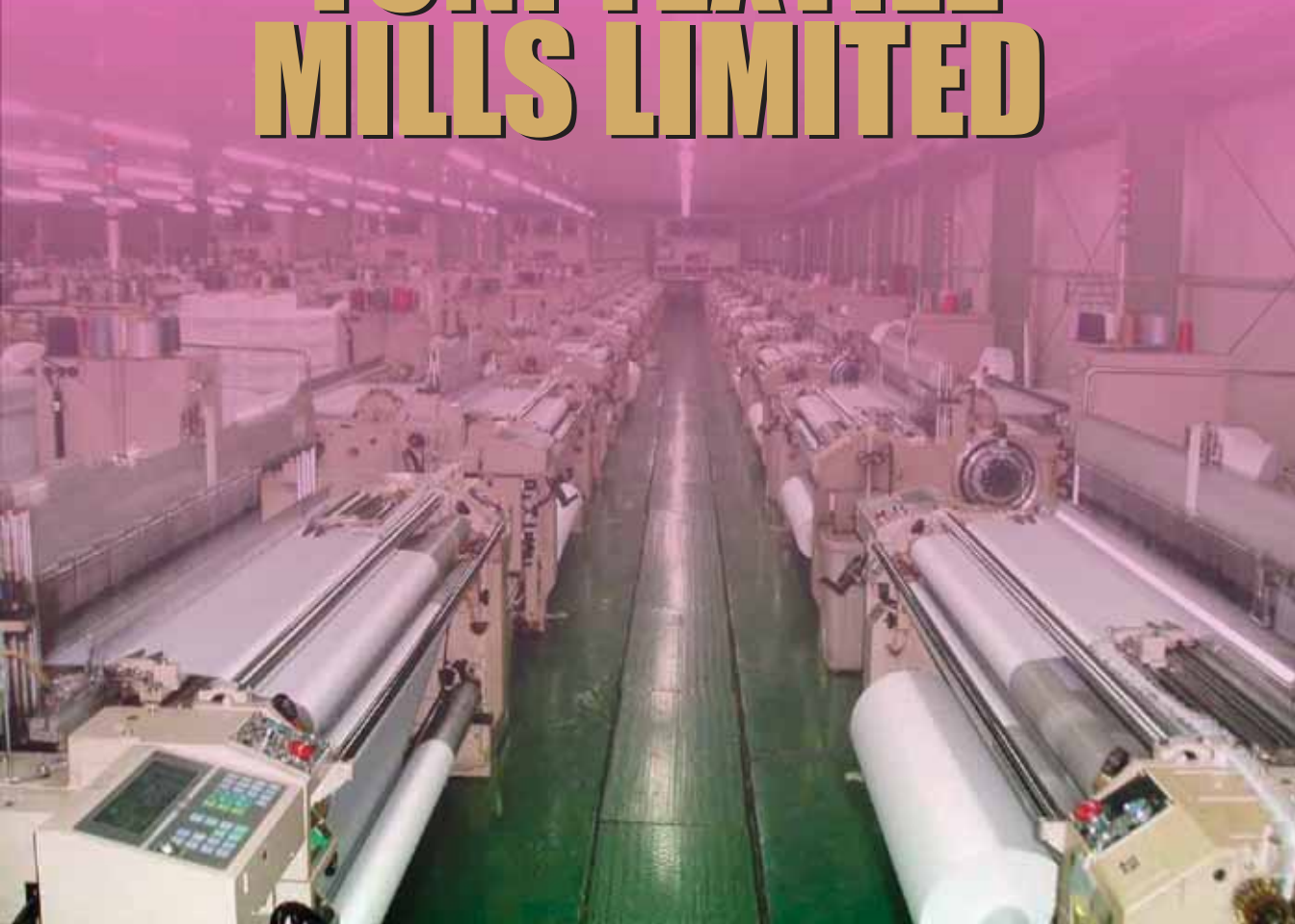


**26th
Annual Report
2012 - 2013**

**TUNI TEXTILE
MILLS LIMITED**



Tuni Textile Mills Limited

26th Annual Report 2012 - 2013

BOARD OF DIRECTORS

Narendra Kumar Sureka
Pradeep Kumar Sureka
Pramod Kumar Bajaj
Jayaram Jaithlaya
Ashish P Bajaj

Chairman & Managing Director
Whole Time Director
Independent Director
Independent Director
Independent Director

AUDITORS

R S Agrawal & Associates
Chartered Accountant

BANKERS

Indian Overseas Bank

REGISTERED OFFICE

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

WORKS

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

REGISTRAR & SHARE TRANSFER AGENT

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

ANNUAL GENERAL MEETING

Date : 30th September, 2013
Time : 11.30 A.M.
Venue : Ramee Guest Line Hotel
462, A. B. Nair Road,
Opp. Sun-N-Sand Hotel, Juhu,
Vile Parle (W), Mumbai - 400049.

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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 26th Annual General Meeting of the members of **TUNI TEXTILE MILLS LIMITED** will be held on Monday, the 30th day of September, 2013 at 11.30 A.M. at Ramee Guest Line Hotel, 462, A. B. Nair Road, Opp. Sun-N-Sand Hotel, Juhu, Vile Parle (W), Mumbai-400 049 to transact the following business as :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st March 2013.
2. To appoint Director in place of Mr. Pradeep Kr. Sureka, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Director in place of Mr. Pramod Kr. Bajaj, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting and to fix their remuneration.

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
3. The Register of Member and the Share Transfer Books of the Company will remain closed from 23rd September 2013 to 30th September 2013 (both days inclusive).
4. A detail of Director seeking re-appointment in this Annual General Meeting is attached separately to the notice.
5. Shareholders/Investors are advised to send their queries/complaints through the dedicated e-mail Id tunitextilemills@gmail.com for quick and prompt redressal of their grievances.
6. The Shares of the Company are mandated by the Securities & Exchange Board of India (SEBI) for trading in dematerialized form by all investors.
7. 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 the Depository Participant to the Annual General Meeting.
8. 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.
9. 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, Shiv Shakti Ind. Estate, Gr. Floor, J. R. Boricha Marg, Lower Parel, Mumbai-400 011.

10. 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.
11. Pursuant to SEBI Circular, the Shareholders holding shares in physical form are requested to submit self attested copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.
12. Members holding shares in physical form and wishing to avail of the nomination facility, are requested to send the duly filled in nomination in the prescribed form (form 2B) to M/s Purva Sharegistry (India) Pvt. Ltd., Registrar and Share Transfer Agents of the Company, at their address given above or to the Compliance Officer at the Registered Office of the Company.
13. Members are requested to bring copies of Annual Report to the Annual General Meeting.
14. Members/Proxies should bring the attendance slip duly filled in and signed for attending the meeting.
15. Members are requested to quote Folio Number in their correspondence.
16. Members are requested to send their queries in regard to the accounts at-least 10 days in advance to the Registered Office of the Company.
17. The Equity shares of the Company are listed on Bombay, Ahmedabad, Jaipur and Madhya Pradesh Stock Exchanges and Listing Fees for the financial year 2013-2014 have been paid to BSE Limited (Bombay Stock Exchange).
- 18. Details of Director seeking re-appointment in the 26th Annual General Meeting on 30th September 2013 (in term of Clause 49 of the Listing Agreement)**

Pradeep Kr. Sureka	
Fathers' Name	Prabhudayal Sureka
Date of Birth	24th September 1959
Date of Appointment	6th July 1987
Expertise in specific functional areas	Accounts, Taxation, Fabric Merchandise etc.
Years of Experience	27 Years
Qualifications	B. Com.
List of outside Directorship held	None
Member of Committee on the Board	Member - Audit Committee Member - Remuneration Committee Member - Investor Grievance Committee
Member/Chairman of Committee in other Companies	None

No. of Shares held in own name or the name of Relatives	51,15,500 Equity Shares or 3.92% of Paid-up Capital in his own name & 2,32,67,250 Equity Shares or 17.81% of Paid-up Capital in the name of Relatives
Pramod Kr. Bajaj	
Fathers' Name	Kashi Prasad Bajaj
Date of Birth	19th March 1956
Date of Appointment	1st February 2005
Expertise in specific functional areas	Accounts, Taxation and Management Consultancy
Years of Experience	27 Years
Qualifications	B. Com.
List of outside Directorship held	None
Member of Committee on the Board	Chairman - Share Transfer Committee Chairman - Audit Committee Member - Remuneration Committee Member - Investor Grievance Committee
Member/Chairman of Committee in other Companies	None
No. of Shares held in own name or in the name of Relatives	Nil

Mumbai, May 30, 2013

By order of the Board
For TUNI TEXTILE MILLS LIMITED

Registered Office :

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

Narendra Kumar Sureka
Chairman

DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in presenting the 26th Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2013.

(` in Lacs)

Financial Results	Year Ended 31.03.2013	Year Ended 31.03.2012
Income	1959.39	2208.19
Profit before Tax & Extraordinary Items	17.82	29.61
Less : Provision for Taxation	7.78	9.39
Profit after Tax	10.04	20.22
Add : Profit/(Loss) brought forward from Previous Year	(247.92)	(268.14)
Balance carried forward	(237.88)	(247.92)

OVERVIEW OF ECONOMY

According to the latest estimates, Indian Economy grew by 5% in FY 2013, reflecting lower than expected growth in both industry and services sectors. Inflation also was at elevated levels. However with commodity and crude oil prices on the decline from the peak and with various policy initiatives coming through, the Economy is estimated to grow by around 6% in FY2014 with lower Inflation.

BUSINESS OPERATIONS

The Business environment continues to remain extremely challenging and the recessionary economic conditions leading to slowdown in demand and inflation pushed scale up of input costs left its adverse imprint on overall performance for 2012-2013. Directors are pleased to inform that in spite of difficult times, your Company, based on its intrinsic strength, has broadly maintained its performance. Gross Profit remained positive at figure of ` 17.82 Lac for the year.

