
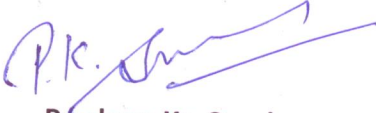
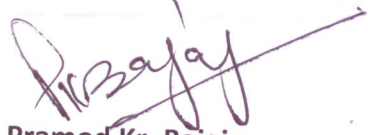
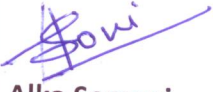



### Form A

Format for covering letter for the Annual Report to be filed with the Stock Exchanges  
(Pursuant to Clause 31(a) of the Listing Agreement)

Sr. No.	Particulars	Details
1.	Name of the Company	Tuni Textile Mills Limited
2.	Annual Financial Statements for the year ended	31 <sup>st</sup> March 2015
3.	Type of Audit Observation	No Qualification of matter of emphasis has been included in the Audit Report
4.	Frequency of Observation	Not Applicable in view of Comments in (3) above
5.	To be signed by :	
	• Managing Director	 Narendra Kr. Sureka
	• President & Chief Financial Officer	 Pradeep Kr. Sureka
	• Audit Committee Chairman	 Pramod Kr. Bajaj
• Auditors of the Company	Refer our Audit Report dated May 29, 2015 on the Standalone Financial Statements of the Company  <b>For R. S. Agarwal &amp; Associates</b> Chartered Accountants Firm Registration No. 100156W  <b>Alka Somani</b> Partner Membership No. 147269  Place : Mumbai Date : May 29, 2015	



TUNI  
TEXTILE  
MILLS  
LIMITED

28th ANNUAL REPORT  
2014 - 2015

# Tuni Textile Mills Limited

## BOARD OF DIRECTORS

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

## AUDITORS

R S Agrawal & Associates  
Chartered Accountant

## BANKERS

Indian Overseas Bank

## Corporate Identification No. :

L17120MH1987PLC043996

## REGISTERED OFFICE

63/71, Dadiseth Agiary Lane  
3<sup>rd</sup> 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 : 30<sup>th</sup> September, 2015  
Time : 2.30 P.M.  
Venue : Ramee Guest Line Hotel  
462, A. B. Nair Road, Opp. Sun-N-Sand  
Hotel, Juhu, Vile Parle (W),  
Mumbai-400 049.

28<sup>th</sup>  
Annual  
Report  
2014-2015

## CONTENTS

- Notice
- Directors' Report
- Management Discussion & Analysis
- Secretarial Audit Report (MR-3)
- Extract of Annual Return (MGT-9)
- Report on Corporate Governance
- Auditors' Certificate on Corporate Governance
- Auditors' Report
- Balance Sheet
- Statement of Profit & Loss
- Statement of Cash Flow
- Notes on Financial Statements
- Proxy / Ballot Form (MGT-11)

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

## NOTICE

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of the members of **TUNI TEXTILE MILLS LIMITED** will be held on Wednesday, the 30<sup>th</sup> day of September, 2015 at 2.30 P.M. at Ramee Guest Line Hotel, 462, A. B. Nair Road, Opp. Sun-N-Sand Hotel, Juhu, Vile Parle (W), Mumbai-400 049 to transact the following business as :

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2015.
2. To appoint Director in place of Mr. Pradeep Kr. **Sureka (DIN : 01632706)**, who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and thought fit, to pass, with or without modification(s), the following Resolution, as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139 read with The Companies (Audit and Auditor) Rules, 2014), 142 and other applicable provisions, if any, of the Companies Act, 2013 and their corresponding rules and based on the recommendations of the Audit Committee, M/s. R S Agarwal & Associates, Chartered Accountants, Mumbai (FRN-100156W), who have offered themselves for re-appointment and have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014, be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of the 28<sup>th</sup> Annual General Meeting up to the conclusion of the 32<sup>nd</sup> consecutive Annual General Meeting (subject to ratification by the members at every subsequent AGM) at a remuneration as may be decided by the Board of Directors of the Company.”

### SPECIAL BUSINESS:

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

**“RESOLVED THAT** Pursuant to the provisions of Section 149 (read with the Rule 3 of the Companies (Appointment & Qualification of Directors) Rules 2014, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Aditya P. Khaitan (DIN: 07009083) an Independent Director and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) years commencing from 13<sup>th</sup> February 2015.”

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

**“RESOLVED THAT** Pursuant to the provisions of Section 149 (read with the Rule 3 of the Companies (Appointment & Qualification of Directors) Rules 2014, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Kamal Dixit (DIN: 06952563) an Independent Director and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) years commencing from 13<sup>th</sup> February 2015.”

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

**“RESOLVED THAT** pursuant to Sections 152 and 160 of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and such other applicable provisions, rules as may be applicable (including statutory modification(s) or re-enactment(s) thereof for the time being in force) and any other law for the time being in force, if applicable, Mrs. Urmila Sureka (DIN: 02344028), whose term of office as an Additional Director, pursuant to Section 160 of

the Companies Act, 2013, expires at this Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013 proposing her candidature for the office of a director, be and is hereby appointed as a director of the Company, liable to retire by rotation.”

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

“**RESOLVED THAT** pursuant to the provisions of Sections 5, 14 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), rules and regulations made there under, the enabling provisions of the memorandum and articles of association of the Company and subject to the requisite approvals, consents, permissions and/or sanctions as may be required, if any, the draft regulations contained in the Articles of Association submitted to this meeting and duly initialed be and are hereby replaced, altered, modified and revised as per the new set of Articles of Association, and the new set of Articles of Association be and is hereby approved and adopted as the Articles of Association of the Company in the place and in exclusion and substitution of the existing Articles of Association of the Company;

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby jointly or severally authorized to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

#### Notes:

1. The Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy, in order to be effective, must be received at the Company's Registered Office not less than forty-eight hours before the Meeting.  
In terms of Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total Share capital of those carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any person or shareholder.
3. The Register of Member and the Share Transfer Books of the Company will remain closed from 24<sup>th</sup> September 2015 to 30<sup>th</sup> September 2015 (both days inclusive).
4. The Register of Directors and key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.
5. Shareholders/Investors are advised to send their queries/complaints through the dedicated e-mail Id [tunitextilemills@gmail.com](mailto: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 appropriate authorities 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. The Securities and Exchange Board of India (SEBI) vide Circular ref. No. MRD/DOP/CIR-05/2007 dated April 27, 2007 made PAN mandatory for all securities market transactions and off market/private transaction involving transfer of shares in physical form of listed Companies, it shall be mandatory for the transferee (s) to furnish copy of PAN Card to the Company/RTAs for registration of such transfer of shares.  
SEBI further clarified that it shall be mandatory to furnish a copy of PAN in the following cases:
  - a) Deletion of name of the deceased shareholder (s), where the shares are held in the name of two / more shareholders.
  - b) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares.
  - c) Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the name of two or more shareholders.
12. Members holding shares in physical form and desirous of making a nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 read with Rule 19 of Companies (Share Capital and Debentures) Rules, 2014, may fill SH-13 and send the same to the office of RTA of the Company. In case of shares held in dematerialized form, the nomination/change in nomination should be lodged with their DPs.
13. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your Depository Participants to enable us to send you're the quarterly reports and other communication via email.
14. Copies of Annual Report 2014-2015 are being sent by electronic mode only to all the members whose email address are registered with the Company's Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the Annual Report. The Members who have not registered their email address, physical copies of Annual Report 2014-2015 are being sent by the permitted mode.
15. Copies of Annual Report 2015 together with AGM Notice will be sent by electronic mode only to all the members whose email address are registered with the Company's Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the Annual Report. The Members who have not registered their email address, physical copies of Annual Report 2015 are being sent by the permitted mode.
16. The Notice for the 28<sup>th</sup> AGM and instructions for e-voting, along with Attendance Slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. Members are requested to bring copies of Annual Report to the Annual General Meeting. For members who have not registered their email address, physical copies of aforesaid documents are being sent by the permitted mode.
17. Members can opt for one mode of voting i.e. either by physical ballot or through e-voting. If Members opt for e-voting then do not vote by Physical Ballot or vice-a-versa. However, in case Members cast their vote both by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.
18. In terms of the provisions of Section 107 of the Companies Act, 2013, since the resolutions as set out in this Notice are being conducted through e-voting or physical Ballot, the said resolutions will not be decided on a show of hands at the AGM. **The voting right of all shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date i.e. September 23, 2015.**
19. In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Proxy cum Ballot Form is attached. Members desiring to exercise vote by Ballot are requested to carefully read the instructions printed in the form, to complete the Ballot Form with

assent (for) or dissent (against) and send it to Ms. Gayatri Bhide, Scrutinizer, C/o Purva Sharegistry (India) Private Limited, Unit: Tuni Textile Mills Limited, No. 9, Shiv Shakti Industrial Estate, Ground Floor, J. R. Boricha Marg, Opposite Kasturba Hospital, Lower Parel, Mumbai-400 011, Tel. No: +91 22-2301 8261, Fax No : +91 22- 2301 2517, E-mail : [purvashr@mtnl.net.in](mailto:purvashr@mtnl.net.in) so as to reach him on or before September 29, 2015 by 5.00 p.m. Any Ballot Form received after the said date shall be treated as if the reply from the Members has not been received.

20. In light of the recent judgment of the Bombay High Court, until clarity is available members who have not voted electronically or through ballot, will be permitted to deposit the filled in Ballot Forms, physically at the AGM to enable them to exercise their vote.
21. (i) Members who have registered their e-mail addresses with the depositories or with the Company's RTA are being sent Notice of ballot by e-mail and members who have not registered their e-mail addresses will receive Ballot Form along with the Notice through Courier/Post.  
(ii) Members can request for a Ballot Form at Purva Sharegistry (India) Private Limited, Unit: Tuni Textile Mills Limited, No. 9, Shiv Shakti Industrial Estate, Ground Floor, J. R. Boricha Marg, Opposite Kasturba Hospital, Lower Parel, Mumbai-400 011 or they may also address their request through e-mail to: [purvashr@mtnl.net.in](mailto:purvashr@mtnl.net.in). Contact no +91 22 2301 8261.  
(iii) In case of voting by physical ballot, the non-individual members (i.e. other than individuals, HUF, NRI, etc.) are required to send a copy of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer along with the Ballot Form so as to reach the Scrutinizer on or before 5.00 p.m. on Tuesday, September 29, 2015.  
(iv) The Scrutinizer will scrutinize the voting process (both e-voting and voting by physical ballot) in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company. The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be available on the Company's website within two (2) days of passing of the resolution at the AGM of the Company and communicated to the stock exchange.
22. The shareholders can also access the Annual Report 2014-2015 of the Company circulated to the Members of the Company and other information about the Company on Company's website, i.e., [www.tunitextiles.com](http://www.tunitextiles.com) or on Stock Exchange websites, which is [www.bseindia.com](http://www.bseindia.com).
23. Additional Information pursuant to Clause 49 of Listing Agreement with Stock Exchanges in respect of the Directors seeking appointments at the AGM are furnished and forms a part of Notice. The Directors have furnished the requisite consents / declarations for their appointment.
24. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
25. Members are requested to quote Folio Number in their correspondence.
26. 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.
27. The Equity shares of the Company are listed on Bombay and Ahmedabad Stock Exchanges and Listing Fees for the financial year 2015-2016 have been paid to BSE Limited (BSE).
28. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to the members facility to exercise their votes at the 28<sup>th</sup> AGM by electronic means and the business may be transacted through e-voting as per details below:-
  - a) Date and time of commencement of voting through electronic means: **Saturday, September 26, 2015 at 9.30 a. m.**
  - b) Date and time of end of voting through electronic means beyond which voting will not be allowed : **Tuesday, September 29, 2015 at 5.00 p. m.**
  - c) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **September 23, 2015**, may cast their vote

electronically irrespective of mode of receipt of notice by the shareholder. **The e-voting module shall be disabled by CDSL for voting thereafter.**

- d) Details of Website: [www.evotingindia.com](http://www.evotingindia.com)
- e) Details of Scrutinizer: Gayatri Bhide, Practising Company Secretary (ACS No. 31886), Prop., M/s. G. S. Bhide & Associates, Vapi (Gujarat). E-mail: [gayatribhideandco@gmail.com](mailto:gayatribhideandco@gmail.com).
- f) **Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change/ modify the vote subsequently.**

**29. The instructions for Members for e-voting are as under:**

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

- i The shareholders should log on to the e-voting website on [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- ii Click on "Shareholders" tab
- iii Now, select the TUNI TEXTILE MILLS LIMITED from the drop down menu and click on "SUBMIT"
- iv Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v Next enter the Image Verification as displayed and Click on Login.
- vi If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii If you are a first time user follow the steps given below:

<b>For Members holding Shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in the instructions (iv).</li> </ul>

- viii After entering these details appropriately, click on "SUBMIT" tab.
- ix Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password



- with any other person and take utmost care to keep your password confidential.
- x For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - xi Click on the EVSN for TUNI TEXTILE MILLS LIMITED on which you choose to vote.
  - xii On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - xiii Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
  - xiv After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
  - xv Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
  - xvi You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
  - xvii If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - xviii Note for Non Individual Shareholders and Custodians**
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
    - Scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
    - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
    - The list of accounts should be mailed to [helpdesk\\_evoting@cdslindia.com](mailto:helpdesk_evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
    - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - xix In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

### **Statement pursuant to Section 102 of the Companies Act 2013**

#### **ITEM NO. 4 & 5**

#### **Appointment of Mr. Aditya P. Khaitan and Mr. Kamal Dixit as Independent Directors**

The Board has appointed Mr. Aditya P. Khaitan and Mr. Kamal Dixit as Independent Director of the Company pursuant to Clause 49 of the Listing Agreement.