The Company is in the Business of manufacturing Grey Cloth.

FUTURE PLANS

The Current financial year was a satisfactory year for the Company looking the current business scenario, high input cost, lack of demand in grey fabric, steep pricing competition, higher inflation rate etc. We feel that the Company has expanded its business and has done well in spite of negative market situation and tight monetary situation. The Company is willing to expand this business more and more and is planning to set-up new plant apart from replacing existing machinery in order to have better quality of products.

DIVIDEND

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

SUBSIDIARY COMPANY

The Company does not have subsidiary Company.

MANAGEMENT DISCUSSION & ANALYSIS

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

MANAGEMENT

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

DIRECTORS

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

In accordance with the provisions of Act and Articles of Association of your Company, Mr. Pradeep Kr. Sureka & Mr. Pramod Kr. Bajaj, Directors of your Company, retires by rotation and are due for election at the ensuing Annual General Meeting. Both Mr. Pradeep Kr. Sureka & Mr. Pramod Kr. Bajaj, being eligible, offers themselves for re-appointment.

The Board recommends the appointment of both Mr. Pradeep Kr. Sureka & Mr. Pramod Kr. Bajaj pursuant to the applicable provisions of the Act. The resolutions seeking your approval on this item along with the requisite disclosures/explanatory statement are included in the Notice for convening the Annual General Meeting.

Further, none of the Directors of the Company are disqualified under section 274(1)(g) of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT

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

1. In the preparation of the annual accounts, for the year ended 31st March 2013, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed;
2. The Directors had adopted such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. The Directors had prepared the annual accounts on a going concern basis.

INFORMATION TECHNOLOGY

Your Company believes that in addition to progressive thought, it is imperative to invest in Information and Technology to ascertain future exposure and prepare for challenges. In its

endeavor to obtain and deliver the best, your Company has tie-ups with an IT solution Company to harness and tap the latest and the best of technology wherever feasible, relevant and appropriate.

RESEARCH & DEVELOPMENT

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

AUDITORS

The Auditors M/s R. S. Agrawal & Associates, Chartered Accountants, Mumbai holds the office until the conclusion of ensuing Annual General Meeting. Your Company has received certificate from the Auditors U/S 224(1B) of the Companies Act, 1956 to the effect that their reappointment if made, will be within the limit prescribed. The shareholders are requested to appoint Auditors and fix their remuneration.

COST AUDIT

As per the requirement of Central Government and pursuant to Section 233B of the Companies Act, 1956, your Company carries out an audit of cost records every year. Subject to the approval of the Central Government, the Company has appointed M/s NKJ & Associates, Cost Accountants, as Cost Auditors to audit the cost accounts of the Company for the Financial Year 2013-14.

The Cost Audit Report for the FY 2011 - 2012 which was due to be filed with the Ministry of Corporate Affairs on February 28, 2013 (as per General Circular No.2/2013 dated January 31, 2013 of Ministry of Corporate Affairs) was being filed by the Company.

COMMENTS ON AUDITOR'S REPORT :

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

STATUTORY INFORMATION

PARTICULARS OF EMPLOYEES

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

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

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

MURBAD UNIT- ELECTRICITY	2012-2013	2011-2012
Electricity Purchased [Units (KWH)]	1327113	1264087
Total Amount (₹)	6637174	4886690
Average Rate (₹)	5.00	3.86
Consumption Per Unit of Production		
Cloth Production (Mtrs.)	2553512	3218098
Cost of Electricity Consumption (₹) / Mtrs.	2.60	1.52

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act, 1956 and the rules there under.

REPORT ON CORPORATE GOVERNANCE

The Company conforms to the norms of Corporate Governance as envisaged in the Companies Act, 1956 and the Listing Agreement with the Bombay Stock Exchange Limited. Pursuant to Clause 49 of the Listing

Agreement, a Report on the Corporate Governance and the Auditors Certificate on Corporate Governance are annexed to this report.

APPRECIATION

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

Mumbai, May 30, 2013

By order of the Board
For TUNI TEXTILE MILLS LIMITED

Registered Office :

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

Narendra Kumar Sureka
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

MACRO ECONOMIC ENVIRONMENT

The year 2012 had been a year of slow growth world over and as per IMF forecast Global Economy is likely to show a growth of 3.3% during 2013 as compared to growth of 3.2% during 2012. The Global Economies witnessed a subdued growth with diverging growth paths across major economies. US economy which has registered a modest recovery is again subject to the adverse impact of the budget sequestration which will gradually gain pace during 2013. Japan's economy has shown signs of improvement on account of monetary and fiscal stimulus undertaken. The sovereign debt crises and the danger of a banking system meltdown in peripheral euro zone countries coupled with contraction in its major economies like Germany has resulted in negative growth in Euro zone.

The growth in the Emerging Market Economies which are viewed as growth engines of the world economy world over have also slowed down with Brazil and South Africa registering accelerated growth where as Russia, China and India a lower growth.

According to the Central Statistics Office's advance estimate of GDP growth, Indian Economy is expected to grow at 5% during the year 2012-13 as compared to a growth of 6.21% registered during 2011-12. This has been mainly on account of weak industrial activity compounded by domestic supply bottlenecks and slackening of external demand. This has also slowdown the growth in the service sector which has been the main driver of the growth.

The Reserve Bank of India in order to strike a balance in growth- inflation dynamics have initiated various measures during 2012-2013 to provide greater liquidity to financial system. This has resulted in moderating the headline inflation within its acceptable level. The food inflation as measured by new combined (rural and urban) consumer price index (CPI) remains in double digit is a cause of concern. The measures initiated are expected to result in moderate growth in GDP in the second half of 2013-2014.

REVIEW OF OPERATIONS

The operational performance of the Company during the year was satisfactory looking to the weak market scenario, high input cost, lack of demand by consumers due to high inflation rate, steep competition in profit margin of products, increase in cost of production due to high wages and cost of electricity etc.

The Company registered a gross turnover / income of ` 1959.39 Lac as compared to ` 2208.19 Lac in previous financial year. PBIT Margin during the year remains ` 17.82 Lac in comparison to last years' figure of ` 29.61 Lac whereas Net Profit remains at ` 10.04 Lac in comparison to last years' figure of ` 20.22 Lac.

BUSINESS SEGMENT

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

OPPORTUNITIES

At current prices the Indian textiles industry is pegged at US\$ 55 billion, according to the Ministry of Textiles. According to the Confederation of Indian Textile Industry (CITI), the Indian textiles industry has the potential to reach US\$ 110 billion by the year 2012.

The textiles industry currently contributes about 14% to industrial production, 4% to GDP, and 17% to the country's export earnings, according to the Annual Report 2010-11 of the Ministry of Textiles. The industry accounts for nearly 12% share of the country's total exports basket.

Indian textile sector is the second biggest employment generator in the economy, after agriculture. It provides direct employment to more than 35 million people.

The Indian textiles industry is unique and extremely varied, with the hand-spun and hand-woven sector at one end of the spectrum, and the capital intensive, sophisticated mill sector at the other. The decentralized power-looms/hosiery and knitting sector form the largest section of the Textiles Sector.

The Vision Statement for the textiles industry for the 11th Five Year Plan (2007-12), inter-alia, envisages India securing a 7% share in the global textiles trade by 2012.

India's textile exports rose from US\$ 22.4 bn in FY11 to US\$ 26.8 bn in FY12. The same has grown at an average annual rate of 8.8% in the last 5 years.

The Indian textiles industry has enormous opportunities for domestic as well as international investors given its consistent growth performance, abundant cheap skilled manpower and growing domestic demand. With time, India has surged ahead of other countries and positioned itself as a value-added manufacturer with a varied material base, an educated and English-speaking class of executives with high product development and design orientation.

THREATS & CONCERNS

The Indian economy is caught between low growth and stubbornly high inflation. Last month, the International Monetary Fund (IMF) revised the year-over-year GDP growth forecast of India to 5.7 percent for 2013, down from its January estimate of 5.9 percent. The IMF attributed structural factors as the primary reasons for the poor performance, rather than the cyclical factors cited by the government last month. Additionally, the IMF expects consumer-price inflation to remain at around 10 percent in 2013 due to a rise in food and fuel prices. Lately, there have been signs of easing inflationary pressures. The wholesale-price inflation has steadily decreased since late 2012, while consumer-price inflation went below 10 percent this May, as the economy operates below capacity. However, the government's attempt to reduce the fuel subsidy bill by raising administered fuel prices will likely reverse the fall in inflation in the remaining part of the year.

The situation for India is unique because both fiscal and monetary policies have had limited flexibility to bail out the economy. High fiscal and current-account deficits restrict the government's ability to undertake proactive stimulus programs to boost the economy. The level of domestic inflation remains higher than the Reserve Bank of India's (RBI's) comfort level, which limits the RBI's ability to ease monetary policy further. Despite such pressures, the RBI is expected to reduce the policy rates, though marginally, in order to boost economic activity in the country.

Fiscal deficit is expected to be 5.3 percent of GDP in 2012-2013, while the current account recorded the largest-ever deficit of 6.7 percent of GDP in the third quarter of 2012-2013. The government's strategy of fiscal consolidation has repeatedly gone off course since 2008 due to a series of unfavorable developments. Since last September, the government has taken bold measures to cut down fuel subsidies to prop up public finance, helping the government to restrict the fiscal deficit within the revised target of 5.1 percent of GDP. However, with

general elections being just a year away, progress in this direction will be limited and even likely reverse.

In term of Textile Industries, most large textile companies in India, realizing the growth potential in domestic retailing, have drawn up aggressive strategies to expand their footprint in the domestic market. These include companies like Welspun and Himatsingka, which were traditionally export-oriented, as also Raymond, which has been the pioneer in domestic textile retailing.

In addition to high raw material costs, an appreciating rupee and an increase in employee's dearness allowance and shortage of labour are burning a hole in textile company's pockets

Although home textile companies have been aggressive on the capacity expansion front, realizations have remained stable. But as new capacities come on-stream and utilization levels pick up, this is unlikely to continue. This is because although India continues to feature amongst the lowest cost producers for the US and EU markets, competitors like Pakistan and Turkey are cannibalizing its market share. Moreover, with the possibility of slowdown in the western economies looming large, a slowdown in demand cannot be ruled out.

RISK MANAGEMENT

We follow Enterprise Risk Management (ERM) tool designed to clarify the risk levels and encourage behavior throughout the Group. The process considers opportunities and threats to short and medium term objectives as defined. ERM ensures the coordination and development of risk management activities throughout all decision making levels and communicates all significant risks to the top level of management. The tool is designed to provide the risk score measures for each of the potential risk as well as its financial, reputational and operational impact by way of quarterly report. The report provides for categorization of risk into threat or opportunity and provides brief statement on its cause, impact, treatment, control measures, level of confidence in the controls, acceptability of identified risks, potential improvements, risk improvement plans critical success factors and target dates to control the risk. The risk assessment is done annually with quarterly updates. The process has been designed to deliver timely results.

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

The Company's business critical software is operated on a server with regular maintenance and back-up of data and is connected to centralized computer center with two physically separated server parks operated by the Company. The system's parallel architecture overcomes failures and breakdowns. Reliable and permanently updated tools guard against virus attacks. The global communication network is managed centrally and is equipped to deal with failures and breakdowns. Updated tools are regularly loaded to ensure a virus free environment.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

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

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

HUMAN RESOURCES

The Company recognizes that its success is deeply embedded in the success of its human capital. During 2012-2013, the Company continued to strengthen its HR processes in line with its objective of creating an inspired workforce. The employee engagement initiatives included placing greater emphasis on learning and development, launching leadership development programme, introducing internal communication, providing opportunities to staff to seek inspirational roles through internal job postings, streamlining the Performance Management System, making the compensation structure more competitive and streamlining the performance-link rewards and incentives.

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

CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY

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

CAUTIONARY STATEMENT

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

COMPLIANCE

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

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

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

Mumbai, May 30, 2013

By order of the Board
For **TUNI TEXTILE MILLS LIMITED**

Registered Office :

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

Narendra Kumar Sureka
Chairman

Annexure to the Directors' Report

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

The goal is achieved through -

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

BOARD OF DIRECTORS

Composition of Directors

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

All the Directors are liable to retire by rotation as per Article 128 of the Article of Association and eligible for re-election.

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

The Board of Directors met 7 times on 14th May, 10th August, 21st August, 12th November and 26th December in year 2012 and on 14th January and 15th February in the year 2013 during the financial year 2012-2013.

The composition and category of the Board of Directors as at March 31, 2013, the number of other Directorships/Committee memberships held by them and also the attendance of the Directors at the Board meetings of the Company are as under:

Name	Designation	Board Meetings Attended	Whether Attended AGM	Committee Membership of other Public Limited Co.	Committee Chairmanship of other Public Limited Co.	No. of Directorship of other Public Ltd. Co.
Narendra Kumar Sureka*	Managing Director & CEO	7	Yes	Nil	Nil	Nil
Pradeep Kumar Sureka	Executive Director	7	Yes	Nil	Nil	Nil
Pramod Kumar Bajaj	Non-Executive Director, Independent	7	Yes	Nil	Nil	Nil
Mr. Jayaram Jaithlaya	Non-Executive Director, Independent	7	Yes	Nil	Nil	Nil
Mr. Ashish P Bajaj	Non-Executive Director, Independent	7	Yes	Nil	Nil	Nil

*Chairman of the Board

AUDIT COMMITTEE

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

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

Terms of Reference

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

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

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

Authority and Responsibilities

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

Following are the Role of Audit Committee -

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements

- f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
 8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 9. Discussion with internal auditors any significant findings and follow up there on.
 10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 13. To review the functioning of the Whistle Blower mechanism.
 14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
 15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

- i Management discussion and analysis of financial condition and results of operations;
- ii Statement of significant related party transactions submitted by management;
- iii Management letters / letters of internal control weaknesses issued by the statutory auditors and qualification in draft audit report;

- iv Internal audit reports relating to internal control weaknesses;
- v To review the annual financial statements and to recommend their adoption to the Board, with particular reference to disclosure of any related party transaction;
- vi To review the Quarterly financial statements and recommend their adoption to the Board; and
- vii The appointment, removal and terms of remuneration of the Chief internal auditor.

The members of Audit Committee met five times on 14th May, 10th August, 21st August and 12th November in year 2012 and on 15th February in the year 2013 during the financial year ended on 31st March, 2013.

Name	Number of Meetings Held	Meetings Attended
Mr. Pramod Kumar Bajaj *	5	5
Mr. Jayaram Jaithlaya	5	5
Mr. Pradeep Kumar Sureka	5	5

*Chairman of Committee

REMUNERATION COMMITTEE

The Company has constituted Remuneration Committee. The Company at present does not have any written policy for the remuneration to its Directors and Senior Executives, however the Company is planning to have a Remuneration Policy that would be based on 3 parameters i.e. to pay for responsibility, pay for performance and potential and pay for growth.

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

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

The Committee met four times during the year on dated 2nd June, 3rd September and 3rd December in year 2012 and on 1st February in the year 2013 during the financial year ended on 31st March 2013. The Composition of the Remuneration Committee and their attendance to the meetings of the committee are as under :-

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

*Chairman of Committee

DETAILS OF REMUNERATION PAID TO DIRECTORS

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

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

During the period under consideration, the Company has not paid any sitting fees to Non-Executive Directors. The details of remuneration paid to the Executive Directors of the Company during the year ended 31st March, 2013 are given as under:

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

Further, no Stock option has been allotted to any of the Directors during the financial year 2012-2013.

None of the Independent Directors holds any shares in their name or in the name of their relatives as on 31st March, 2013.

SHARE TRANSFER COMMITTEE

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

The members of Share Transfer Committee met six times on 14th April, 6th August, 30th November, 15th December and on 31st December in year 2012 and on 26th March in year 2013 during the financial year ended on 31st March 2013.

Name	Number of Meetings Held	Meetings Attended
Mr. Pramod Kr. Bajaj *	6	6
Mr. Ashish P. Bajaj	6	6
Mr. Narendra Kr. Sureka	6	6

*Chairman of Committee

INVESTOR GRIEVANCE COMMITTEE

The Board of Tuni Textile Mills Limited has constituted a Committee of Directors, which inter-alia also functions as "Shareholders/Investors" Grievance Committee, consisting of three

members, chaired by a Non-Executive, Independent Director. The Committee meets once in a month and inter-alia, deals with various matter relating to:

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

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

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

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

Compliance Officer

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

Composition of Committee and Meetings attended

During the year, twelve meetings of the Committee of Directors were held on April 2, May 2, June 4, July 2, August 1, September 3, October 1, November 1 and December 3 in year 2012 and on January 2, February 1 and March 1 in year 2013.

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

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

*Chairman of Committee

DETAILS OF SHAREHOLDERS' COMPLAINTS

During the year the Company has received 8 Complaints pertaining to forfeiture of Shares from its Investors and all the compliant have been resolved during the year and there was no pending complaint at the beginning or close of the financial year. Further, as required under Clause 47C of the Listing Agreement, a Certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to the Stock Exchanges within stipulated time.

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

GENERAL BODY MEETINGS

Location & time for the last three Annual General Meetings :

Annual General Meeting	Date & Time	Venue
25th Annual General Meeting	28th September 2012, 11.30 AM	Ramee Guest Line Hotel, 462, A. B. Nair Road, Opp. Sun-N-Sand Hotel, Juhu, Vile Parle (W), Mumbai-400 049
24th Annual General Meeting	30th September 2011, 11.30 AM	Ramee Guest Line Hotel, 462, A. B. Nair Road, Opp. Sun-N-Sand Hotel, Juhu, Vile Parle (W), Mumbai-400 049
23rd Annual General Meeting	30th September 2010, 12.30 PM	Registered Office

LOCATION AND TIME OF EXTRA-ORDINARY GENERAL MEETINGS :

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

POSTAL BALLOT

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

SPECIAL RESOLUTION PASSED AT LAST THREE ANNUAL GENERAL MEETINGS:

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

BOARD DISCLOSURES**Risk Management**

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

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

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

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

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

DISCLOSURE OF ACCOUNTING TREATMENT

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

INSIDER TRADING

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

Pursuant to the above requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a `Code of Conduct` for Prevention of Insider Trading (The Code) with effect from October 1, 2002. The Code is applicable to all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Compliance Officer has been appointed for monitoring adherence to the said Regulations.

DISCLOSURES

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

CODE OF BUSINESS CONDUCT & ETHICS

The Company has adopted Code of Business Conduct and Ethics ("the Code") which is applicable to the Board of Directors and Senior Management Team (one level below the Board of Directors) of the Company. The Board of Directors and the members of Senior Management

Team are required to affirm semi-annual compliance of this Code. The Code requires Directors and Employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company website.