In accordance with Section 149 and 152 read with Schedule IV of the Companies Act, 2013 that have come into effect from 1 April 2014 and subsequent notification by the Ministry of Corporate Affairs vide its General circular no.14/2014 dated 9 June 2014, the Company is required to appoint its Independent Directors, including its existing Independent Directors in accordance with the provisions of the Companies Act, 2013 before 31 March 2015. Further, pursuant to the above provisions, the term of such Independent Directors is not liable to determination by rotation.

Accordingly, it is proposed to appoint Mr. Aditya P. Khaitan and Mr. Kamal Dixit as Independent Directors of the Company in accordance with Section 149 of the Companies Act, 2013, not liable to retire by rotation and to hold office as under:

NAME	TENURE	TERM	REMUNERATION
Mr. Aditya P. Khaitan	5 Years	Up to 12 <sup>th</sup> February 2020	Maximum of ` 5000/- per meeting
Mr. Kamal Dixit	5 Years	Up to 12 <sup>th</sup> February 2020	Maximum of ` 5000/- per meeting

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

The Company has received from Mr. Aditya P. Khaitan and Mr. Kamal Dixit

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

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

In the opinion of the Board, Mr. Aditya P. Khaitan and Mr. Kamal Dixit fulfill the conditions for their appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Agreement and is independent of the management.

A copy of the draft letters of appointment setting out the terms and conditions of appointment of Mr. Aditya P. Khaitan and Mr. Kamal Dixit are available for inspection, without any fee, by the members at the Company's registered office during normal hours on working days up to the date of the AGM.

Mr. Aditya P. Khaitan and Mr. Kamal Dixit are interested in the resolutions set out respectively at Item No. 4 & 5 of the Notice with regard to their respective appointment.

The relatives of Mr. Aditya P. Khaitan and Mr. Kamal Dixit may be deemed to be interested in the resolutions set out respectively at Item Nos. 4 & 5 of the Notice, to the extent of his shareholding interest, if any, in the Company.

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

The Board recommends the resolutions set forth in the Item Nos. 4 & 5 of the Notice for approval of the members.

#### ITEM NO. 6

Mrs. Urmila Sureka was co-opted as an Additional Director of the Company with effect from 23<sup>rd</sup> March 2015, pursuant to section 161(1) of the Companies Act, 2013. Mrs. Urmila Sureka holds the office of the Director upto the conclusion of next Annual General Meeting.

Mrs. Urmila Sureka is a graduate and is having a degree of Bachelor of Commerce however she is not having any prior experience to run or manage business. She has been appointed as Women Director of the Company in term of requirement of Section 149(1) of Companies Act, 2013.

The Company has received notice in writing from a member together with necessary deposit, proposing the candidature of Mrs. Urmila Sureka for the office of director of the Company under provision of section 160 of the Act. Members' approval is sought by way of ordinary resolution proposed under item no. 6.

The Board recommends the resolution set forth in item no. 4 for the approval of the members.

#### ITEM NO. 7

The existing Articles of Association ("Articles") of the Company are based on the Companies Act, 1956 and several regulations in the existing Articles contain reference to the Sections of the Companies Act, 1956. Some regulations in the existing Articles are no longer in conformity with the provisions of the Companies Act, 2013 ("Act").

With the enactment of the Companies Act, 2013, several regulations of the existing Articles of the Company require alteration and/or deletion. Given this position, it is considered expedient to wholly replace the

existing Articles by a new set of Articles.

The draft Articles shall be open for inspection by the Members at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. to 1.00 p.m. up to the September 26, 2015, the last date of casting votes.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the said Resolution.

The Board of Directors recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the Members.

**Details of Director seeking re-appointment in the 28th Annual General Meeting on 30<sup>th</sup> September 2015 (in term of Clause 49 of the Listing Agreement)**

<b>Name of Director</b>	<b>Mr. Aditya P. Khaitan</b>	<b>Kamal Dixit</b>
Directors' Identification No. (DIN)	07009083	06952563
Date of Birth	12 <sup>th</sup> October 1989	11 <sup>th</sup> May 1957
Date of Appointment on Board	13 <sup>th</sup> February 2015	13 <sup>th</sup> February 2015
Qualification	B. Com, CA	B. Com, Graduate
Experience	Healthy experience in Accounts and Taxation matters.	Rich experience of more than 4 decades in the field of Merchandise, Labour Law and Administration as well as expertise in Accounting matters.
Terms & Conditions of Appointment / Re-appointment	5 Years commencing from 13 <sup>th</sup> February 2015	5 Years commencing from 13 <sup>th</sup> February 2015
Remuneration details	Maximum of ` 5000/- per meeting	Maximum of ` 5000/- per meeting
Shareholding in Company	Nil	Nil
Relationship with the Company	Not Any	Not Any
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	Not Any	Not Any
Memberships / Chairmanships of Audit and Stakeholders' relationship Committees across Public Companies.	Not Any	Nil

<b>Name of Director</b>	<b>Mr. Pradeep Kr. Sureka</b>	<b>Mrs. Urmila Sureka</b>
Directors' Identification No. (DIN)	01632706	02344028
Date of Birth	24 <sup>th</sup> September 1959	20 <sup>th</sup> December 1959
Date of Appointment on Board	6 <sup>th</sup> July 1987	23 <sup>rd</sup> March 2015
Qualification	B. Com, Graduate	B. Com, Graduate
Experience	He is associated with the Company as Executive Director of the Company since July 1987 and is having more than 29 years of experience in the field of Accounts, Taxation, Fabric Merchandise etc.	Nil experience in the field of textile industries apart from academic profile.
Terms & Conditions of Appointment / Re-appointment	Appointed as Whole time Director, eligible to retire by Rotation	Appointed as Non-Executive Director, eligible to retire by Rotation
Remuneration details	Not more than ` 50,000/- per month plus contribution to PF and reimbursement of out of pocket expenses.	Nil
Shareholding in Company	51,15,500 Equity Shares or 3.92% of Paid-up Capital of the Company.	16,33,750 Equity Shares or 1.25% of Paid-up Capital of the Company.
Relationship with the Company	Part of Promoter Group	Part of Promoter Group
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	Not Any	Not Any
Memberships / Chairmanships of Audit and Stakeholders' relationship Committees across Public Companies.	Not Any	Nil

Place : Mumbai  
Date : May 29th, 2015

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

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

**Narendra Kumar Sureka**  
DIN : 01963265  
Chairman

**Directors' Report**

To

The Members,

Your Directors have pleasure in presenting the 28<sup>th</sup> Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2015.

<b>Financial Results</b>	(` in Lac)	
	<b>Year Ended 31.03.2015</b>	Year Ended 31.03.2014
Income	<b>2996.13</b>	2473.74
Profit before Tax & Extraordinary Items	<b>2.04</b>	22.01
Less : Provision for Taxation (Including Differed Tax & MAT)	<b>(2.46)</b>	(3.09)
Profit after Tax (including adjustments of Depreciation)	<b>4.50</b>	25.10
Add : Adjustments relating to Fixed Assets	<b>2.50</b>	0.00
Add : Profit/(Loss) brought forward from Previous Year	<b>(212.78)</b>	(237.88)
Balance carried forward	<b>(205.78)</b>	(212.78)

**OVERVIEW OF ECONOMY**

Indian economy has weathered many challenges successfully in recent times and is currently placed on a cyclical upturn, on the back of strong policies and a whiff of new optimism. In the recent past, the economy faced testing times with issues like lower growth, high levels of inflation and widening current account deficit; escalated by an unsupportive external environment. Growth is back, with its desirable concomitants of mild inflation and manageable current account balance with stable rupee and rising foreign exchange reserves, signaling improvements in macro-economic stability. The growth rate of the economy, measured by the growth in GDP at constant (2011-12) market prices, improved from 5.1 per cent in 2012-13 to 6.9 per cent in 2013-14 and is projected to clock 7.4 per cent in 2014-15, according to the Advance Estimates released by the Central Statistics Office. India is one of the very few countries for which IMF and World Bank have raised their growth assessment. The ongoing revival is remarkable against the fact that it happened despite a highly tentative global economic conditions and a below-par domestic agricultural season.

The year 2014-15 has witnessed key policy reforms, aimed at aiding growth revival and surmounting the structural constraints in the economy. The policy action has combined the needs of short term economic management with focus on taming inflation and external sector imbalances with a medium to long-term vision for transformation and development, manifested in significant reforms aimed at rationalizing administered pricing policies in petroleum and natural gas, stirring infrastructure development and de-bottlenecking the economy with initiatives to unshackle land acquisition for development (along with rehabilitation requirements therein) and to ensure adequate availability of key inputs like coal and power. The growth agenda of the Government has been tethered to the revival of manufacturing, unleashed in the "Make in India", initiative, accompanied by liberalization of foreign direct investment, a large array of investment facilitation measures and steps to improve saving.

**PERFORMANCE HIGHLIGHTS & OUTLOOK**

The business environment for textile sector was continued to be challenging due to tough competition, increase in the input cost of raw material and supply chain and hike in electricity tariff etc. However the Company has managed to come out of these challenges and has done better in term of Sales and has increased its profitability before provision of depreciation. Further, the profitability of the Company was mainly affected due to changes in depreciation calculation method as required to be done under Companies Act, 2013.

Gross Sales for the year was of ` 2976.07 Lac in comparison to last years' sales of ` 2451.98 Lac. Other income contributed for the year was of ` 20.06 Lac in comparison to last years' figure of ` 22.03 Lac. In term of Net Profit, the Company has earned a profit of ` 2.04 Lac in comparison to last years' net profit of ` 22.01 Lac (before considering Tax and Extra-Ordinary Items).

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

The outlook for the current year is expected to be challenging mainly due to continued rise in input cost, cost of labor and electricity as well as higher inflation. Company is hopeful of managing these challenges and expected to do better in current financial year.

#### **DIVIDEND AND RESERVES**

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

During the year under review, no amount was being transferred to General Reserve.

#### **SHARE CAPITAL**

The paid up Equity Share Capital as on March 31, 2015 was ₹ 13.17925 Crore. During the year under review, the Company has not issued any share with differential voting rights nor granted stock options nor sweat equity. As on March 31, 2015, none of the Directors and/or Key Managerial Person of the Company hold instruments convertible in to Equity Shares of the Company.

#### **FINANCE AND ACCOUNTS**

Your Company prepares its financial statements in compliance with the requirements the Companies Act, 2013 and the Generally Accepted Accounting Principles (GAAP) in India. The financial statements have been prepared on historical cost basis. The estimates and judgments relating to the financial statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits/(loss) and cash flows for the year ended 31<sup>st</sup> March 2015.

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

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

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

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

#### **SUBSIDIARY COMPANY**

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

#### **RELATED PARTY TRANSACTIONS**

All transactions entered into with related parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013 thus disclosure in form AOC-2 is not required. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

#### **MANAGEMENT DISCUSSION & ANALYSIS**

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**

During the year, Mr. Ashish P. Bajaj and Mr. Jayaram Jaithlaya have resigned from the Board due to their personal reasons. Further your Board has appointed Mr. Aditya P. Khaitan, Mr. Kamal Dixit as Independent Directors of the Company to broad-base the Board and has appointed Mrs. Urmila Sureka as Non-Independent, Non-Executive Director in term of Clause 149(1) of Companies Act, 2013.

In accordance with the provisions of Act and Articles of Association of your Company, Mr. Pradeep Kr. Sureka, Whole time Director of your Company, retires by rotation and are due for election at the ensuing Annual General Meeting. Mr. Pradeep Kr. Sureka, being eligible, offers himself for re-appointment.

The Board recommends the appointment of Mr. Pradeep Kr. Sureka 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 sub-section (2) of Section 164 of the Companies Act, 2013.

### INDEPENDENT DIRECTORS

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

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

### DETAILS OF DIRECTORS /KMP APPOINTED AND RESIGNED DURING THE YEAR

Sl. No.	Name	Designation	Date of Appointment	Date of Resignation
1.	Mr. Jayaram Jaithlaya	Independent Director	-	13 <sup>th</sup> Feb 2015
2.	Mr. Ashish P Bajaj	Independent Director	-	13 <sup>th</sup> Feb 2015
3.	Mr. Aditya P. Khaitan	Independent Director	13 <sup>th</sup> Feb 2015	-
4.	Mr. Kamal Dixit	Independent Director	13 <sup>th</sup> Feb 2015	-
5.	Mrs. Urmila Sureka	Non-Executive Director	23 <sup>rd</sup> March 2015	-

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

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

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

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

### DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 the Board of Directors confirms that:

1. In the preparation of the annual accounts, for the year ended 31st March 2015, all the applicable accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 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.
5. Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
6. Systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### 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.

### **BUSINESS RISK MANAGEMENT**

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has constituted a Business Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

The Company has a robust Business Risk Management (BRM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business segments viz. Finance and Capital Market activities.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

As required under Rule 7 of The Companies (Meetings of Board and its Powers) Rules 2014, the Company has a vigil mechanism named Fraud Risk Management Policy (FRM) to deal with instance of fraud and mismanagement, if any. The detail of the FRM Policy is explained in the Corporate Governance Report.

### **RESEARCH & DEVELOPMENT**

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

### **AUDITORS**

#### **Statutory Auditors**

The Auditors M/s R. S. Agarwal & Associates, Chartered Accountants, Mumbai who are Statutory Auditors of the Company and holds the office until the conclusion of ensuing Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company from the conclusion of the 28<sup>th</sup> Annual General Meeting up to the conclusion of the 32<sup>nd</sup> consecutive Annual General Meeting (subject to ratification by the members at every subsequent AGM). As required under the provisions of Section 139 & 142 of the Companies Act, 2013 the Company has obtained written confirmation from M/s. R. S. Agarwal & Associates; that their appointment, if made, would be in conformity with the limits specified in the said Section.

#### **Secretarial Auditors**

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

#### **Internal Auditors**

The Company has appointed M/s D. H. Thakkar & Associates, Chartered Accountants, Mumbai (FRN 136289W) to undertake the Internal Audit of the Company.

### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT 9, as required under section 92 of



the Companies Act, 2013 is annexed elsewhere in this Annual Report.

## STATUTORY INFORMATION

### PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Board of Directors in this regard.

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

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

<b>MURBAD UNIT- ELECTRICITY</b>	<b>2014-2015</b>	<b>2013-2014</b>
Electricity Purchased [Units (KWH)]	<b>1429371</b>	1480814
Total Amount ( ` )	<b>4814735</b>	8698103
Average Rate ( ` )	<b>3.37</b>	5.87
<b><u>Consumption Per Unit of Production</u></b>		
Cloth Production (Mtrs.)	<b>3041768</b>	2733219
Cost of Electricity Consumption ( ` ) / Mtrs.	<b>1.58</b>	3.18

### FOREIGN EXCHANGE EARNINGS AND OUTGO

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

### PUBLIC DEPOSITS

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

### REPORT ON CORPORATE GOVERNANCE

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

### APPRECIATION

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

Place : Mumbai  
Date : May 29th, 2015

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

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

**Narendra Kumar Sureka**  
DIN : 01963265  
Chairman

## Management Discussions & Analysis

### MACRO ECONOMIC ENVIRONMENT

While Budget 2014-15 expounded the economic policy of the Government in a large measure, subsequent policy and legislative initiatives have been wedded to its development agenda. The Pradhan Mantri Jan Dhan Yojana, a landmark initiative combining opening of bank accounts with facilities of credit and insurance to those who stood excluded from the ambit of financial services so far. The Direct Benefit Transfer, linked to Aadhar, has progressed well with greater efficiency in the delivery of subsidies. The much-awaited Goods and Services Tax Constitutional Amendment Bill was introduced in the Parliament, and, in order to build trust between Union and States, the first tranche of Central Sales Tax (CST) compensation to be given during current financial year has been announced.

The Expenditure Management Commission is looking into the requirements of expenditure reforms and will suggest ways to improve allocative efficiency. The Government has also launched an effective programme for divestment of Public Sector Undertakings. The government appears to be on track to achieve the targeted fiscal deficit to GDP ratio in 2014-15.

There has been a durable decline in inflation both wholesale and consumer prices- in the recent months. The steep decline of international crude oil prices, combined with the tight monetary policy of the Reserve Bank of India (RBI) and the Government's commitment towards fiscal prudence may have helped the decline in inflation. The current scenario of price stability and related expectations seems to have convinced the RBI, focused on a glide disinflationary path, on gradual monetary easing to support growth. The RBI has, in two successive announcements, reduced the repo rate by 25 basis points (to 7.75 per cent) and SLR by 50 basis points (to 21.5 per cent).

### 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.

Gross Sales for the year was of ` 2976.07 Lac in comparison to last years' sales of ` 2451.98 Lac. Other income contributed for the year was of ` 20.06 Lac in comparison to last years' figure of ` 22.03 Lac. In term of Net Profit, the Company has earned a profit of ` 2.04 Lac in comparison to last years' net profit of ` 22.01 Lac (before considering Tax and Extra-Ordinary Items).

### BUSINESS SEGMENT

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

### OPPORTUNITIES

The future looks bright for the Indian textile and apparel industry. There are positive drivers which indicate future growth opportunities. There is plenty of cotton with a good potential for higher yield. There is the chance to produce yarn instead of exporting cotton. There is growing export as well as domestic market demand. The Government supports modernization of the industry with a particular focus on closing the gaps in the textile value chain.

To convert the potential into reality, the country first of all needs entrepreneurs who are willing to invest. Investment prospects depend on a business-friendly environment and good business expectations. The Government has taken several measures to create those positive impulses. But there are still some improvements possible. The industry waits for the proposed reforms in labor law, support to develop a skilled work force and programs to bind talents to be able to translate market needs into quality products.

Export means commitment to mutual free trade supported by excellent logistics based on strong infrastructure for power supply, transport and communication technology. Improvement in logistics is urgent in particular for the textile industry where fashion has to meet strict deadlines. Being creative and flexible with short response times is as important as competitive pricing. For the textile and apparel industry the rising need in easy care necessitates a higher share of blends of synthetic fibers with cotton.

When entrepreneurs meet an inviting investment climate and good business opportunities they will formulate an investment strategy. Entrepreneurs who are going to invest in spinning value and those who are aware of the total cost of ownership will surely talk to Rieter.

### THREATS & CONCERNS

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

- Scarcity and high cost of raw materials and decline in the purchasing power of people due to high inflation.
- Slow pace of development of infrastructure, availability of power etc.
- High cost of meeting strict environmental standards.
- Increased competition from competing countries through exchange rate manipulation, hidden subsidies;
- Preferential tariff regimes for close competitors in certain major markets.
- Continuation of recessive trends for an extended period will cast its long shadow on textiles industry.
- Old Machinery in textile industry led to low productivity and inferior quality. In the developed countries, the textile machinery installed even 10-15 years ago has become outdated and obsolete, whereas in India about 60-75 per cent machinery is 25-30 years old.
- Power supply to most cotton textile mills is erratic and inadequate which adversely affects the production.
- Changing preferences of the Indian consumers in terms of taste, merchandise, and technology.
- Cheap imports from emerging / developing countries like China, Vietnam, Sri Lanka and Indonesia.
- Although textiles is the second largest employer in India, after agriculture, labour and staff are finding new avenues and shifting from the labour intensive field to easier job such as e-commerce, warehousing, delivery etc.
- Low barriers to enter into the power loom sector due to availability of cheaper Chinese machineries; imports will increase competition and add on to bottom line pressure.
- Labour productivity in India is extremely low as compared to some of the advanced countries. On an average a worker in India handles about 2 looms as compared to 30 looms in Japan and 60 looms in the USA. If the productivity of an American worker is taken as 100, the corresponding figure is 51 for U.K. 33 for Japan and only 13 for India.
- Labour strikes are common in the industrial sector but cotton textile industry suffers a lot due to frequent strikes by a labour force. The long drawn strike in 1980 dealt a severe blow to the organised sector. It took almost 23 years for the Government to realise this and introduce legislation for encouraging the organised sector.

### **HUMAN RESOURCES**

The Company recognizes that its success is deeply embedded in the success of its human capital. During 2014-2015, the Company continued to strengthen its HR processes in line with its objective of creating an inspired workforce. The employee engagement initiatives included placing greater emphasis on learning and development, launching leadership development programme, introducing internal communication, providing opportunities to staff to seek inspirational roles through internal job postings, streamlining the Performance Management System, making the compensation structure more competitive and streamlining the performance-link rewards and incentives.

### **CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY**

The 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.

Place : Mumbai

Date : May 29th, 2015

By order of the Board

**For TUNI TEXTILE MILLS LIMITED**

**Registered Office :**

63/71, Dadiseth Agiary Lane

3<sup>rd</sup> Floor, Kalbadevi Road, Mumbai-400002.

**Narendra Kumar Sureka**

DIN : 01963265

Chairman

## Annexure to the Directors' Report

### CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement with BSE Limited (BSE), the report containing the details of Corporate Governance systems and processes at the Company for the year ended 31<sup>st</sup> March 2015, is annexed herein below -

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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;
- ✓ Availability of Information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties.
- ✓ Board/Committee meetings at regular intervals to keep the Board informed of the recent happenings.

### GOVERNANCE STRUCTURE

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

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

### BOARD OF DIRECTORS

#### Size and Composition of Board

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

The composition and category of the Board of Directors as at March 31, 2015, the number of other Directorships/Committee memberships held by them and their other details are as under:

Name	Designation	DIN	Date of Joining Board	Committee Membership of other Listed Co.	Committee Chairman-ship of other Listed Co.	No. of Directorship of other Listed Co.
Mr. Narendra Kumar Sureka*	Managing Director	01963265	6 <sup>th</sup> July 1987	Nil	Nil	Nil
Mr. Pradeep Kumar Sureka	Executive Director	01632706	6 <sup>th</sup> July 1987	Nil	Nil	Nil
Mrs. Urmila Devi Sureka	Non-Executive Non Independent Director	02344028	23 <sup>rd</sup> March 2015	Nil	Nil	Nil
Mr. Pramod Kumar Bajaj	Non-Executive, Independent Director	01438374	1 <sup>st</sup> Feb. 2005	Nil	Nil	Nil
Mr. Aditya P. Khaitan	Non-Executive, Independent Director	07009083	13 <sup>th</sup> Feb 2015	Nil	Nil	Nil
Mr. Kamal Dixit	Non-Executive, Independent Director	06952563	13 <sup>th</sup> Feb 2015	Nil	Nil	Nil

\*Chairman of the Board

## BOARD INDEPENDENCE

The Non-Executive Independent Directors fulfill the conditions of independence as specified in Section 149 of Companies Act, 2013 and Rules made there under and to meet with requirements of Clause 49 of Listing Agreement entered into with Stock Exchange. Further, none of the Independent Director is serving more than seven listed companies. The Company has issued a letter of appointment to all the Independent Directors of the Company.

## BOARD MEETINGS

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

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

## Post Meeting Mechanism

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

## Familiarization Programme for Directors

At the time of appointing Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected of him/her as a Director of the Company. The Director is also explained in detail the Compliance required from him/her under the Companies Act, 2013, Clause 49 of Listing Agreement and other relevant regulations and affirmation taken with respect to the same. The Chairman & Managing Director also has one to one discussion with the newly appointed Director to familiarize him/her with the Company's operations. Further, the Company has put in place a system to familiarize the Independent Directors about the Company, its services, business and the on-going events relating to the Company.

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

## Details of Board Meetings

The Board of Directors met 6 times on 29<sup>th</sup> May, 14<sup>th</sup> August, 26<sup>th</sup> September and 14<sup>th</sup> November in year 2014 and on 13<sup>th</sup> February and 23<sup>rd</sup> March in the year 2015 during the financial year 2014-2015.