CONFLICT OF INTEREST

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

DISCLOSURES ON NON-MANDATORY REQUIREMENTS

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

- a) None of the Independent Directors on the Board of the Company has served for the tenure of exceeding nine years. The Company has ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which in the opinion of the Company would enable him to contribute effectively to the Company in his capacity as an Independent Director.
- b) There were no other related party transactions of material nature with the promoters, directors, the management or their subsidiaries or relatives during the year that may have potential conflict with the interest of the company at large.
- c) The Board of Directors of the Company has adopted the whistle Blower Policy for establishing the mechanism of employees to report to management concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The Company affirms that no employee has been denied access to the Audit Committee.
- d) The Company follows Accounting Standards issued by Institute of Chartered Accountants of India and qualification in the auditors' report have been explained in directors' report.
- e) The Company has complied with all mandatory requirement as stated in clause 49 of Listing Agreement and the non-mandatory requirement have been complied with to the extent feasible.
- f) The Company is committed to conducting its Business in conformity with ethical standards and applicable Laws and Regulations .This commitment stands evidenced by model code of conduct adopted by Board of Directors at their meeting which is applicable to each member of the Board of Director and senior management of the Company.

MEANS OF COMMUNICATIONS

- The Company regularly provides information to the Stock Exchanges as per the requirements of the listing Agreement.
- The Quarterly/Half Yearly/Nine Months & Annual Results have been submitted to Bombay Stock Exchange Ltd. and published in the leading English Newspapers i.e. "Asian Age" and in vernacular language Newspaper i.e. "Mahanayak".
- Company posts its Quarterly Results/Half Yearly/Nine Months & Annual Results on its website www.tunitextiles.com.
- Official News releases have been posted on its web portal www.tunitextiles.com.
- No formal representations were made to Institutional Investors or Analysts during the year under review.
- Management Discussion and Analysis forms part of the Annual Report will be posted to our website as well as will be dispatched to the shareholders of the Company, if they ask for the same.

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 26th Annual General Meeting for the financial year ended on 31st March, 2013 is as follows :-

- Date : Monday, 30th September, 2013
- Time : 11.30 A.M.
- Venue : Ramee Guest Line Hotel, 462, A. B. Nair Road, Opp. Sun-N-Sand Hotel, Juhu, Vile Parle (W), Mumbai-400049
- b. Financial Calendar** : 1st April to 31st March.

c. Future Calendar :

Subject Matter	Date
Financial Reporting of 1st Quarter ended on 30th June 2013	Before 14th August, 2013
Financial Reporting of 2nd Quarter ended on 30th September 2013	Before 15th November, 2013
Financial Reporting of 3rd Quarter ended on 31st December 2013	Before 15th February 2014
Financial Reporting of 4th Quarter ended on 31st March 2014	Before 15th May 2014
Date of Annual General Meeting	During September 2014

- d. Date of Book Closure** : September 23 to September 30, 2013. (Both days inclusive)
- e. Dividend Payment** : No Dividend has been recommended for the year.

- f. **Dividend History** : The Company has not paid any Dividend during last 10 years.
- g. **Listing of Shares** : Bombay, Ahmedabad, Jaipur and M P Stock Exchanges.
- h. **Custody Charges & Listing Fees** : Annual Custody Charges to NSDL & CDSL and Annual Listing Fees for Financial year 2013-2014 have been paid.
- i. **Stock Code & ISIN** : Scrip Code 531411 on BSE.
ISIN INE560D01027 on NSDL & CDSL
- j. **Market Price Data** :

Month	Price on BSE (₹) & Volume			BSE Sensitive Index	
	High	Low	Volume	High	Low
April 2012	102.00	67.55	25,40,671	17,664.10	17,010.16
May 2012	118.00	81.15	27,40,051	17,432.33	15,809.71
June 2012	152.65	102.00	97,64,718	17,448.48	15,748.98
July 2012	188.50	132.00	80,38,178	17,631.19	16,598.48
August 2012	212.00	175.50	66,90,717	17,972.54	17,026.97
September 2012	253.95	171.05	58,47,192	18,869.94	17,250.80
October 2012	275.00	207.00	40,52,015	19,137.29	18,393.42
November 2012	284.90	175.00	59,33,383	19,372.70	18,255.69
December 2012	230.00	129.30	79,82,518	19,612.18	19,149.03
January 2013	133.50	40.90	69,96,590	20,203.66	19,508.93
February 2013	40.10	27.75	86,40,210	19,966.69	18,793.97
March 2013	28.25	20.25	2,71,74,308	17,664.10	17,010.16

k. **Registrar & Share Transfer Agent.**

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

M/s. Purva 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

l. **Share Transfer Systems**

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

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

m. Distribution Schedule as on 31st March 2013

No. of Equity Shares	No. of Share Holders	% of Share Holders	Total No. of Shares Held	% of Share Holding
1-5000	579	61.60	861385	0.66
5001-10000	77	8.19	666245	0.51
10001-20000	70	7.45	1037019	0.80
20001-30000	44	4.68	1108906	0.85
30001-40000	14	1.49	497374	0.38
40001-50000	19	2.02	919682	0.70
50001-100000	36	3.83	2811828	2.15
100001 and Above	101	10.74	122728561	93.95
Total	940	100.00	130631000	100.00

n. Shareholding Pattern with Categories of Shareholders as on 31st March 2013

Categories	No. of Shares	% of Shareholding
Promoters, Directors, Relatives & Person acting in concert	28382750	21.72
Indian Mutual Fund	494000	0.38
Foreign Institutional Investors	343515	0.26
Private Corporate Bodies	83148761	63.65
Indian Public	12849135	9.84
Others (Clearing Members)	2596639	1.99
NRIs	405259	0.31
Hindu Undivided Families	2410941	1.85
Total	130631000	100.00

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

Following holding more than 5% Equity Shares in the Company at the end of Financial Year ended on 31st March 2013 -

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

p. Dematerialization of Equity Shares & Liquidity

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

Procedures for dematerialization / rematerialization of Equity Shares:-

Shareholders seeking demat / remat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificates to Registrar and Share Transfer Agents of the Company. Upon receipt of the request and share certificates, the

Registrar will verify the same. Upon verification, the Registrar will request NSDL/CDSL to confirm the demat request. The demat account of the respective share holder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

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

The Shares of Company are admissible for trading on Bombay Stock Exchange Ltd. As on 31st March 2013, 97.19% Equity Shares of the Company held under public category are in dematerialized form.

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

q. Listing Fees & Custodial Fees

The Company has paid the Annual Listing Fees for year 2012-13 to BSE Limited and Annual Custodial Fees of the both Depositories for the year 2012-13 has been paid.

r. Unclaimed Dividend

Pursuant to Section 205C of the Companies Act, 1956, Dividends that are unpaid/unclaimed for a period of seven year from the date of they became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government. At the end of year 2013, no unclaimed dividend is pending for payment to its investors.

s. 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).

t. 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.

u. Service of Documents through Electronic Mode

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

v. 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.

w. 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).

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

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

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

Not Applicable.

z. Investors' Correspondence

Shareholders can contact the following Officials for secretarial matters of the Company :-
Ms. Reshma Wadkar - tunitextilemills@gmail.com

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

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

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

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

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

bb. 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.

cc. Address for Correspondence

Tuni Textile Mills Limited
63/71, Dadiseth Agiary Lane, 3rd Floor, Kalbadevi Road, Mumbai-400002

dd. Plant Location

Tuni Textile Mills Limited
1, B-4 & B-5, MIDC Murbad, Dist. Thane (Maharashtra)

CHAIRMAN & MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT

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

To The Members of

Tuni Textile Mills Limited

- (a) I, Narendra Kr. Sureka, Managing Director and CEO of Tuni Textile Mills Limited certify to the Board in terms of requirements of Clause 49(V) of the Listing Agreement, that we have reviewed financial statements and the cash flow statement for the year 2012-2013 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
- (i) no significant changes in internal control over financial reporting during the year;
 - (ii) no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For TUNI TEXTILE MILLS LIMITED

Narendra Kr. Sureka
Managing Director

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

I, Narendra Kr. Sureka, Managing Director of the Company declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct during the year ended 31st March 2013.

By Order of the Board
For Tuni Textile Mills Limited

Narendra Kr. Sureka
Managing Director

Mumbai, dated May 30 2013

SECRETARIAL COMPLIANCE REPORT FOR THE YEAR ENDED 31ST MARCH 2013

The Board of Directors,

M/s. Tuni Textile Mills Limited

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

1. The Company has kept and maintained all registers and records as per Annexure "A" to this certificate, as per the provisions of the Companies Act 1956 (the Act) and the rules made there under and all entries therein have been duly recorded during the year.
2. The Company has filed the forms and return as stated in Annexure "B" to this certificate, with the Registrar of Companies or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company has given proper notice along with the agenda for convening of Board Meeting, Committee Meetings and Annual General Meetings during the year.
4. The proceedings of the Meetings were properly recorded in the Minutes Books during the year.
5. The Company has closed its Register of Members from 21st September 2012 to 28th September 2012 (both days inclusive) during the financial year and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended 31st March 2012 was held on 28th September 2012 for which due notice were given to the members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during financial year 2012-2013.
8. The Board of Directors of the Company is duly constituted during the year.
9. The Company has obtained all the necessary approvals from the Board and Shareholders as required by the Act during the year.
10. The Company has not accepted any Deposit in terms of Section 58A of the Act read with Companies (Acceptance of Deposit) Rules, 1975 during the year.
11. The Company has not declared dividend as required to be disclosed in compliance with the provisions of section 205 of the Act during the year.
12. The Company has paid remuneration of ` 6.00 Lac to the Managing Director of the Company during the year in terms of section 198, 269, 309 read with Schedule XIII of the Act.
13. The Company has not appointed any sole selling agent in terms of section 294 of the Act during the year.

14. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under section 295 of the Act during the year.
15. The Company has not entered into any transactions, which falls under section 297 of the Act during the year.
16. The Directors have disclosed their interest in other firms / Companies to the Board of Directors pursuant to the provisions section 299 of the Act.
17. The Company has not appointed any person as a place of profit in terms of section 314 of the Act during the year.
18. The Company has not issued any duplicate share certificate during the financial year.
19. The Company has complied with the provisions of section 372A of the Act.
20. The Company :
 - a) has delivered all the Share Certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - b) was not required to deposit amount in a separate Bank Account as no dividend has been declared during the year.
 - c) was not required to post warrants to members of the Company as no dividend has been declared during the year.
 - d) Was not required to transfer any amount to Investor Education and Protection Fund.
 - e) Has duly complied with the requirement of section 217.
21. The Board of Directors of the Company is duly constituted and there was no appointment of Additional Director/s alternate Director/s and Directors to fill the casual vacancy during the financial year.
22. The Company was not required to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act.
23. The Company has not issued any Shares, Debentures or other Securities during the financial year.
24. The Company has not bought back any share during the financial year.
25. There was no redemption of preference shares or debentures during the financial year.
26. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
27. As per the information and explanation given, the Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 15A during the financial year.
28. The Company has not borrowed fund from its Directors, members, public, financial institutions and others during the financial year ending on 31st March 2013 apart from borrowing Fund from its' Bankers i.e. Indian Overseas Bank.
29. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny

30. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
31. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
32. The Company has not altered its Memorandum of Association and Articles of Association with respect to the Share Capital of the Company.
33. There was no prosecution initiated against the Company, or Show Cause Notices received by the Company, for offences under the Act.
34. The Company has not received any money as security from its employees during the financial year 2012-2013.

For **Amit R. Dadheech & Associates**
Company Secretaries

Place : Mumbai
Date : May 30, 2013

Amit R. Dadheech
Proprietor
C. P. No. 8952

Annexure "A"

Registers and Records maintained by the Company -

1. Registers of Members under Section 150.
2. Register of Transfer.
3. Registers and Returns under Section 163.
4. Register of Contracts under Section 301.
5. Register of Directors, Managing Directors, Manager and Secretary under Section 303.
6. Register of Directors' Shareholding under Section 307.
7. Register of Charges under Section 143.
8. Register of Share Application and Allotment.
9. Minutes Book under Section 193.
10. Books of Accounts under Section 193.
11. Register of Inter Company Investments and Guarantes under Section 372A.
12. Index of Members under Section 151.

Annexure "B"

Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ended on 31st March 2013 -

Form No.	Section	Filing Date	Purpose
Form 20B	159	27/11/2012	Filing of Annual Return
Form 23AC	220	09/01/2013	Filing of Balance Sheet
Form 23ACA	220	09/01/2013	Filing of Profit & Loss Account
Form 8	125, 127, 130,132 & 135	08/06/2012	Creation of Charges for Factory Premises
Form 8	125, 127, 130,132 & 135	14/03/2013	Creation of Charges for Factory Premises

For **Amit R. Dadheech & Associates**
Company Secretaries

Place : Mumbai
Date : May 30, 2013

Amit R. Dadheech
Proprietor
C. P. No. 8952

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

To the Members of TUNI TEXTILE MILLS LIMITED

We have examined the compliance of the conditions of Corporate Governance by **Tuni Textile Mills Limited** (The Company) for the year ended 31st March 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with all stock exchanges where the Shares of Company are listed, with relevant records and documents maintained by the Company and furnished to us and report of Corporate Governance as approved by the Board of Directors of the Company.

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

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

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

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

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

Place : Mumbai
Date : May 30, 2013

Anuja Dedhia
Partner
Membership No. 123589

INDEPENDENT AUDITOR'S REPORT

To

The Members of

TUNI TEXTILE MILLS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of TUNI TEXTILE MILLS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, subject to our comments in paragraph 1 under the heading "Other Matters" below and the consequential impact thereof which are not quantifiable, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956; except Accounting Standard - 28 Impairment of assets, the Company has not made provision for time - barred debt of ` 2,26,060/-;
 - e. on the basis of the written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Other matters

1. As stated in note 36 to the financial statements,
 - a. Loans and Advances, involving an amount of ` 2,56,657/- (year end outstanding ` NIL) given during the year under review, are in contravention of provisions of Section 295 of the Act; The possible impact of these non - compliances, in the event of the Company's condonation requests are not granted has not been determined or recognized in the financial statements.
 - b. we, further report that, had the Company made the provision for a time barred debt, the profit for the year and also surplus in Statement of Profit and Loss would have been lower by ` 2,26,060/-

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

Anuja Dedhia

Partner

Membership No. 123589

Place : Mumbai

Date : May 30, 2013

Annexure to Independent Auditor's Report

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

1. in respect of fixed assets:
 - a) the Company has generally maintained records showing particulars, including quantitative details and situation of its fixed assets;
 - b) we have been informed that the management has, at reasonable intervals during the year, physically verified major portion of the fixed assets. No material discrepancies, as represented to us, were noticed on such verification; and
 - c) during the year the Company has not disposed off any fixed assets;
2. in respect of Inventory:
 - a) as explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable;
 - b) the procedures, as explained to us, of physical verification of inventories followed by the management are, in our opinion; reasonable and adequate in relation to the size of the Company and the nature of its business; and
 - c) the Company, for inventory, has maintained proper records. No material discrepancies, as informed to us, have been noticed on physical verification of stock as compared to book records;
3. according to information and explanation given to us :
 - a) the Company has granted interest free unsecured loan to the companies, firm and other parties covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was ` 2,56,657/- to 1 party. The year end balance was ` Nil ;
 - b) the terms and conditions of the aforesaid interest free loans granted are prima facie not prejudicial to the interest of the Company;
 - c) the receipt of principal amount of the aforesaid loans granted is regular;
 - d) since the aforesaid loans granted, as informed to us, are receivable on demand, no amount has been classified as overdue;
 - e) the Company has not granted, during the year, any secured or unsecured loans to the companies, firm or other parties covered in the register maintained under section 301 of the Act, therefore provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the Company; and
 - f) the Company has, during the year, taken unsecured loans from the companies, firm or other parties covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was ` 8,20,000/- from 1 party. The year end balance was ` 8,20,000/- from such party.
 - g) the above unsecured loan taken was free of interest and in our opinion the other terms and conditions are not prima facie prejudicial to the interest of the Company.
4. in our opinion, there are generally adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, no major weakness has been noticed in these internal control systems;

5. a) to the best of our knowledge and belief and representations given to us, we are of the opinion that the particulars of the contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under section 301 of the Act ; and
 - b) in our opinion, there were no transactions, made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act, exceeding the value of ` 5,00,000 in respect of any party during the year.
6. in our opinion, the Company has not accepted any deposit from the public; within the meaning of section 58A and 58AA of the Act and the Rules framed thereunder.
7. the Company is required to have an internal audit system as the Company's paid up capital and reserves at the commencement of financial year exceeds ` 50,00,000 and its average annual turnover of preceding three years also exceeds ` 5,00,00,000 however, the Company, during the year, had no such internal audit system;
8. we have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government, for the maintenance of cost records under section 209(1)(d) of the Act, and are of the opinion that prima facie the prescribed records have been made and maintained by the Company;
9. In respect of Statutory Dues:
 - a) according to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed current statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it. There are no arrears except ` 4,743/- towards Labour welfare Fund as at 31st March, 2013 for the period of more than six months from they became payable; and
 - b) according to the information, the dues in respect of income tax / sales tax / wealth tax / service tax / custom duty / excise duty / cess that have not been deposited with the appropriate authorities on account of dispute, where the disputes are pending, are as under:

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

*assessment year

- For the above demands, as informed to us, the Company has filed waiver petitions before Chief Commissioner of Income Tax for waiver of interest, those petitions are pending to be heard;
- The waiver of above demands has been considered in scheme of rehabilitation by BIFR;
- The Company has represented before the Tax Recovery Officer, to give effect to the order of Honourable BIFR.

10. the Company has not incurred cash losses in the year under review and in the immediately preceding financial year; and its accumulated losses at the end of the financial year under review are not more than fifty percent of its networth;
11. according to the records examined by us, the Company has not defaulted in repayment of dues to the banks. There are no dues to a financial institution or debenture holders;
12. the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities; therefore, reporting requirement under clause 4(xii) of the Order is not applicable to the Company;
13. the Company is not a chit fund or a nidhi mutual benefit fund/ society; therefore, reporting requirement under clause 4(xiii) of the Order is not applicable to the Company;
14. the Company is not dealing or trading in shares, securities, debentures and other investments; therefore, reporting requirement under clause 4(xiv) of the Order is not applicable to the Company;
15. the Company has not given any guarantee for loans taken by others from bank or financial institutions; therefore reporting requirement under clause 4(xv) of the Order is not applicable to the Company;
16. on the basis of the records examined by us, and relying on the information complied by the Company for co-relating the funds raised to the end use of the term loans, we have to state that, the Company has, prima facie, applied the term loan for the purpose for which they were obtained.;
17. on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have, prima facie, been used for long-term investment;
18. the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act; therefore, reporting requirement under clause 4(xviii) of the Order is not applicable to the Company;
19. the Company has not even issued any secured debentures; therefore reporting requirement under clause 4 (xix) of the Order is not applicable to the Company;
20. the Company has not raised any money through a public issue during the year; therefore, reporting requirement under clause 4(xx) of the Order is not applicable to the Company; and
21. according to the representation made, and to the best of our knowledge and belief, no fraud on or by the Company, has been noticed or reported by the Company during the course of our audit.

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

Anuja Dedhia

Partner

Membership No. 123589

Place : Mumbai

Date : May 30, 2013

Balance Sheet as at 31st March,2013

	Note No.	As at 31.3.2013 Amount in `	As at 31.3.2012 Amount in `
EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	131,792,500	131,792,500
(b) Reserves and surplus	3	(11,702,875)	(12,706,812)
2 Non-current liabilities			
(a) Long-term borrowings	4	9,688,640	15,810,741
(b) Long-term provisions	5	553,173	449,508
3 Current liabilities			
(a) Short-term borrowings	6	38,720,002	31,072,935
(b) Trade payables	7	63,344,622	37,155,303
(c) Other current liabilities	8	8,997,852	10,609,972
(d) Short-term provisions	9	1,127,091	1,004,859
TOTAL		242,521,005	215,189,006
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	10	47,959,118	51,559,985
(ii) Intangible assets		-	-
(iii) Capital work-in-progress	10	1,249,501	-
(b) Non-current investments	11	952,500	952,500
(c) Deferred tax assets (net)	12	6,741,399	7,507,199
(d) Long-term loans and advances	13	20,261,898	38,955,987
(e) Other non-current assets	14	3,512,882	2,948,222
2 Current assets			
(a) Inventories	15	90,653,755	69,812,087
(b) Trade receivables	16	61,219,987	38,716,820
(c) Cash and cash equivalents	17	1,012,926	679,889
(d) Short-term loans and advances	18	8,645,191	3,272,826
(e) Other current assets	19	311,849	783,492
TOTAL		242,521,005	215,189,006
Contingent Liabilities and Commitments (To the extent not provided for)	29		
Significant Accounting Policies	1		

As set out in our attached report of even date

On behalf of the Board

R. S. AGRAWAL & ASSOCIATESChartered Accountants
(Firm Registration no. 100156W)Narendra Kumar Sureka
Chairman and Managing Director**Anuja Dedhia**Partner
Membership No. 123589
Mumbai, 30th May 2013Pradeep Kumar Sureka
Whole Time Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH,2013

	Note No.	year ended 31.03.2013 Amount in `	year ended 31.3.2012 Amount in `
I. Revenue from operations	20	193,194,415	220,101,306
II. Other income	21	2,745,045	717,417
III. Total Revenue (I + II)		195,939,460	220,818,723
IV. Expenses:			
Cost of materials consumed	22	64,301,730	79,404,213
Purchases of Stock-in-Trade	23	92,558,807	105,186,243
Changes in inventories	24	(11,721,930)	(7,119,958)
Employee benefits expense	25	9,116,459	8,287,563
Finance costs	26	9,131,987	8,443,650
Depreciation and amortization expense	10	5,377,746	4,826,956
Other expenses	27	25,392,714	18,828,570
Total expenses		194,157,513	217,857,237
V. Profit before exceptional and extraordinary items and tax (III-IV)		1,781,946	2,961,486
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		1,781,946	2,961,486
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		1,781,946	2,961,486
X Tax expense:			
(1) Current tax		341,869	568,504
(2) Deferred tax		765,800	922,778
(2) MAT Credit Entitlement		(329,660)	(551,946)
XI Profit (Loss) for the period from continuing operations (VII-VIII)		1,003,937	2,022,149
XII Less/(Add) : Adjustments for earlier years			
Tax adjustments		-	-
MAT Credit Entitlement		-	-
XIII Profit (Loss) for the period from continuing operations (VII-VIII)		1,003,937	2,022,149
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)		1,003,937	2,022,149
XVIII Earnings per equity share:			
Basic and Diluted	28	0.01	0.02
Significant Accounting Policies	1		

As set out in our attached report of even date

On behalf of the Board

R. S. AGRAWAL & ASSOCIATESChartered Accountants
(Firm Registration no. 100156W)**Narendra Kumar Sureka**
Chairman and Managing Director**Anuja Dedhia**Partner
Membership No. 123589
Mumbai,30th May'2013**Pradeep Kumar Sureka**
Whole Time Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	31.03.2013 Amount in `	31.03.2012 Amount in `
A. Cash Flow from Operating Activities		
Net Profit before tax and extraordinary items	1,781,946	2,961,486
Adjustment for		
Depreciation	5,377,746	4,826,956
Profit / Loss on sale of fixed assets	-	441,334
Interest / other income	(2,745,045)	(1,158,651)
Dividend	-	(100)
Interest expenses	9,131,987	8,443,650
Operating profit before working capital changes	13,546,634	15,536,679
Adjustment for		
Trade and other receivables	(27,460,888)	12,942,169
Inventories	(20,841,668)	(9,764,228)
Trade payables	25,226,853	(10,959,940)
Cash generated from operations	(9,529,069)	7,754,681
Direct taxes paid	(318,561)	(906,891)
Cash flow before extraordinary items	(9,847,630)	6,847,790
Prior period items	-	-
Extraordinary items	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	(9,847,630)	6,847,790
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(3,026,380)	(15,185,516)
Sale of fixed assets	-	277,777
Movement of advances for capital goods	18,694,089	9,750,000
(Purchase) / sale of investments (Net)	-	-
(Increase) / decrease in deposits	-	-
Interest / other income	2,745,045	1,158,651
Dividend received	-	100
NET CASH USED IN INVESTING ACTIVITIES	18,412,754	(3,998,988)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	-
Proceeds from long term borrowings	820,000	8,333,000
Repayment of long term borrowings	(7,389,166)	(8,688,357)
Proceeds from short term borrowings	-	-
Repayment of short term borrowings	-	(492,224)
Change in working capital borrowing from banks	7,647,067	6,400,214
Interest paid	(9,131,987)	(8,443,650)
NET CASH FROM FINANCING ACTIVITIES	(8,054,086)	(2,891,017)
NET INCREASE IN CASH AND CASH EQUIVALANTS (A+B+C)	511,037	(42,216)
OPENING BALANCE OF CASH AND CASH EQUIVALANTS	501,889	544,104
CLOSING BALANCE OF CASH AND CASH EQUIVALANTS	1,012,926	501,889

Notes to cash flow statement:

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

As set out in our attached report of even date

On behalf of the Board

R. S. AGRAWAL & ASSOCIATES

Chartered Accountants
(Firm Registration no. 100156W)

Narendra Kumar Sureka
Chairman and Managing Director

Anuja Dedhia

Partner
Membership No. 123589
Mumbai, 30th May 2013

Pradeep Kumar Sureka
Whole Time Director

NOTE "1": SIGNIFICANT ACCOUNTING POLICIES

1. SYSTEM OF ACCOUNTING

- a) The financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India and the provisions of the Companies Act 1956 following the mercantile system of accounting and recognising income and expenditure on accrual basis.
- b) The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known or materialised.
- c) All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

2. FIXED ASSETS:

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

3. INVESTMENT:

Investments are classified into Non Current and Current investments.

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

4. DEPRECIATION:

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

5. VALUATION OF INVENTORIES:

- a) Valuation of inventories is inclusive of taxes or duties incurred and on FIFO basis except otherwise stated.
- b) Raw materials and Work in progress are being valued at cost or net realisable value whichever is lower.
- c) Stores, Spares and Tools are being valued at weighted average cost.

- d) Goods in Transit, if any, are stated at actual cost up to the date of the Balance Sheet.
- e) Finished Stocks are being valued at direct cost or net realisable values whichever is lower.

6. REVENUE RECOGNISATION:

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

7. RETIREMENT AND OTHER BENEFITS TO EMPLOYEES:

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

8. CAPITAL WORK IN PROGRESS:

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

9. PRIOR PERIOD EXPENSES / INCOME:

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

10. INCOME FROM INVESTMENTS:

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

11. TREATMENT OF CONTINGENT LIABILITIES:

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

12. EXCISE DUTY & CENVAT CREDIT

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

- c) CENVAT credit available as per the provisions of the Excise Rules on capital goods is accounted for by reducing the cost of capital goods.

13. TAXES ON INCOME

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized, on timing differences, being the difference between taxable incomes and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

14. IMPAIRMENT LOSS

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

15. SEGMENT REPORTING

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

16. BORROWING COSTS

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

17. TRANSACTION IN FOREIGN CURRENCIES

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

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

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

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

Notes on Financial Statements for the year ended March 31, 2013

Note "2" SHARE CAPITAL

Particulars	31.03.2013		31.03.2012	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ` 1/- each	130631000	130,631,000	130631000	130,631,000
Add: Forfeited shares (amount originally paid up in respect of 227500 shares)	-	1,161,500	-	1,161,500
Total	130631000	131,792,500	130631000	131,792,500

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

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

Name of Shareholder	As at 31 March 2013		As at 31 March 2012	
	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:-

- The Company has only one class of Equity shares having par value of ` 1/- per share.
- Each holder of Equity share is entitled to one vote per share.
- In the event of Liquidation of the Company, the holders of Equity shares will be entitled to receive the realised value of the assets of the Company, remaining after payment of all preferential dues(if any).The distribution will be in proportion to the number of equity shares held by the shareholders.