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

Name	Designation	Date of Resignation, If applicable	Attendance at the AGM	Meetings Attended
Narendra Kumar Sureka*	Chairman & CEO	N.A.	Yes	6
Pradeep Kumar Sureka	Executive Director	N.A.	Yes	6
Pramod Kumar Bajaj	Independent Director	N.A.	Yes	6
Mr. Jayaram Jaithlaya	Independent Director	13 <sup>th</sup> Feb 2015	Yes	4
Mr. Ashish P Bajaj	Independent Director	13 <sup>th</sup> Feb 2015	Yes	4
Mr. Aditya P. Khaitan	Independent Director	N.A.	Yes	1
Mr. Kamal Dixit	Independent Director	N.A.	Yes	1
Mrs. Urmila Devi Sureka	Non-Executive Director	N.A.	Yes	Nil

\*Chairman of the Board

## AUDIT COMMITTEE

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

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Audit Committee was re-constituted in the meeting of Board of Directors of the Company held on 13<sup>th</sup> February 2015.

### Powers of Audit Committee

The Audit Committee is having following powers -

- a. To investigate any activity within its terms of reference.
- b. To seek information from any employee.
- c. To obtain outside legal or other professional advice.
- d. To secure attendance of outsiders with relevant expertise, if it considers necessary.

### Authority and Responsibilities

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 (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### **Review of Information Audit Committee**

In addition to the above, Audit Committee reviews the following information :

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

#### **Meetings of Audit Committee**

The members of Audit Committee met six times on dated 29<sup>th</sup> May, 14<sup>th</sup> August, 26<sup>th</sup> September and 14<sup>th</sup> November in year 2014 and on 13<sup>th</sup> February and 23<sup>rd</sup> March in the year 2015 during the financial year ended on 31st March 2015.

<b>Name</b>	<b>Number of Meetings Held</b>	<b>Meetings Attended</b>
Mr. Pramod Kumar Bajaj *	6	6
Mr. Jayaram Jaithlaya	4	4
Mr. Aditya P. Khaitan	1	1
Mr. Pradeep Kumar Sureka	6	6

\*Chairman of Committee

#### **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee consists of two Independent Directors & the Managing Director. All members of the Nomination and Remuneration Committee are financially literate and they have accounting or related financial management expertise.

The Nomination & Remuneration Committee was constituted in the meeting of Board of Directors held on 29<sup>th</sup> May 2014 and was re-constituted in the meeting of Board of Directors of the Company held on 13<sup>th</sup> February 2015.



### Role of Nomination and Remuneration Committee

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board, their appointment and removal.

### Details of Remuneration paid to Directors

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 2015 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 2014-2015.

None of the Independent Directors holds any shares in their name or in the name of their relatives as on 31st March 2015.

### POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

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

#### Criteria of selection of Non Executive Directors

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

#### Remuneration

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings. A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum

as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **CEO & Managing Director - Criteria for selection / appointment**

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

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

### **Remuneration for the CEO & Managing Director**

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

### **PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Stakeholders' Relationship Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

### **Meetings of Nomination & Remuneration Committee**

The Committee met five times during the year on dated 29<sup>th</sup> May, 14<sup>th</sup> August, and 14<sup>th</sup> November in year 2014 and on 13<sup>th</sup> February and 23<sup>rd</sup> March in the year 2015 during the financial year ended on 31<sup>st</sup> March 2015. The Composition of the Remuneration Committee and their attendance to the meetings of the committee are as under :-

<b>Name</b>	<b>Number of Meetings Held</b>	<b>Meetings Attended</b>
Mr. Jayaram Jaithlaya*	3	3
Mr. Aditya P. Khaitan*	1	1
Mr. Pramod Kumar Bajaj	5	5
Mr. Pradeep Kumar Sureka	5	5

\*Chairman/s of Committee; Appointed and Resigned w.e.f. 23<sup>rd</sup> Feb 2015.

### **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Shareholders'/Investors' Grievance Committee" as the "Stakeholders' Relationship Committee".

The Stakeholders' Relationship Committee was constituted in the meeting of Board of Directors held on 29<sup>th</sup> May 2014 and was re-constituted in the meeting of Board of Directors of the Company held on 13<sup>th</sup> February 2015.

The terms of reference of the Committee are:

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;
- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non receipt of annual reports, notices, non receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
- monitoring expeditious redressal of investors / stakeholders grievances;
- all other matters incidental or related to shares, debentures and other securities of the Company.

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

The Minutes of Stakeholders' Relationship 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 Mr. Narendra Kr. Sureka as a Compliance Officer, for the time being, till the appointment of Company Secretary as Compliance Officer, within the meaning of Listing Agreement.

#### **Composition of Committee and Meetings attended**

During the year, five meetings of the Committee of Directors were held on 29<sup>th</sup> May, 14<sup>th</sup> August, and 14<sup>th</sup> November in year 2014 and on 13<sup>th</sup> February and 23<sup>rd</sup> March in the year 2015 during the financial year ended on 31st March 2015.

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

<b>Name</b>	<b>Position</b>	<b>Category</b>	<b>Meetings Attended</b>
Mr. Narendra Kr. Sureka	Chairman	Chairman & Managing Director	5
Mr. Jayaram Jaithlaya*	Member	Independent, Non-Executive	3
Mr. Aditya P. Khaitan	Member	Independent, Non-Executive	1
Mr. Pramod Kr. Bajaj	Member	Independent, Non-Executive	5

\*Chairman of Committee

#### **Details of Shareholders' Complaints**

During the year the Company did not receive any complaint from any of the share holder and there was no pending complaint at the close of the financial year.

The Company has designated email ID under Clause 47(f) of Listing Agreement and the same is

[tunitextilemills@gmail.com](mailto:tunitextilemills@gmail.com) to lodge Investor complaints. Apart from this, the SEBI has also facilitated Investors to lodge complaints directly on SCORES on SEBI website for faster addressing and resolutions of Investor Complaints.

### Independent Directors' Meeting

During the year under review, the Independent Directors met on March 30, 2015, inter alia, to discuss:

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

All the Independent Directors were present at the Meeting.

### GENERAL BODY MEETINGS

Location & time for the last three Annual General Meetings :

Annual General Meeting	Date & Time	Venue
27 <sup>th</sup> Annual General Meeting	26 <sup>th</sup> September 2014, 11.30 AM	Ramee Guest Line Hotel, 462, A. B. Nair Road, Opp. Sun-N-Sand Hotel, Juhu, Vile Parle (W), Mumbai-400 049
26 <sup>th</sup> Annual General Meeting	30 <sup>th</sup> September 2013, 11.30 AM	Same as above
25 <sup>th</sup> Annual General Meeting	28 <sup>th</sup> September 2012, 11.30 AM	Same as above

### Location and time of Extra-Ordinary General Meetings :

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

### POSTAL BALLOT

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

### SPECIAL RESOLUTION PASSED AT LAST THREE ANNUAL GENERAL MEETINGS:

During Financial Year 2013-2014, following Special Resolutions were passed by Members

- To Increase borrowing limits to ` 5.85 Crore under section 180(1)(c) of Companies Act, 2013.
- Creation of charges, mortgages and hypothecation under section 180(1)(a) of Companies Act, 2013.

No Special Resolutions were proposed or passed during remaining two out of last 3 financial years.

### BOARD DISCLOSURES

#### Compliance with Governance Framework

The Company is in compliance with all mandatory requirements of Clause 49 of Listing Agreement.

#### STRICTURES AND PENALTIES

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

#### DISCLOSURE OF ACCOUNTING TREATMENT

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

#### RISK MANAGEMENT

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

### **SEBI/ STOCK EXCHANGE COMPLIANCE**

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

### **PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary & Head Compliance is responsible for implementation of the Code.

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

### **DISCLOSURES**

- (a) There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, Subsidiaries or Relatives that may have potential conflict of interest with the Company at large.
- (b) Attention to the members is drawn to the disclosures of transactions with the related parties set out in the Note No. 33 of Financial Statement.
- (c) There has been no instance of non-compliance by the Company on any matter related to Capital Markets and hence the question of penalties or strictures being imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority does not arise.
- (d) In Compliance with the Securities & Exchange Board of India (Prohibition of Insider Trading Regulations, 2015) as amended till date, on Prohibition of Insider Trading, the Company has a comprehensive Code of Conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences of non-compliance thereof.
- (e) **Reconciliation of Share Capital:** 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.

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the good governance companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Fraud Risk Management Policy (FRM) to deal with instances of fraud and mismanagement, if any. The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

### **COMMUNICATION WITH THE MEMBERS/SHAREHOLDERS**

- The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the close of the financial year as per the requirements of the Listing Agreement with the Stock Exchanges. The aforesaid financial results are sent to BSE Limited (BSE) apart from Ahmedabad Stock Exchange (ASE), where the Company's securities are listed, immediately after these are approved by the Board. The results are thereafter published in leading English and Marathi daily newspapers. The audited financial statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting.
- The Company also informs by way of intimation to BSE & ASE, all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members.
- The Annual Report of the Company, the quarterly / half yearly and the annual results and the press releases of the Company are also placed on the Company's website: [www.tunitextiles.com](http://www.tunitextiles.com) and can be downloaded.
- In compliance with Clause 49 of the Listing Agreement, the quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchange viz. BSE are filed electronically on BSE's on-line portal followed by physical submission to BSE. The Company has complied with filing submissions through BSE's BSE Online Portal. In case of ASE, the Company use to submit above compliances in physical.
- A separate dedicated section under 'Corporate Governance' on the Company's website gives information on unclaimed dividends, quarterly compliance reports / communications with the Stock Exchanges and other relevant information of interest to the investors / public.

### **DISCLOSURES ON NON-MANDATORY REQUIREMENTS**

The Company has adopted/complied with the following non-mandatory requirements as prescribed in Annexure II E 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 was no case of Non-Compliance during financial year 2014-2015 in term of provisions of Listing Agreement entered into with BSE and ASE by the Company. Further, no penalties have been

levied or actions have been taken by BSE, ASE or SEBI during last three years.

- c) 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.
- d) The financial statements of the Company are unqualified.

### 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 28<sup>th</sup> Annual General Meeting for the financial year ended on 31st March 2015 is as follows :-

Date : Wednesday, 30<sup>th</sup> September, 2015  
 Time : 2.30 P.M.  
 Venue : Ramee Guest Line Hotel, 462, A. B. Nair Road,  
 Opp. Sun-N-Sand Hotel, Juhu, Vile Parle (W), Mumbai-400 049

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

#### c. Future Calendar for financial year ending 31<sup>st</sup> March 2016 :

Subject Matter	Tentative Dates
Financial Reporting of 1 <sup>st</sup> Quarter ended on 30 <sup>th</sup> June 2015	Mid of August, 2015
Financial Reporting of 2 <sup>nd</sup> Quarter ended on 30 <sup>th</sup> September 2015	Mid of November, 2015
Financial Reporting of 3 <sup>rd</sup> Quarter ended on 31 <sup>st</sup> December 2015	Mid of February 2016
Financial Reporting of 4 <sup>th</sup> Quarter ended on 31 <sup>st</sup> March 2016	During May 2016
Date of Annual General Meeting	During September 2016

#### d. Date of Book Closure : September 24 to September 30, 2015. (Both days inclusive)

#### e. Dividend Payment : No Dividend has been recommended for the year.

#### f. Dividend History : The Company has not paid any Dividend during last 10 years.

#### g. Unclaimed Dividend / Share Certificates

The unclaimed Dividend for a period of seven years is compulsorily deposited in Investor Education and Protection Fund (IEPF) Account in accordance with Section 205C of the Companies Act, 1956 administered by Central Government which cannot be claimed by the Shareholders / Investors. The details of unclaimed dividend are posted on the website of the Company.

Details of Unclaimed Dividend and Due Dates for transfer are as follows as on March 31, 2015:

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

Further, as required to be disclosed under Clause 5A of Listing Agreement, Nil Shares are lying at the beginning or at the Close of Financial Year in the Suspense Account. Further the Company did not moved in/out any Equity Share in said Suspense Account.

#### h. Listing of Share : Bombay and Ahmedabad Exchanges.

#### i. Listing Fees : Annual Listing Fees for Financial year 2015-2016 have been paidto BSE.

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

k. **Market Price Data** :

Month	Price on BSE (₹) & Volume			S&P BSE Sensex	
	High	Low	Volume	High	Low
April 2014	1.25	1.05	7,726,102	22939.31	22197.51
May 2014	1.17	0.87	13,547,773	25375.63	22277.04
June 2014	1.00	0.76	51,747,226	25725.12	24270.20
July 2014	1.20	0.76	36,141,937	26300.17	24892.00
August 2014	0.88	0.68	18,982,193	26674.38	25232.82
September 2014	0.95	0.66	15,331,683	27354.99	26220.49
October 2014	0.82	0.65	5,099,544	27894.32	25910.77
November 2014	0.95	0.66	7,461,300	28822.37	27739.56
December 2014	0.85	0.51	6,666,677	28809.64	26469.42
January 2015	0.96	0.63	11,961,651	29844.16	26776.12
February 2015	0.83	0.56	6,382,593	29560.32	28044.49
March 2015	0.75	0.51	3,559,048	30024.74	27248.45

**l. Registrar & Share Transfer Agent.**

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

**M/s. Purva Sharegistry (India) Private Limited**

9, Shiv Shakti Ind. Estate, Ground Floor, J. R. Boricha Marg, Lower Parel, Mumbai-400 011

Tel : 022-23016761, Website : [www.purvashare.com](http://www.purvashare.com)

**m. Share Transfer Systems**

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

**n. Distribution Schedule as on 31st March 2015**

Shareholding of Nominal Value of	No. of Share Holders	% of Share Holders	Total No. of Shares Held	% of Share Holding
Up to 5000	3614	63.02	6706121	5.13
5001-10000	836	14.58	7197621	5.51
10001-20000	499	8.70	7750634	5.93
20001-30000	225	3.92	5749213	4.40
30001-40000	100	1.74	3560655	2.73
40001-50000	113	1.97	5403705	4.14
50001-100000	171	2.98	13346777	10.22
100001 and Above	177	3.09	80916274	61.94
<b>Total</b>	<b>5735</b>	<b>100.00</b>	<b>130631000</b>	<b>100.00</b>



**o. Shareholding Pattern with Categories of Shareholders as on 31st March 2015**

Categories	No. of Shares	% of Shareholding
Promoters, Directors, Relatives & Person acting in concert	28382750	21.73
Indian Mutual Fund	494000	0.38
FII (Others)	359	0.00
Private Corporate Bodies	19152131	14.66
Indian Public	74467060	57.01
Others (Clearing Members)	681028	0.52
NRIs (Repat & Non-Repat)	4937411	3.78
Hindu Undivided Families	2516261	1.93
<b>Total</b>	<b>130631000</b>	<b>100.00</b>

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

Following holding more than 5% Equity Shares in the Company at the end of Financial Year ended on 31st March 2015

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

**q. Dematerialization of Equity Shares & Liquidity**

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

**Procedures for dematerialization / rematerialization of Equity Shares:-**

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

In case of remat, upon receipt of the request from the shareholder, the DP generates a request and verification of the same is done by the Registrar. The Registrar then requests NSDL or CDSL to confirm the same. Approval of the Company is being sought and equivalent numbers of shares are issued in physical form to the shareholder. The share certificates are dispatched within 15 days from the date of issue of Shares.

The Shares of Company are admissible for trading on BSE Limited. As on 31st March 2015, 98.71% Equity Shares of the Company held under public category are in dematerialized form.

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

**r. Nomination**

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

**s. Electronic Clearing Service**

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the Depositories for depositing dividends. Dividend will be credited to the Members' bank account through NECS wherever complete core banking details are available with the Company. In case where the core banking details are not available, dividend

warrants will be issued to the Members with bank details printed thereon as available in the Company's records. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. The Company complies with the SEBI requirement.

**t. Service of Documents through Electronic Mode**

As a part of Green Initiatives, the members who wish to receive the notice/documents through e-mail, may kindly intimate their e-mail address to the Company's Registrar and Share Transfer Agent, Purva Share Registry (India) Pvt. Ltd. to their dedicated e-mail id i.e., "[purvashr@mtnl.net.in](mailto:purvashr@mtnl.net.in)"

**u. Requirement of PAN Card in case of Transfer of Shares in Physical Form**

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

**v. For the Attention of Shareholders holding shares in electronic form**

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

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

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

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

Not Any.

**y. Investors' Correspondence**

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

Mr. Narendra Kr. Sureka - [narendra@tunitextiles.com](mailto:narendra@tunitextiles.com)

**z. 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 Share Registry (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.

**aa. 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.

**bb. Address for Correspondence**

Tuni Textile Mills Limited

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

Email : [info@tunitextiles.com](mailto:info@tunitextiles.com) ; Tel : +91 22 2201 4577, Fax : +91 22 2205 6350

**cc. Plant Location**

Tuni Textile Mills Limited

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

**CHAIRMAN & MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT**

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

To The Members of

**Tuni Textile Mills Limited**

- (a) I, Narendra Kr. Sureka, Managing Director of Tuni Textile Mills Limited certify to the Board in terms of requirements of Clause 49 of the Listing Agreement, that we have reviewed financial statements and the cash flow statement for the year 2014-2015 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
- (i) no significant changes in internal control over financial reporting during the year;
  - (ii) no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Tuni Textile Mills Limited**

**Narendra Kr. Sureka**  
DIN : 01963265  
**Managing Director**

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**ANNUAL CERTIFICATE UNDER CLAUSE 49(II)(E) 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 2015.

By Order of the Board  
**For Tuni Textile Mills Limited**

Place : Mumbai  
Date : May 29th, 2015

**Narendra Kr. Sureka**  
DIN : 01963265  
Managing Director

**SECRETARIAL AUDIT REPORT****FORM NO. MR-3**

FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH 2015

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

The Members,

Tuni Textile Mills Limited

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

Based on my verification of Tuni Textile Mills Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2013;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The Listing Agreements entered into by the Company with BSE Limited and ASE Limited.

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

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

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

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

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

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

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

**However, following discrepancy was observed during the course of Audit**

*The Company is yet to appoint Company Secretary as Compliance Officer during the financial year 2014-15, as required under Companies Act, 2013.*

**For G. S. Bhide & Associates**  
Company Secretaries

Place : Mumbai

Date : May 29, 2015

**Gayatri S. Bhide**  
Proprietor  
C. P. No. 11816

**EXTRACT OF ANNUAL RETURN**

As on the financial year ended 31.03.2015

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

**FORM NO. MGT - 9**

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

<b>II. Principal Business Activities of the Company</b>		
All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:		
Name and Description of main Businesses	NIC Code of Business	% of Total Turnover of the Company
Manufacturing of Grey Fabrics (Cotton and Cotton mixture Fabrics)	13121	100%

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

<b>IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as % of Total Equity)</b>									
Category wise Shareholding									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	28382750	-	28382750	21.73	28382750	-	28382750	21.73	-
b) Central Govt. (s)	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FIs	-	-	-	-	-	-	-	-	-
f) Any Other .....	-	-	-	-	-	-	-	-	-
<b>Sub Total A(1)</b>	<b>28382750</b>	<b>-</b>	<b>28382750</b>	<b>21.73</b>	<b>28382750</b>	<b>-</b>	<b>28382750</b>	<b>21.73</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FIs	-	-	-	-	-	-	-	-	-
e) Any Other .....	-	-	-	-	-	-	-	-	-
<b>Sub Total A(2)</b>									
Total Shareholding of Promoters (A1) + (A2)	<b>28382750</b>	<b>-</b>	<b>28382750</b>	<b>21.73</b>	<b>28382750</b>	<b>-</b>	<b>28382750</b>	<b>21.73</b>	<b>-</b>

<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>	-	-	-	-	-	-	-	-	-
a) Mutual Funds / UTI	-	494000	494000	0.38	-	494000	494000	0.38	-
b) Banks / FI	359	-	359	0.00	359	-	359	0.00	-
c) Central Govt. (s)	-	-	-	-	-	-	-	-	-
d) State Govt. (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub Total B(1)</b>	<b>359</b>	<b>494000</b>	<b>494359</b>	<b>0.38</b>	<b>359</b>	<b>494000</b>	<b>494359</b>	<b>0.38</b>	<b>-</b>
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i. Indians	87354273	75000	87429273	66.93	19077131	75000	19152131	14.66	52.27
ii. Overseas	2	-	2	0.00	-	-	-	-	0.00
<b>b) Individuals</b>									
i. Individual Shareholders holding nominal share capital up to ` 1 lakh	5003145	979000	5982145	4.58	43051460	979000	44030460	33.71	29.13
ii. Individual Shareholders holding nominal share capital in excess of ` 1 lakh	3286825	127000	3413825	2.61	30309600	127000	30436600	23.30	20.69
<b>c) Others (Specify)</b>									
i. HUF	1673532	-	1673532	1.28	2516261	-	2516261	1.93	0.65
ii. Clearing Members	261773	-	261773	0.20	681028	-	681028	0.52	0.32
iii. NRI	2958341	5000	2963341	2.27	4932411	5000	4937411	3.78	1.51
iv. Trust	30000	-	30000	0.02	-	-	-	-	0.02
<b>Sub Total B(2)</b>	<b>100567891</b>	<b>1186000</b>	<b>101753891</b>	<b>77.89</b>	<b>100567891</b>	<b>1186000</b>	<b>101753891</b>	<b>77.89</b>	<b>-</b>
Total Public Shareholding									
<b>B = B(1) + B(2)</b>	<b>100568250</b>	<b>1680000</b>	<b>102248250</b>	<b>78.27</b>	<b>100568250</b>	<b>1680000</b>	<b>102248250</b>	<b>78.27</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>128951000</b>	<b>1680000</b>	<b>130631000</b>	<b>100.00</b>	<b>128951000</b>	<b>1680000</b>	<b>130631000</b>	<b>100.00</b>	<b>-</b>

**ii) Shareholding of Promoters**

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

iii) Change in Promoters' Shareholding (Please specify, if there is no change)						
Particulars	Shareholders Name Shareholding at the beginning of the year		Cumulative Shareholding during the year		Date of Changes	Reason for Changes
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company		
At the beginning of the year	28382750	21.73	28382750	21.73	Not Applicable	
At the end of the Year	28382750	21.73	28382750	21.73		

iv) Shareholding of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs & ADRs)				
For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during and at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Joyguru Commotrade Pvt. Ltd.	4,787,561	3.66%	57,219	0.04%
Rockers Tradelink Pvt. Ltd.	4,705,914	3.60%	667	0.00%
Desire Commosales Private Limited	4,041,749	3.09%	00	0.00%
Ellisbridge Trading Private Limited	4,020,927	3.08%	00	0.00%
Pleasant Dealcom Private Limited	3,792,564	2.90%	00	0.00%
Timelink Sales Pvt. Ltd.	3,663,621	2.80%	00	0.00%
Helot Properties Pvt. Ltd.	3,583,366	2.74%	00	0.00%
Swapnapuri Tradelink Private Limited	3,231,985	2.47%	00	0.00%
Esquire Enclave Pvt. Ltd.	3,105,067	2.38%	00	0.00%
Shilpa Agarwal	2,872,000	2.20%	2,872,000	2.20%

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

V. INDEBTEDNESS				
In Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness Crore
Indebtedness at the beginning of the financial year	4.32	0.20	Nil	4.52
Change in Indebtedness during the financial year	(0.30)	0.25	Nil	(0.05)
Indebtedness at the end of the financial year	4.02	0.45	Nil	4.47

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL			
Sr. No.	Particulars of Remuneration	Narendra Kr. Sureka	Pradeep Kr. Sureka
1.	Gross Salary	6,00,000/-	6,00,000/-
2.	Value of Perquisites	21,600/-	21,600/-
3.	Stock Options	Nil	Nil
4.	Sweat Equity	Nil	Nil
5.	Commission	Nil	Nil
6.	Others (Please specify)	Nil	Nil



**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
<b>A. Company</b>					
Penalty					
Punishment					
Compounding	159,160,161	Late Filing of Annual Return	₹ 7,500/-	Court	Order Passed by Court of Law
<b>B. Directors</b>					
Penalty					
Punishment					
Compounding	159,160,161	Late Filing of Annual Return	₹ 4,000/-	Court	Order Passed by Court of Law
<b>C. Other Officers in Default</b>					
Penalty	No Instance				
Punishment					
Compounding					

**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 2015 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 the 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

**Alka Somani**

Partner

Membership No. 147269

Place: Mumbai

Date : May 29th, 2015

**INDEPENDENT AUDITOR'S REPORT**

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

To

The Members of

**TUNI TEXTILE MILLS LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **TUNI TEXTILE MILLS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinion**

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (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**

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies Act, 2013 (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us.
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (refer note no.29)
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For R. S. Agrawal & Associates**

Chartered Accountants

Firm Registration No.100156W

**Alka Somani**

Partner

Membership No. 147269

Place : Mumbai

Date : May 29th, 2015

### Annexure to Independent Auditor's Report

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

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

1. in respect of fixed assets:
  - a) the Company has generally maintained records showing particulars, including quantitative details and situation of its fixed assets; and
  - 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;
2. in respect of Inventory:
  - a) the 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 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. the Company has, during the year, not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly clauses (a) and (b) of paragraph 3 (iii) of the Order are not applicable;
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 continuing failure to correct major weakness has been noticed in these internal control systems;
5. the Company has not accepted any deposit from public;
6. the Central Government has not specified the maintenance of cost records under sub section 1 of Section 148 of the Act for any of the products of the Company for the year under audit;
7. in case of in respect of Statutory Dues;
  - a) on the basis of books and records examined by us, the following undisputed statutory dues have delayed been deposited with the appropriate authorities:

Sr. No.	Nature	Amount in `	Due date	Date deposited on
a.	Provident Fund	8213	20/05/2014	10/12/2014
		8244	20/06/2014	10/12/2014
		8240	20/07/2014	17/12/2014
		7909	20/08/2014	17/12/2014
		7985	20/09/2014	09/01/2015
		8400	20/10/2014	09/01/2015
		7779	20/11/2014	09/01/2015
		8105	20/12/2014	20/03/2015
		7010	20/01/2015	20/03/2015
		6880	20/02/2015	20/03/2015

b.	Professional Tax	8900	30/04/2014	05/03/2015
		8900	31/05/2014	05/03/2015
		8900	30/06/2014	05/03/2015
		8550	31/07/2014	05/03/2015
		8550	31/08/2014	05/03/2015
		8550	30/09/2014	05/03/2015
		8550	31/10/2014	05/03/2015
		8550	30/11/2014	05/03/2015
		8350	31/12/2014	05/03/2015
		8350	31/01/2015	05/03/2015
		8350	28/02/2015	19/03/2015
		8175	31/03/2015	17/04/2015
c.	Service Tax	10016	05/05/2014	21/10/2014
		9901	05/06/2014	21/10/2014
		9786	05/07/2014	21/10/2014
		9671	05/08/2014	21/10/2014
		9555	05/09/2014	21/10/2014
		9440	05/10/2014	21/10/2014
		10178	05/11/2014	07/04/2015
		10040	05/12/2014	07/04/2015
		9901	05/01/2015	07/04/2015
		9763	05/02/2015	07/04/2015
		9625	05/03/2015	07/04/2015
		9487	31/03/2015	07/04/2015

There are no arrears except ` 6,819/- towards Labour welfare Fund and ` 12,392/- towards Service Tax as at 31st March 2015 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 /duty of custom /duty of excise /value added tax/ cess that have not been deposited on account of any dispute with the appropriate authorities, 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; and

- c) on the basis of books and records examined by us, there are no amounts which were required to be transferred to the investor education and protection fund by the Company in accordance with the relevant provisions of the Companies Act 1956 and rules made there under.
8. 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;
9. on the basis of selective checks carried out during the course of audit, we are of the opinion that the Company has not defaulted in the repayment of dues to banks. There had been no dues payable to financial institutions or to debenture holders;
10. the Company has not given any guarantee for loans taken by others from bank or financial institutions;
11. the Company has not obtained any term loan during the year; and
12. 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 R. S. Agrawal & Associates**

Chartered Accountants

Firm Registration No.100156W

Place: Mumbai

Date : May 29th, 2015

Alka Somani

Partner

Membership No. 147269

**Balance Sheet as at 31<sup>st</sup> March,2015**

(Amount in ` )

	Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
I.	<b>EQUITY AND LIABILITIES</b>			
1	Shareholders' funds			
	(a) Share capital	2	131,792,500	131,792,500
	(b) Reserves and surplus	3	(8,492,677)	(9,192,178)
2	Non-current liabilities			
	(a) Long-term borrowings	4	4,500,000	5,908,321
	(b) Long-term provisions	5	1,389,136	924,107
3	Current liabilities			
	(a) Short-term borrowings	6	40,218,922	39,275,976
	(b) Trade payables	7	26,438,884	47,136,747
	(c) Other current liabilities	8	4,952,414	10,315,222
	(d) Short-term provisions	9	573,947	948,790
	<b>TOTAL</b>		<b>201,373,126</b>	<b>227,109,486</b>
II.	<b>ASSETS</b>			
	<b>Non-current assets</b>			
1	(a) Fixed assets			
	(i) Tangible assets	10	36,825,258	42,494,931
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress	10	-	2,622,415
	(b) Non-current investments	11	1,095,989	1,095,989
(c)	Deferred tax assets (net)	12	7,190,004	7,063,087
(d)	Long-term loans and advances	13	705,953	705,953
(e)	Other non-current assets	14	4,045,649	3,953,272
2	<b>Current assets</b>			
(a)	Inventories	15	94,128,683	103,939,316
(b)	Trade receivables	16	49,136,886	56,560,564
(c)	Cash and cash equivalents	17	1,356,730	1,592,590
(d)	Short-term loans and advances	18	6,618,543	6,736,448
(e)	Other current assets	19	269,432	344,921
	<b>TOTAL</b>		<b>201,373,126</b>	<b>227,109,486</b>
	Contingent Liabilities and Commitments (To the extent not provided for)	29		
	Significant Accounting Policies	1		

As set out in our attached report of even date

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

Chartered Accountants

(Firm Registration no. 100156W)

On behalf of the board

**Narendra Kumar Sureka**  
Chairman and Managing Director**Alka Somani**

Partner

Membership no. 147269

**Pradeep Kumar Sureka**

Whole Time Director

Mumbai, 29<sup>th</sup> May 2015Mumbai, 29<sup>th</sup> May 2015



**Statement of Profit and loss for the year ended 31st March,2015**

(Amount in ` )

	Particulars	Note No.	For the year ended 31.03.2015	For the year ended 31.03.2014
I.	Revenue from operations	20	297,606,824	245,198,301
II.	Other income	21	2,006,038	2,203,127
<b>III.</b>	<b>Total Revenue (I + II)</b>		<b>299,612,862</b>	<b>247,401,428</b>
IV.	Expenses:			
	Cost of materials consumed	22	73,831,332	69,615,939
	Purchases of Stock-in-Trade	23	161,388,434	132,369,165
	Changes in inventories	24	13,521,836	(10,531,030)
	Employee benefits expense	25	12,742,749	13,383,648
	Finance costs	26	9,311,811	9,569,681
	Depreciation and amortization expense	10	8,186,490	5,448,110
	Other expenses	27	20,425,773	25,344,690
	Total expenses		<b>299,408,425</b>	<b>245,200,204</b>
<b>V.</b>	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>2,04,438</b>	<b>2,201,224</b>
VI.	Exceptional items		-	-
<b>VII.</b>	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>204,438</b>	<b>2,201,224</b>
VIII.	Extraordinary Items		-	-
<b>IX.</b>	<b>Profit before tax (VII- VIII)</b>		<b>204,438</b>	<b>2,201,224</b>
X	Tax expense:			
	(1) Current tax		38,956	419,443
	(2) Deferred tax		(238,345)	(321,688)
	(2) MAT Credit Entitlement		(38,956)	(407,227)
	(4) Tax adjustment for earlier years		(7,539)	-
			<b>(245,884)</b>	<b>(309,472)</b>
<b>XI</b>	<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>450,322</b>	<b>2,510,696</b>
XII	Less/(Add) : Adjustments for earlier years			
	Tax adjustments		-	-
	MAT Credit Entitlement		-	-
<b>XIII</b>	<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>450,322</b>	<b>2,510,696</b>
XIV	Profit/(loss) from discontinuing operations		-	-
XV	Tax expense of discontinuing operations		-	-
<b>XVI</b>	<b>Profit/(loss) from Discontinuing operations (after tax) (XIII-XIV)</b>		<b>-</b>	<b>-</b>
<b>XVII</b>	<b>Profit (Loss) for the period (XIII + XVI)</b>		<b>450,322</b>	<b>2,510,696</b>
XVIII	Earnings per equity share:			
	Basic and Diluted	28	0.003	0.019
	Significant Accounting Policies	1		

As set out in our attached report of even date

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

On behalf of the board

**Narendra Kumar Sureka**  
Chairman and Managing Director**Alka Somani**Partner  
Membership no. 147269**Pradeep Kumar Sureka**  
Whole Time DirectorMumbai, 29<sup>th</sup> May 2015Mumbai, 29<sup>th</sup> May 2015

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

(Amount in `)			
(A) CASH FLOW FROM OPERATING ACTIVITIES	2014.2015		2013-2014
Net Profit before tax and extraordinary items	204,438		2,201,224
Adjustment for			
Depreciation	8,186,490		5,448,110
Profit / Loss on sale of fixed assets	394,457		27,664
Interest on late payment of taxes	-		-
Interest / other income	(2,006,038)		(2,203,127)
Dividend	-		-
Interest expenses	9,311,811		9,569,681
Operating profit before working capital changes	16,091,158		15,043,553
Adjustment for			
Trade and other receivables	7,617,072		6,515,094
Inventories	9,810,633		(13,285,561)
Trade payables	(22,114,018)		(13,233,756)
Cash generated from operations	11,404,845		(4,960,670)
Direct taxes paid	(412,667)		(514,068)
Cash flow before extraordinary items	10,992,178		(5,474,738)
Prior period items	-		-
Extraordinary items	-		-
NET CASH FLOW FROM OPERATING ACTIVITIES		10,992,178	(5,474,738)
(B) CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets	(128,252)		(1,784,501)
Sale of fixed assets	200,000		400,000
Movement of advances for capital goods	-		19,722,845
(Purchase) / sale of investments (Net)	-		(143,489)
(Increase) / decrease in deposits	(53,421)		(200,063)
Interest / other income	2,006,038		2,203,127
Dividend received	-		-
NET CASH USED IN INVESTING ACTIVITIES		2,024,365	20,197,919
(C) CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital	-		-
Proceeds from long term borrowings	2,498,784		1,181,216
Repayment of long term borrowings	(7,382,322)		(6,311,026)
Proceeds from short term borrowings	-		-
Repayment of short term borrowings	-		-
Change in working capital borrowing from banks	942,946		555,975
Interest paid	(9,311,811)		(9,569,681)
NET CASH FROM FINANCING ACTIVITIES		(13,252,403)	(14,143,516)
NET INCREASE IN CASH AND CASH EQUIVALANTS (A+B+C)		(235,860)	579,665
OPENING BALANCE OF CASH AND CASH EQUIVALANTS		1,592,590	1,012,926
CLOSING BALANCE OF CASH AND CASH EQUIVALANTS		1,356,730	1,592,590

## Notes to cash flow statement:

- The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on "Cash Flow Statement" prescribed in the Companies (Accounting Standards) Rules, 2006.
- All the figures in brackets are outflow.
- Previous year's figures have been regrouped wherever necessary.

As set out in our attached report of even date

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

Chartered Accountants  
(Firm Registration no. 100156W)

**Alka Somani**

Partner  
Membership no. 147269

Mumbai, 29<sup>th</sup> May 2015

On behalf of the board

**Narendra Kumar Sureka**  
Chairman and Managing Director

**Pradeep Kumar Sureka**  
Whole Time Director

Mumbai, 29<sup>th</sup> May 2015

**NOTE "1": SIGNIFICANT ACCOUNTING POLICIES**

(annexed to and forming part of the financial statements for the year ended 31st March 2015)

**1. SYSTEM OF ACCOUNTING**

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

**2. USE OF ESTIMATES**

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

**3. FIXED ASSETS:**

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

**4. INVESTMENT:**

Investments are classified into Non Current and Current investments.

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

**5. DEPRECIATION:**

- a) Premium on leasehold land is amortised over the period of the lease term.
- b) Depreciation on fixed assets is provided under the "straight line method" based on the useful lives of assets as prescribed under Part C of Schedule II to the Act.
- c) Depreciation in respect of addition to fixed assets is provided on pro-rata basis from the month in that such assets are acquired/installed/started commercial production put to use.
- d) Depreciation on fixed assets sold, discarded or demolished during the year is being provided at their respective rates up to the month in which such assets are sold, discarded or demolished.

**6. VALUATION OF INVENTORIES:**

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

**7. REVENUE RECOGNISATION:**

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

**8. RETIREMENT AND OTHER BENEFITS TO EMPLOYEES:**

- a) Employees' benefit under defined contribution plan such as contribution to provident fund and employees' benefits under defined benefit plan for leave encashment are charged off at the

undiscounted amount in the year in which the related service provided.

- b) Post employment benefits under defined benefit plan such as gratuity are charged off in the year in which the employee has rendered services at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and/or losses in respect of post employment benefits are charged to profit and loss account or capitalised in case of new projects are taken up by the company.

#### **9. CAPITAL WORK IN PROGRESS:**

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

#### **10. PRIOR PERIOD EXPENSES / INCOME:**

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

#### **11. INCOME FROM INVESTMENTS:**

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

#### **12. TREATMENT OF CONTINGENT LIABILITIES:**

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

#### **13. EXCISE DUTY & CENVAT CREDIT**

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.