Note "3" : RESERVES AND SURPLUS

Particulars	31.03.2013 Amount in `	31.03.2012 Amount in `
a. Capital Reserves		
Balance as per the last financial statements	4,500,000	4,500,000
Sub-total	4,500,000	4,500,000
b. Securities Premium Account		
Balance as per the last financial statements	7,585,627	7,585,627
Sub-total	7,585,627	7,585,627
c. Surplus in the Statement of Profit and Loss		
Balance or (deficit) as per the last financial statements	(24,792,439)	(26,814,588)
Add/(Less): Net Profit/(Loss) for the year	1,003,937	2,022,149
Sub-total	(23,788,502)	(24,792,439)
Total	(11,702,875)	(12,706,812)

Notes on Financial Statements for the year ended March 31, 2013

Note "4": LONG-TERM BORROWINGS

Particulars	31.03.2013 Amount in `	31.03.2012 Amount in `
Secured		
Term Loans from banks (refer note no 4.1)	8,868,640	15,810,741
Unsecured		
Loans and advances from a related party (refer note no 33)	820,000	-
Total	9,688,640	15,810,741

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

Name of the Bank	HDFC Bank	HDFC Bank	HDFC Bank	Indian Overseas Bank	Indian Overseas Bank
Type of Loan	Vehicle Loan	Vehicle Loan	Vehicle Loan	Term Loan	Term Loan
Loan Account No.	018405632	015611288	016603817	062503260900001	062503261000001
Amount sanctioned	630,000	1,410,000	911,000	10,000,000	26,000,000
Amount availed	630,000	1,410,000	911,000	10,000,000	25,033,640
Sanction Date	13.04.2011	05.11.2009	26.05.2010	13.05.2009	29.04.2010
Rate of Interest	12.00%	9.75%	10.50%	14.25%	14.25%
Total No.of Instalments	36	44	36	60	60
No.of Instalments paid	25	41	36	38	29
No.of balance Instalments to be paid	11	3	0	22	31
Amount of Instalment	EMI of ` 20500	EMI of ` 37900	EMI of ` 28870	59 instalments of ` 166600 and last instalment of ` 170600	59 instalments of ` 435000 and last instalment of ` 335000
Repayment Type	Monthly	Monthly	Monthly	Monthly	Monthly
Security on loans	Hypothecation of specific vehicles.			First charge by way of hypothecation of machineries purchased under expansion projects.	Collaterally secured by equitable mortgage of lands and buildings located at B-4 and B-5 MIDC industrial Area, Murbad, Dist. Thane. and Unit no. 5, 6 & 7 Tex Centre 26 A, Chandivali Road, Andheri (E), Mumbai.
				Personally guaranteed by two directors of the company.	

Installments falling due in respect of all the above loans upto 31.03.2013 have been taken in "Other current liabilities" under the head "Current maturities of long term debts" (Refer note no.8)

Notes on Financial Statements for the year ended March 31, 2013

Note 5: LONG TERM PROVISIONS

Particulars	31.03.2013 Amount in `	31.03.2012 Amount in `
Provision for employee benefits		
Gratuity (unfunded)	553,173	439,312
Leave Encashment (unfunded)	-	10,196
Total	553,173	449,508

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:-

Particulars	31.03.2013 Amount in `	31.03.2012 Amount in `
Employer's Contribution to Provident Fund	72,300	83,735
Employer's Contribution to superannuation Fund	-	-
Employer's Contribution to Pension Fund	-	-

ii) Defined Benefit Plan

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)	
	2012-2013 Amount in `	2011-2012 Amount in `
Defined Benefit obligation at beginning of the year	449,185	287,203
Current Service Cost	148,810	195,294
Interest Cost	51,596	39,876
Actuarial (gain) / loss	12,379	982,824
Benefits paid	-	(1,056,012)
Settlement cost	-	-
Defined Benefit obligation at year end		
Current Liability	108,797	9,873
Non-Current Liability	553,173	439,312

Notes on Financial Statements for the year ended March 31, 2013

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

Particulars	Gratuity (Unfunded)	
	2012-2013 Amount in `	2011-2012 Amount in `
Fair value of plan assets at beginning of the year	-	-
Expected return on plan assets	-	-
Actuarial (gain) / loss	-	-
Employer contribution	-	1,056,012
Benefits paid	-	(1,056,012)
Fair value of plan assets at year end	-	-
Actual return on plan assets	-	-
III. Reconciliaton of fair value of assets and obligations:		
Fair value of plan assets	-	-
Present value of obligation	-	-
Amount recognised in balance sheet	-	-
IV. Expense recognized during the year (under the head "Payments to and Provisions fro Employees".		
Current Service Cost	148,810	195,294
Interest Cost	51,596	39,876
Expected return on plan assets	-	-
Actuarial (gain) / loss	12,379	982,824
Net Cost	212,785	1,217,994
V. Actuarial Assumption		
	LIC 1994-96 Mortality Table	LIC 1994-96 Mortality Table
Mortality Table (LIC)		
Discount rate (per annum)	8.05%	8.70%
Expected return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	7.00%	7.00%

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

Notes on Financial Statements for the year ended March 31, 2013

Note 6: SHORT TERM BORROWINGS

Particulars	31.03.2013	31.03.2012
	Amount in `	Amount in `
Secured		
Loans repayable on demand from banks:		
Working Capital Loan from Indian Overseas Bank	38,720,002	31,072,935
Nature of Security :		
1. Hypothecation of stocks and book debts of the company.		
2. Collaterally secured by equitable mortgage of lands and buildings located at B-4 and B-5 MIDC industrial Area, Murbad, Dist. Thane and Unit no.5,6,7, Tex centre, 26A, Chandivali road, Andheri East. Mumbai		
3. Also Personally guaranteed by two directors of the company.		
Total	38,720,002	31,072,935

Note 7: TRADE PAYABLES

Due to Micro and Small Enterprises *	-	-
Others	63,344,622	37,155,303
* 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 31.03.2013		
Total	63,344,622	37,155,303

Note 8: OTHER CURRENT LIABILITIES

Current maturities of long-term debts	7,728,166	8,175,231
Statutory Liabilities	142,222	534,471
Security deposits	49,629	846,530
Other accrued expenses	1,071,835	546,952
Other current Liabilities	6,000	506,788
Advance from Customers	-	-
Total	8,997,852	10,609,972

Note 9: SHORT TERM PROVISIONS

Provision for employee benefits	108,797	9,873
Provision for Taxation (net of taxes paid)	1,018,294	994,986
Total	1,127,091	1,004,859

Notes on Financial Statements for the year ended March 31, 2013

Note 10 :FIXED ASSETS

(Amount in `)

Particulars	Gross Blocks(AT Cost)			Depreciation			Net Block			
	As at 31.03.2012	Additions during the year	Sold during the year	As on 31.03.2013	Total Upto 31.03.2012	Provided for the year	Written back during the year	Total Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
TANGIBLE ASSETS :										
Leasehold land	205329.03	0.00	0.00	205329.03	0.00	0.00	0.00	0.00	205329.03	205329.03
Freehold land and site development	5966514.14	0.00	0.00	5966514.14	0.00	0.00	0.00	0.00	5966514.14	5966514.14
Factory building	7098412.39	844089.00	0.00	7942501.39	3256463.18	239436.35	0.00	3495899.53	4446601.86	3841949.21
Office premises	913147.00	0.00	0.00	913147.00	117646.11	14884.30	0.00	132530.41	780616.59	795500.89
Plant and machinery	58040580.20	641026.00	0.00	58681606.20	22342528.52	4264452.46	0.00	26606980.98	32074625.22	356998051.68
Electrical equipments	2558228.65	0.00	0.00	2558228.65	1576919.09	114055.37	0.00	1690974.46	867254.19	981309.56
Furniture and fixtures	297295.04	0.00	0.00	297295.04	289509.71	0.00	0.00	289509.71	7785.33	7785.33
Office equipments	449365.00	232909.00	0.00	682274.00	146122.97	28282.89	0.00	174405.86	507868.14	303242.03
Computers	566796.00	58855.00	0.00	625651.00	474775.20	100226.79	0.00	575001.99	50649.01	92020.80
Vehicles	6488503.56	0.00	0.00	6488503.56	2820221.00	616407.84	0.00	3436628.84	3051874.72	3668282.56
TOTAL AS AT 31.03.2013	82584171.01	1776879.00	0.00	84361050.01	31024185.78	5377746.00	0.00	36401931.78	47959118.26	51559985.26
TOTAL AS AT 31.03.2012	69077285.01	15185516.00	1678630.00	82584171.01	27156748.77	4826955.98	959518.97	31024185.78		

Notes on Financial Statements for the year ended March 31, 2013

Note 11: NON CURRENT INVESTMENTS

Particulars	31.03.2013 Amount in `	31.03.2012 Amount in `
Long term investments (at cost)		
Immovable Properties [refer note no.29(b)(i)]	952,500	952,500
Total	952,500	952,500

Note 12: DEFERRED TAX ASSETS(net)

Deferred Tax Liabilities:		
Difference between book and tax depreciation	2,372,636	2,261,022
Deferred Tax Assets:		
Gratuity	170,930	135,747
Business Losses	8,941,350	9,495,741
Deferment of Allowances	1,755	136,733
Total	6,741,399	7,507,199

Note 13: LONG TERM LOANS AND ADVANCES

(Unsecured considered good)		
Advance for Capital Goods [refer note no.29(b)(ii)]	19,722,845	38,416,934
Security Deposits	539,053	539,053
Total	20,261,898	38,955,987

Note 14: OTHER NON CURRENT ASSETS

Long term deposits with banks having maturity more than 12 months	909,200	674,200
MAT Credit Entitlement	2,603,682	2,274,022
Total	3,512,882	2,948,222

Note 15: INVENTORIES

(Refer note 1.5)		
Raw Materials and components	21,108,449	12,293,511
Work-in-progress	2,486,400	2,121,600
Finished goods	66,008,606	54,651,476
Stores and spares	1,050,300	745,500
Total	90,653,755	69,812,087

Note 16: TRADE RECEIVABLES

Unsecured, considered good		
Outstanding over six months	3,929,113	2,636,134
Others	57,290,874	36,080,686
Total	61,219,987	38,716,820

Notes on Financial Statements for the year ended March 31, 2013

Note 17: CASH AND BANK BALANCES

Particulars	31.03.2013 Amount in `	31.03.2012 Amount in `
Cash and Cash equivalents		
Balances with Bank		
In Deposit accounts (less than 3 months maturity)	-	57,000
Cash on hand	1,012,926	444,889
Other Bank Balances		
Long term deposits with maturity more than 3 months but less than 12 months	-	178,000
Long term deposits with banks having maturity more than 12 months	909,200	674,200
Less:- Long term deposits with maturity more than 12 months considered under "Other Non Current Assets"	909,200	674,200
Total	1,012,926	679,889

Note 18: SHORT TERM LOANS AND ADVANCES

Sales Tax Receivable	2,846,642	1,955,414
Advance to suppliers	718,472	907,308
Advance to Staff	2,200,000	-
Prepaid expenses	160,051	128,545
Others	2,720,026	281,560
Total	8,645,191	3,272,826

Note 19: OTHER CURRENT ASSETS

Interest accrued but not due on fixed deposits	199,349	136,617
Other Current Assets	112,500	646,875
Total	311,849	783,492

Note 20: REVENUE FROM OPERATION

Sale of Products :		
Fabrics:		
Grey Fabrics	90,711,587	97,039,227
Finished Fabrics	94,329,207	120,375,166
Sale of Services :		
Job charges	8,153,621	2,686,913
Total	193,194,415	220,101,306

Notes on Financial Statements for the year ended March 31, 2013

Note 21 : OTHER INCOME

Particulars	31.03.2013 Amount in `	31.03.2012 Amount in `
Rent (Refer note 21.a)	2,558,992	944,642
Interest	186,053	214,009
Net gain/(loss) on sale of investments/ fixed assets	-	(441,334)
Dividend Income	-	100
Total	2,745,045	717,417

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

(i) Information as to Office Premises:		
Gross carrying amount	780,617	795,501
Depreciation for the year	14,884	14,884
Accumulated depreciation	132,530	117,646
(ii) The total future minimum lease rentals receivable at the balance sheet is as under:		
For a period not later than one year	894,240	1,341,360
For a period later than one year and not later than five years	1,788,480	1,509,030
For a period later than five years	-	-

Note 22:COST OF MATERIALS CONSUMED

Yarn	64,301,730	79,404,213
Total	64,301,730	79,404,213

Note 23:PURCHASES OF STOCK IN TRADE

Grey Fabrics (returned)	253,709	(982,072)
Finished Fabrics	92,305,098	106,168,315
Total	92,558,807	105,186,243

Note 24:CHANGES IN INVENTORIES

Opening Stock:		
Finished Goods	21,210,876	19,642,366
Stock in trade	33,440,600	28,365,752
Stock in process	2,121,600	1,645,000
Closing Stock:		
Finished Goods	19,227,606	21,210,876
Stock in trade	46,781,000	33,440,600
Stock in process	2,486,400	2,121,600
Total	(11,721,930)	(7,119,958)

Notes on Financial Statements for the year ended March 31, 2013

Note 25: EMPLOYEE BENEFIT EXPENSE

Particulars	31.03.2013 Amount in `	31.03.2012 Amount in `
Salaries and Wages	8,831,374	6,931,023
Contribution to Provident and Other Funds	285,085	1,356,540
Total	9,116,459	8,287,563

Note 26: FINANCE COST

Term Loans	2,784,677	3,308,407
Working Capital Loans	4,309,601	3,517,142
Others	2,037,709	1,596,097
Interest on delayed payment of taxes	-	22,005
Total	9,131,987	8,443,650

Note 27: OTHER EXPENSES

A) Manufacturing Expenses

Job charges	4,461,976	2,723,060
Beam Making and mending charges	2,415,538	1,845,410
Picking & testing charges	-	5,515
Power and fuel	6,637,174	4,886,690
Water expenses	166,740	169,720
Stores and spares consumed	3,454,068	3,590,629
Repairs and maintenance :		
Building	121,346	106,301
Machine	853,864	246,652
Others	231,688	245,495
Total- (A)	18,342,394	13,819,472

B) Administrative and General Expenses

Printing and stationery	209,223	193,696
Postage, telegrams and telephones	231,732	253,637
Rent	518,280	245,381
Rates and taxes	39,638	264,552
Insurance	229,255	209,708
Auditors remuneration (refer note no. 30)	230,338	235,633
Bank commission/charges	43,395	124,802
Security charges	281,553	-
Electricity expenses	176,785	118,595
Legal and professional charges	292,631	260,111
Computer and software expenses	98,950	31,350

Notes on Financial Statements for the year ended March 31, 2013

Particulars	31.03.2013 Amount in `	31.03.2012 Amount in `
Donation	145,200	32,200
Freight and forwarding	91,816	50,942
Listing fees	196,630	153,107
Travelling and conveyance	784,858	741,869
Office expenses	1,190,468	1,027,383
Total- (C)	4,760,753	3,942,965
C) Selling and Distribution Expenses		
Sales Promotion Expenses	2,171,448	806,742
Advertisement Expenses	32,527	37,827
Brokerage and commission	85,593	221,563
Total- (B)	2,289,568	1,066,132
Total (A+B+C)	25,392,714	18,828,570

Note 28 : EARNING PER EQUITY SHARE

	UNIT	2012-2013	2011-2012
Weighted average number of Equity Shares	Numbers	130,631,000	130,631,000
Nominal Value of a Share	`	1.00	1.00
Profit/ (Loss) for the year	` in lacs	1,003,937	2,022,149
Basic and Diluted Earning Per Share	`	0.01	0.02

Note 29 : Contingent liabilities and commitments:

(a) Contingent liabilities not provided:

(i) Penalty levied by SEBI for delay in submission of certain information to BSE	`	170,000	170,000
(ii) Disputed income tax matters in appeal	`	71,881	71,881
(iii) Undertaking given under EPCG Scheme for fulfilment of export obligation	` in lacs	150.85	150.85

(b) Commitments:

(i) Uncalled money payable for residential flat to the developers	`	1,422,500	1,422,500
(ii) Estimated amount of contracts, net of advances, remaining to be executed on capital account	`	440,000	23,230,000

Note 30 :PAYMENT TO AUDITORS

Audit Fees	140,450	140,450
Tax Audit Fees	39,326	39,326
Taxation Matters	16,854	16,854
Certification	33,708	36,474
Out of Pocket expenses	-	2,529
	230,338	235,633

Notes on Financial Statements for the year ended March 31, 2013

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

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

Note 33 :Related Party Disclosure

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

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

Particulars	Volume of the transaction (`)		Balance as on (`)	
	2012-13	2011-12	2012-13	2011-12
Remuneration /Payables				
Shri Pradeep Kumar Sureka	549,900	448,400	-	-
Shri Narendra Kumar Sureka	549,900	453,400	-	-
Rent paid /Payables				
Smt. Geetadevi Sureka	102,000	102,000	-	-
Loan taken / (repayments) made				
Shri Pradeep Kumar Sureka	-	(232,682)	-	-
True Capital and Finance Private Limited	820,000	(260,000)	820,000	-

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

Notes on Financial Statements for the year ended March 31, 2013

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

	2012-13		2011-12	
	Value (₹)	%	Value (₹)	%
i. Raw Materials:-				
Indigenous	64,301,730	100	79,404,213	100.00
Imported	NIL	NIL	NIL	NIL
ii. Spare parts and Components:-				
Indigenous	3,454,068	100	3,590,629	100.00
Imported	NIL	NIL	NIL	NIL

Note 35 : CIF value of imports

	2012-13		2011-12	
	Quantity (No's)	Value (₹)	Quantity (No's)	Value (₹)
Machineries Purchased	1	143,138	12	13,415,892

Note 36: The management is proposing to make applications for condonation for following non-compliances to the appropriate authorities:

(i) Loans & Advances, involving an amount of ₹ 2,56,657/-,(year end outstanding ₹ Nil/-) given by the company during the year, are in contravention of provisions of Section 295 of the Act; The management is proposing to make application for the non – compliance, in the event of the Company's condonation requests are not granted has not been determined or recognized in the financial statements.

(ii) The Company has not made provision for time barred debt of ₹ 2,26,060/-

Note 37: The Company has reclassified previous year figures to conform to this year's classification.

As set out in our attached report of even date

R. S. AGRAWAL & ASSOCIATES

Chartered Accountants

(Firm Registration no. 100156W)

Anuja Dedhia

Partner

Membership No. 123589

Mumbai,30th May'2013

On behalf of the Board

Narendra Kumar Sureka

Chairman and Managing Director

Pradeep Kumar Sureka

Whole Time Director

Tuni Textile Mills Limited

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

PROXY FORM

I/We _____ resident of _____
in the district of _____ being member/members of the above
named Company, hereby appoint _____
resident of _____ in the district of _____ or failing
him _____ resident of
_____ in the district of _____
_____ as my/our proxy to attend and vote for me/us on my/our behalf
at the 26th Annual General Meeting of the Company to be held Monday, the 30th day of
September 2013 at 11.30 A.M., at Ramee Guest Line Hotel, 462, A. B. Nair Road, Opp. Sun-
N-Send Hotel, Juhu, Vile Parle (W), Mumbai-400049 and any adjournment thereof.

Registered Folio No./DP-Client ID _____ No. of Shares held _____

Signed on this _____ day of _____ 2013.

Signed by the said _____

Signature of Proxy _____

Attested by Shareholder _____

Affix
Revenue
Stamp



Tuni Textile Mills Limited

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

ATTENDANCE SLIP

I hereby record my presence at the 26th Annual General Meeting of the Company held on
Monday, the 30th day of September 2013 at 11.30 A.M., at Ramee Guest Line Hotel, 462, A.
B. Nair Road, Opp. Sun-N-Send Hotel, Juhu, Vile Parle (W), Mumbai-400049.

Name of Shareholder/s _____

Father/Husband's Name _____

Name of Proxy or Company Representative _____

Registered Folio No./DP-Client ID _____ No. of Shares held _____

Signature of the Shareholder(s) or Proxy or Company Representative _____

BOOK-POST

If undelivered, please return to :

TUNI TEXTILE MILLS LIMITED

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