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.

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

#### **14. TAXES ON INCOME**

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

#### **15. IMPAIRMENT LOSS**

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

#### **16. SEGMENT REPORTING**

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

#### **17. BORROWING COSTS**

The company capitalises interest and other costs incurred by it in connection with funds borrowed for the acquisition of fixed assets. Where specific borrowings are identified to a fixed asset or a new unit, the company uses the interest rates applicable to that specific borrowing as the capitalisation rate.

Capitalisation of borrowing costs ceases when all the activities necessary to prepare the fixed assets for their intended use are substantially complete. Other borrowing costs are charged to Profit & Loss Account.

**18. TRANSACTION IN FOREIGN CURRENCIES**

- a) Transactions denominated in foreign currencies are recorded by applying the exchange rates prevailing at the date of the transactions.
- b) Monetary items denominated in foreign currencies remaining unsettled at the end of the year, are restated using the closing rates. The exchange difference arising as a result of the above is recognised in the profit and loss account.
- c) In case the monetary items are covered by the forward exchange contracts, the difference between the year end exchange rate and the exchange rate at the date of the inception of the forward exchange contract is recognised as exchange difference.
- d) In respect of hedging transactions, the premium/discount represented by difference between the exchange rate at the date of the inception of the forward exchange contract and forward rate specified in the contract is amortised as expense or income over the life of the contract.
- e) Exchange differences on such contracts are recognised in the statement of profit and loss account in the year in which the exchange rate changes.
- f) Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.
- g) Non-monetary foreign currency items such as investments are carried at cost.

## Notes on Financial Statements:

<b>Note "2" : SHARE CAPITAL</b>		(Amount in `)		
Particular	As at 31 March 2015		As at 31 March 2014	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of ` 1/- each	135000000	135,000,000	135000000	135,000,000
<b>Issued,Subscribed and Paid up</b>				
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
<b>Total</b>	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 2015		As at 31 March 2014	
	No. of Shares	held% of Holding	No. of Shares	held% of Holding
Mr. Prabhudayal Sureka	8713000	6.67	8713000	6.67
Mr. Narendra Sureka	9946000	7.61	9946000	7.61

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

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

<b>Note "3" : RESERVES AND SURPLUS</b>	As at 31 March 2015	As at 31 March 2014
<b>a. Capital Reserves</b>		
Balance as per the last financial statements	4,500,000	4,500,000
Sub-total	4,500,000	4,500,000
<b>b. Securities Premium Account</b>		
Balance as per the last financial statements	7,585,627	7,585,627
Sub-total	7,585,627	7,585,627
<b>c. Surplus in the Statement of Profit and Loss</b>		
Balance or (deficit) as per the last financial statements	(21,277,805)	(23,788,502)
Adjustment relating to fixed assets (refer note no 36)		
Add/ (Less) : Depreciation	360,607	-
Add/ (Less) : Deferred Tax	(111,428)	-
Add/(Less): Net Profit/(Loss) for the year	450,322	2,510,696
Sub-total	<b>(20,578,304)</b>	<b>(21,277,805)</b>
<b>Total</b>	<b>(8,492,677)</b>	<b>(9,192,178)</b>
<b>Note "4": LONG-TERM BORROWINGS</b>		
<b>Secured</b>		
Term Loans from banks (refer note no 4.1)	-	3,907,105
<b>Unsecured</b>		
Loans and advances from related parties (refer note no 4.2 and 33)	4,500,000	2,001,216
<b>Total</b>	<b>4,500,000</b>	<b>5,908,321</b>

**Notes on Financial Statements:****4.1 : Terms of Repayment and Security details of Term Loans :**

(Amount in `)

Name of the Bank	Indian Overseas Bank	Indian Overseas Bank
Type of Loan	Term Loan	Term Loan
Loan Account No.	062503260900001	062503261000001
Amount sanctioned	10,000,000	26,000,000
Amount availed	10,000,000	25,033,640
Sanction Date	13.05.2009	29.04.2010
Rate of Interest	14.25%	14.25%
Total No.of Instalments	60	60
No.of Instalments paid	60	53
No.of balance Instalments to be paid	0	7
Amount of Instalment	59 instalments of ` 166600 and last instalment of ` 170600	59 instalment of ` 435000 and last instalment of ` 335000
Repayment Type	Monthly	Monthly

**Nature of Security**

1. First charge by way of hypothecation of machineries purchased under expansion projects.
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 (E), Mumbai.
3. Personally guaranteed by two directors of the company.

Installments falling due in respect of all the above loans upto 31.03.2015 have been taken in "Other current liabilities" under the head "Current maturities of long term debts" (Refer note no.8)

**4.2 Maturity profile of other unsecured loans are as under:**

Name of lender	Narendra kumar Sureka	Pradeep kumar Sureka
Loan Reference No.	1	2
Amount taken (`)	2075000.00	2425000.00
Interest rate	Interest free	Interest free
Repayment of loan	After 1/4/2017	After 1/4/2017

**Note 5: LONG TERM PROVISIONS**

Particulars	As at 31 March 2015 (`)	As at 31 March 2014 (`)
Provision for employee benefits		
Gratuity (unfunded)	1,359,486	901,627
Leave Encashment (unfunded)	29,650	22,480
<b>Total</b>	<b>1,389,136</b>	<b>924,107</b>

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:-

	2014-2015	2013-2014
Employer's Contribution to Provident Fund	104,505	62,002
Employer's Contribution to superannuation Fund	-	-
Employer's Contribution to Pension Fund	-	-

**ii) Defined Benefit Plan**

Leave Encashment: During the year 2014-15, the amount paid to employees as leave encashment is ` NIL

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

**Notes on Financial Statements:**

I. Reconciliation of Opening and closing balances of Defined Benefit Obligation: (Amount in `)

Particulars	Gratuity (Unfunded)	
	2014-2015	2013-2014
Defined Benefit obligation at beginning of the year	926,748	661,970
Current Service Cost	325,556	392,367
Interest Cost	115,296	80,495
Actuarial (gain) / loss	126,267	(208,084)
Benefits paid	(102,853)	-
Settlement cost	-	-
Defined Benefit obligation at year end		
Current Liability	31,528	25,121
Non-Current Liability	1,359,486	901,627
II. Reconciliation of Opening and closing balances of fair value of plan assets:		
Fair value of plan assets at beginning of the year	-	-
Expected return on plan assets	-	-
Actuarial (gain) / loss	-	-
Employer contribution	-	-
Benefits paid	-	-
Fair value of plan assets at year end	-	-
Actual return on plan assets	-	-
III. Reconciliation of fair value of assets and obligations:		
Fair value of plan assets	-	-
Present value of obligation	-	-
Amount recognised in balance sheet	-	-
IV. Expense recognized during the year (under the head "Payments to and Provisions for Employees".		
Current Service Cost	325,556	392,367
Interest Cost	115,296	80,495
Expected return on plan assets	-	-
Actuarial (gain) / loss	126,267	(208,084)
Net Cost	567,119	264,778
V. Actuarial Assumption		
Mortality Table (LIC)	LIC 1994-96 Mortality Table	LIC 1994-96 Mortality Table
Discount rate (per annum)	7.90%	9.30%
Expected return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	7.00%	7.00%

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



**Notes on Financial Statements:****Note 6: SHORT TERM BORROWINGS**

Particulars	31 March 2015 (₹)	31 March 2014 (₹)
<b>Secured</b>		
Loans repayable on demand from banks:		
Working Capital Loan from Indian Overseas Bank	40,218,922	39,275,976
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.		
<b>Total</b>	<b>40,218,922</b>	<b>39,275,976</b>

**Note 7: TRADE PAYABLES**

Due to Micro and Small Enterprises *	-	-
Others	26,438,884	47,136,747
* 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 31.03.2015		
<b>Total</b>	<b>26,438,884</b>	<b>47,136,747</b>

**Note 8: OTHER CURRENT LIABILITIES**

Current maturities of long-term debts (refer note no 4.1)	2,903,458	6,378,675
Statutory Liabilities	1,079,830	1,018,527
Security deposits	511,190	511,190
Advance from Customers	-	1,216,011
Other accrued expenses to related parties (refer note no.33) to others	457,936	43,173.00
	1,147,646	
<b>Total</b>	<b>4,952,414</b>	<b>10,315,222</b>

**Note 9: SHORT TERM PROVISIONS**

Provision for employee benefits	31,528	25,121
Provision for Taxation ( net of taxes paid)	542,419	923,669
<b>Total</b>	<b>573,947</b>	<b>948,790</b>

**Note 11: NON CURRENT INVESTMENTS**

Long term investments (at cost)		
Immovable Properties [refer note no.29(b)(i)]	952,500	952,500
Other Non- Current Investment Gold coin (50gms)	143,489	143,489
<b>Total</b>	<b>1,095,989</b>	<b>1,095,989</b>

**Note 12: DEFERRED TAX ASSETS(net)**

Deferred Tax Liabilities:		
Difference between book and tax depreciation	1,035,471	2,190,846
Deferred Tax Assets:		
Gratuity	429,823	278,603
Business Losses	7,538,054	8,526,473
Deferment of Allowances	257,598	448,857
<b>Total</b>	<b>7,190,004</b>	<b>7,063,087</b>

**Notes on Financial Statements:  
Note 10 : Fixed Assets**

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As on 31.03.2014	Additions during the year	Deduction during the year	As on 31.03.2015	Provided for the year	Adjustment against the Reserve	Written Back during the year	Total upto 31.03.2015	Total as on 31.03.2015	Total as on 31.03.2014
Tangible Asset										
Leasehold Land-B-5	205329.03	0.00	0.00	205329.03	3238.00	0.00	0.00	3238.00	202091.03	205329.03
Leasehold Land-B-4	5966514.14	0.00	0.00	5966514.14	95208.00	0.00	0.00	95208.00	5871306.14	5966514.14
Factory Building	7942501.39	2622415.00	0.00	10564916.39	697277.00	0.00	0.00	4458456.08	6106460.31	4181322.31
Office Premises	913147.00	0.00	0.00	913147.00	17458.00	0.00	0.00	164872.70	748274.30	765732.30
Plant & Machineries	42826941.00	0.00	0.00	42826941.00	6327707.00	132115.94	0.00	21808072.32	21018868.68	27478691.62
Electrical equipment	2824895.65	28762.00	0.00	2853657.65	124436.00	0.54	0.00	1936015.05	917642.60	1013317.14
Furniture & Fixtures	297295.04	0.00	0.00	297295.04	3536.00	(14398.18)	0.00	278647.53	18647.51	7785.33
Office Equipments	682274.00	99490.00	0.00	781764.00	168107.00	(36652.24)	0.00	420320.23	361443.77	393408.53
Computers	642651.00	0.00	0.00	642651.00	112933.42	(82142.29)	0.00	626078.13	16572.87	47364.00
Vehicles	6488503.56	0.00	1427523.00	5060980.56	636590.00	(359531.06)	833066.00	3497029.59	1563950.97	2435466.91
TOTAL AS AT 31.03.2015	68790051.81	2750667.00	1427523.00	70113195.81	8186490.42	(360607.28)	833066.00	33287937.63	36825258.18	42494931.32
TOTAL AS AT 31.03.2014	84361050.01	411587.00	15982585.20	68790051.81	5448110.33	0.00	15554921.59	26295120.52	42494931.29	47959118.23

**Notes on Financial Statements:**

<b>Particulars</b>	<b>31 March 2015</b>	<b>31 March 2014</b>
	( <b>₹</b> )	( <b>₹</b> )
<b>Note 13:LONG TERM LOANS AND ADVANCES</b> (Unsecured, considered good unless otherwise stated) Advance for Capital Goods [refer note no.29(b)(ii)] Security Deposits	- 705,953	- 705,953
<b>Total</b>	<b>705,953</b>	<b>705,953</b>
<b>Note 14:OTHER NON CURRENT ASSETS</b> Long term deposits with banks having maturity more than 12 months MAT Credit Entitlement	995,784 3,049,865	942,363 3,010,909
<b>Total</b>	<b>4,045,649</b>	<b>3,953,272</b>
<b>Note 15:INVENTORIES</b> (Refer note 1.5) Raw Materials and components Work-in-progress Finished goods Stores and spares	27,253,783 3,225,300 62,278,900 1,370,700	23,582,880 3,140,800 75,885,236 1,330,400
<b>Total</b>	<b>94,128,683</b>	<b>103,939,316</b>
<b>Note 16:TRADE RECEIVABLES</b> Unsecured,considered good Outstanding over six months Others	8,358,969 40,777,917	3,083,724 53,476,840
<b>Total</b>	<b>49,136,886</b>	<b>56,560,564</b>
<b>Note 17:CASH AND BANK BALANCES</b> Cash and Cash equivalents Balances with Bank In Deposit accounts ( less than 3 months maturity ) Cash on hand Other Bank Balances Long term deposits with maturity more than 3 months but less than 12 months Long term deposits with banks having maturity more than 12 months Less:- Long term deposits with maturity more than 12 months considered under "Other Non Current Assets"	- 1,356,730 - 995,784 995,784	- 1,592,590 - 942,363 942,363
<b>Total</b>	<b>1,356,730</b>	<b>1,592,590</b>
<b>Note 18:SHORT TERM LOANS AND ADVANCES</b> (Unsecured, considered good unless otherwise stated) Sales Tax Receivable Advance to suppliers Advance to Staff Prepaid expenses Others	2,596,002 3,557,530 175,000 129,676 160,335	3,072,019 536,505 2,375,000 136,329 616,595
<b>Total</b>	<b>6,618,543</b>	<b>6,736,448</b>
<b>Note 19:OTHER CURRENT ASSETS</b> Interest accrued but not due on fixed deposits Other Current Assets	269,432 -	232,421 112,500
<b>Total</b>	<b>269,432</b>	<b>344,921</b>

**Notes on Financial Statements:**

<b>Particulars</b>	<b>31 March 2015</b>	<b>31 March 2014</b>
	( <b>₹</b> )	( <b>₹</b> )
<b>Note 20: REVENUE FROM OPERATION</b>		
Sale of Products :		
Fabrics:		
Grey Fabrics	109,243,605	106,003,870
Finished Fabrics	180,892,941	131,423,432
	290,136,546	237,427,302
Sale of Services :		
Job charges	7,316,903	7,770,999
Other operating revenue		
Scrap Sale	153,375	-
<b>Total</b>	<b>297,606,824</b>	<b>245,198,301</b>
<b>Note 21: OTHER INCOME</b>		
Rent (Refer note 21.a)	1,899,012	1,905,670
Interest	107,026	297,457
<b>Total</b>	<b>2,006,038</b>	<b>2,203,127</b>
21.a The company has given Office Premises on operating lease for a period of 3 years commencing from 16th February 2015 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	748,274	765,732
Depreciation for the year	17,458	14,884
Accumulated depreciation	164,873	147,415
(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	894,240
For a period later than one year and not later than five years	1,676,700	782,460
For a period later than five years	-	-
<b>Note 22: COST OF MATERIALS CONSUMED</b>		
Yarn	73,831,332	69,615,939
<b>Total</b>	<b>73,831,332</b>	<b>69,615,939</b>
<b>Note 23: PURCHASES OF STOCK IN TRADE</b>		
Grey Fabrics (returned)	1,548,029	1,762,840
Finished Fabrics	159,840,405	130,606,325
<b>Total</b>	<b>161,388,434</b>	<b>132,369,165</b>
<b>Note 24: CHANGES IN INVENTORIES</b>		
Opening Stock:		
Finished Goods	75,885,236	66,008,606
Stock in process	3,140,800	2,486,400
Closing Stock:		
Finished Goods	62,278,900	75,885,236
Stock in process	3,225,300	3,140,800
<b>Total</b>	<b>13,521,836</b>	<b>(10,531,030)</b>
<b>Note 25: EMPLOYEE BENEFIT EXPENSE</b>		
Salaries and Wages	12,041,475	13,034,388
Contribution to Provident and Other Funds	701,274	349,260
<b>Total</b>	<b>12,742,749</b>	<b>13,383,648</b>

**Notes on Financial Statements:**

<b>Particulars</b>	<b>31 March 2015</b>	<b>31 March 2014</b>
	( <b>₹</b> )	( <b>₹</b> )
<b>Note 26: FINANCE COST</b>		
Interest expense on		
Term Loans	901,411	1,855,971
Working Capital Loans	5,212,771	4,866,390
Others	3,197,629	2,847,320
delayed payment of taxes	-	-
<b>Total</b>	<b>9,311,811</b>	<b>9,569,681</b>
<b>Note 27: OTHER EXPENSES</b>		
<b>A) Manufacturing Expenses</b>		
Job charges	3,917,013	4,347,043
Beam Making and mending charges	1,824,271	2,441,885
Warping charges	733,326	-
Power and fuel ( refer note 33)	4,814,735	8,698,103
Water expenses	160,914	213,896
Stores and spares consumed	2,328,709	3,675,057
Repairs and maintenance :		
Building	67,270	106,041
Machine	742,520	730,038
Others	93,535	211,900
<b>Total- (A)</b>	<b>14,682,293</b>	<b>20,423,963</b>
<b>B) Administrative and General Expenses</b>		
Printing and stationery	236,466	184,484
Postage, telegrams and telephones	262,724	327,827
Rent (refer note no. 37)	524,946	435,893
Rates and taxes	76,493	38,883
Insurance	280,896	287,348
Auditors remuneration (refer note no. 30)	305,619	303,372
Bank commission/charges	21,980	35,665
Security charges	515,000	467,616
Electricity expenses	235,359	172,277
Legal and professional charges	419,180	358,990
Computer and software expenses	144,850	18,800
Donation	226,200	181,401
Freight and forwarding	13,623	23,263
General Expenses	153,315	125,385
Listing fees	185,805	112,360
Loss on sale of fixed assets	394,457	27,664
Travelling and conveyance	606,866	609,534
Sundry balance written off	(35,621)	455,841
Interest on delayed payment of service tax	9,935	2,928
Office expenses	735,166	531,189
<b>Total- (B)</b>	<b>5,313,259</b>	<b>4,700,720</b>
<b>C) Selling and Distribution Expenses</b>		
Sales Promotion Expenses	207,885	21,620
Advertisement Expenses	64,417	49,764
Brokerage and commission	157,918	148,623
<b>Total- (C)</b>	<b>430,220</b>	<b>220,007</b>
<b>Total (A+B+C)</b>	<b>20,425,773</b>	<b>25,344,690</b>

**Notes on Financial Statements:****Note 28: EARNING PER EQUITY SHARE**

	UNIT	31 March 2015	31 March 2014
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	450,322	2,510,696
Basic and Diluted Earning Per Share		0.003	0.019
<b>Note 29 : Contingent liabilities and commitments:</b>			
(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
(iii) Undertaking given under EPCG Scheme for fulfilment of export obligation	` in lacs	150.85	150.85
(iv) Principal and Interest due on Electricity charges due to non - receipt of subsidy from MSEDCL of earlier years		4,804,616	4,804,616
(b) Commitments:			
(i) Uncalled money payable for residential flat to the developers	`	1,422,500	1,422,500
<b>Note 30 :PAYMENT TO AUDITORS</b>			
Audit Fees		196,630	148,315
Tax Audit Fees		56,180	39,326
Taxation Matters		33,708	84,270
Certification		19,101	31,461
		305,619	303,372

**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 (₹)	
	2014-2015	2013-2014	2014-2015	2013-2014
<b>Remuneration /Payables</b>				
Shri Pradeep Kumar Sureka	600,000	600,000	-	43,173
Shri Narendra Kumar Sureka	600,000	600,000	-	
<b>Rent paid /Payables</b>				
Smt. Geetadevi Sureka	174,000	102,000	-	-
<b>Loan taken / (repayments made)/ Payables</b>				
True Capital and Finance Private Limited	123,784	3,221,702	-	2,001,216
	(2,125,000)	(2,040,486)		
Shri Pradeep Kumar Sureka	2,425,000	-	2,425,000	-
Shri Narendra Kumar Sureka	2,075,000	-	2,075,000	-
<b>Amount received against personal expenses</b>				
Shri Pradeep Kumar Sureka	88,179	209,158	-	-
	(88,179)	(209,158)		
Shri Narendra Kumar Sureka	16,299	124,553	-	-
	(16,299)	(124,553)		
Electricity Charges				
Shri Pradeep Kumar Sureka		Refer note no.35		
Shri Narendra Kumar Sureka				

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

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

Particulars	2014-2015		2013-2014	
	Value (₹)	%	Value (₹)	%
i. Raw Materials:-				
Indigenous	73,831,332	100	69,615,939	100.00
Imported	NIL	NIL	NIL	NIL
ii. Spare parts and Components:-				
Indigenous	2,328,709	100	3,675,057	100.00
Imported	NIL	NIL	NIL	NIL

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

**Note 36 :** Effective 1 April 2014, the Company has reassessed useful lives of fixed assets pursuant to the provisions of Schedule II to the Act and the same has been given effect to in these financial statements. Also depreciation ` 360607/- and deferred tax thereon ` 111428/- in this regard has been adjusted against opening balance of statement of profit and loss in line with the transitional provisions prescribed under the Act.

**Note 37:** Leases: The company has taken industrial gala under operating lease or on leave and license basis. These is generally not non-cancellable and for a period ranging between 12 months and above and is renewable at mutual consent on mutually agreeable terms. The company has given refundable interest free security deposit in accordance with the agreed terms. The rent paid in accordance with these agreement is debited to the statement of profit and loss for the year.

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

As set out in our attached report of even date

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

Chartered Accountants

(Firm Registration no. 100156W)

**Alka Somani**

Partner

Membership no. 147269

Mumbai, 29<sup>th</sup> May 2015

On behalf of the board

**Narendra Kumar Sureka**

Chairman and Managing Director

**Pradeep Kumar Sureka**

Whole Time Director

Mumbai, 29<sup>th</sup> May 2015





# TUNI TEXTILE MILLS LIMITED

CIN: L17120MH1987PLC043996

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

Tel : +91 22 2201 4577, Email : [info@tunitextiles.com](mailto:info@tunitextiles.com); Website : [www.tunitextiles.com](http://www.tunitextiles.com)

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

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

Name of the Member \_\_\_\_\_

Registered Address \_\_\_\_\_

Folio No./DP/Client ID \_\_\_\_\_ Email Id \_\_\_\_\_

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

1. \_\_\_\_\_ having email Id \_\_\_\_\_ Signature \_\_\_\_\_ or failing him

2. \_\_\_\_\_ having email Id \_\_\_\_\_ Signature \_\_\_\_\_ or failing him

3. \_\_\_\_\_ having email Id \_\_\_\_\_ Signature \_\_\_\_\_ or failing him

As my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28<sup>th</sup> Annual General Meeting of the Company, to be held at Ramee Guest Line Hotel, 462, A. B. Nair Road, Opp. Sun-N-Sand Hotel, Juhu, Vile Parle (W), Mumbai-400 049 on Wednesday, 30<sup>th</sup> September 2015 at 2.30 P.M. and at any adjournment thereof in respect of such resolution(s) as are indicated below :

Ordinary Business :	For	Against
1. Adoption of Financial Statements for the year ended March 31, 2015		
2. Re-appointment of Mr. Pradeep Kr. Sureka, Director, who retires by rotation.		
3. Re-appointment of M/s. R. S. Agarwal & Associates., Chartered Accountants, as Auditors and to fix their remuneration.		
Special Business :		
4. Appointment of Mr. Aditya P. Khaitan as an Independent Director for a term of 5 Years.		
5. Appointment of Mr. Kamal Dixit as an Independent Director for a term of 5 Years.		
6. Appointment of Mrs. Urmila Sureka as an Non-Executive, Non-Independent Director of the Co.		
7. Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Sign. of Shareholder \_\_\_\_\_ Sign. of Proxy \_\_\_\_\_

Affix  
Revenue  
Stamp  
1/-

# TUNI TEXTILE MILLS LIMITED

CIN: L17120MH1987PLC043996

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

Tel : +91 22 2201 4577, Email : [info@tunitextiles.com](mailto:info@tunitextiles.com); Website : [www.tunitextiles.com](http://www.tunitextiles.com)

## ATTENDANCE SLIP

Registered Folio No. /DP ID/Client ID \_\_\_\_\_

Name & Address of Share Holder \_\_\_\_\_

I/We hereby record my/our presence at the 28<sup>th</sup> Annual General Meeting of the Company at Ramee Guest Line Hotel, 462, A. B. Nair Road, Opp. Sun-N-Sand Hotel, Juhu, Vile Parle (West), Mumbai - 400 049 on Wednesday, 30<sup>th</sup> September 2015 at 2.30 P.M.

Members' Folio/DP ID/Client ID \_\_\_\_\_

Member/Proxy's Name in Block Letters \_\_\_\_\_

Member/Proxy's Signature \_\_\_\_\_

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



# BOOK- POST

If undelivered please return to :

**TUNI TEXTILE MILLS LIMITED**

63/71, Dadiseth Agiyari Lane, 3rd Floor, Mumbai-400 002.