

**TUNI
TEXTILE
MILLS
LIMITED**

**ANNUAL REPORT
2008 - 2009**

Tuni Textile Mills Limited

BOARD OF DIRECTORS

Narendra Kumar Sureka : Chairman & Managing Director
Pradeep Kumar Sureka : Whole Time Director
Pramod Kumar Bajaj : Independent Director
Jayram Jaithlaya : Independent Director
Ashish P. Bajaj : Independent Director

AUDITORS

R. S. Agrawal & Associates
Chartered Accountants

BANKERS

Indian Overseas Bank

REGISTERED OFFICE

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

WORKS

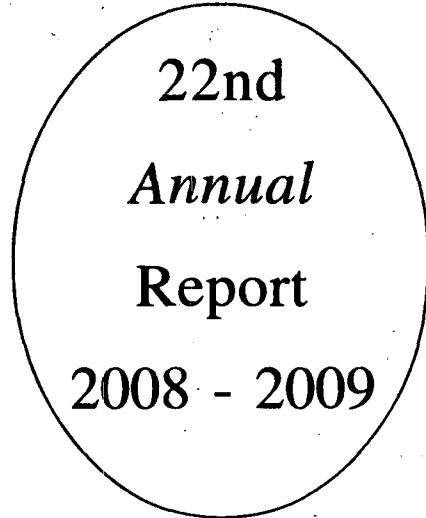
1. B-5, M. I. D. C., Murbad, Dist. Thane (Maharashtra)

REGISTRAR & SHARE TRANSFER AGENT

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

ANNUAL GENERAL MEETING

Date : 30th September, 2009
Time : 12.30 P.M.
Venue : 63/71, Dadiseth Agiary Lane,
3rd Floor, Kalbadevi Road, Mumbai-400002



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

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NOTICE

NOTICE is hereby given that the **Twenty Second Annual General Meeting of the Members of Tuni Textile Mills Limited** will be held at the Registered Office of the Company at 63/71, Dadiseth Agiary Lane, 3rd Floor, Kalbadevi Road, Mumbai-400 002 on Wednesday, 30th September, 2009 at 12.30 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2009 and Profit and Loss Account for the year ended 31st March, 2009 together with the Reports of the Board of Directors and the Auditors thereon.
2. To Appoint a Director in place of Mr. Jayaram Jaithlaya who retires by rotation and being eligible offers himself for re-appointment.
3. To Appoint a Director in place of Mr. Pramod Kumar Bajaj who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. R. S. Agrawal & Associates, Chartered Accountants be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company upon such remuneration in addition to the reimbursement of traveling and other out of pocket expenses incurred incidental to their functions, as may be agreed to between the Board of Directors of the Company and the Auditors and that the Board of Directors of the Company be and are hereby authorized to fix the remuneration as aforesaid."

By Order of the Board of Directors

Narendra Kumar Sureka
(Chairman and Managing Director)

Place: Mumbai

Date: 5th September, 2009

Registered Office:

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

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and the Shares Transfer Books of the Company will be closed from 26th September, 2009 to 30th September, 2009 (Both Days Inclusive).
3. The members are requested to bring the copy of the Annual Report and the Attendance Slip duly filled in for attending the Annual General Meeting;
4. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company at the registered office address so as to reach at least seven days before the date of the Meeting, to enable the information required to be made available at the Meeting, to the best extent possible.
5. Members / beneficial Owners are requested to quote their full name as per Company's record, Folio No. / DP and Client ID Nos. as the case may be, in all correspondence with the Company.
6. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.

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DIRECTORS' REPORT

To,
The Members,
TUNI TEXTILE MILLS LIMITED,

Your Directors are pleased to present the Twenty Second Annual Report of your Company along with Audited Accounts for the year ended on 31st March, 2009.

FINANCIAL RESULTS

The highlights of your Company's financial results for the period ended March 31, 2009 are as follows:

(Rs. in Lacs)

Particulars	Financial Year	Financial Year
	ended	ended
	March 31, 2009	March 31, 2008
Income from Operations	1146.32	847.32
Other Income	10.04	5.57
Total Income	1156.36	852.86
Profit /(Loss) Before Depreciation & Tax	19.56	67.61
Less: Extra-ordinary expenses/ Prior period expenses	0.00	0.00
Less: Depreciation	6.77	5.42
Profit Before Tax	26.33	62.19
Provision for Tax	(72.91)	23.06
Profit/(Loss) after Tax	99.24	39.13
Profit/(Loss) for the year	99.24	39.13
Profit/(Loss) brought forward from previous year	(416.86)	(455.99)
Balance carried to Balance Sheet	(317.62)	(416.86)

OPERATIONS :

During the financial year 2008-09, your Company earned total revenue of Rs. 1156.36 lakhs compared with Rs 852.86 lakhs during the previous financial year 2007-08.

BUSINESS OUTLOOK :

The Company is into manufacturing of shirting fabric and marketing the same through dealers mainly Bombay Textile Market.

DIVIDEND :

Taking into consideration the present market conditions and recession, to conserve the resources for future expansion of business, your Directors do not recommend any dividend on equity shares for the financial year under review.

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LISTING

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited, Mumbai, The Stock exchange, Ahmedabad, The Stock exchange. Indore and The Stock exchange, Jaipur.

The Company has paid the Annual Listing Fees only to Bombay Stock Exchange for the year 2009-2010, as the Company is in the process of Delisting of its Equity shares from other Stock Exchanges.

DIRECTOR'S RESPONSIBILITY STATEMENT

Your Directors confirm the Directors' Responsibility Statement pursuant to Section 217 (2AA) of the Companies Act, 1956, as under that:

- i. In preparation of the accounts for the financial year ended 31st March, 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors have prepared the accounts for the financial year ended 31st March, 2009 on a 'going concern' basis.

CASH FLOW STATEMENT

The cash flow statement for the year 2008 - 2009 is attached to the Balance Sheet.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Jayaram Jaithlaya and Mr. Pramod Kumar Bajaj retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

FIXED DEPOSITS

The Company has not accepted any Fixed Deposits under Section 58A of the Companies Act, 1956 during the year under review.

FOREIGN EXCHANGE EARNING AND OUTGO

There is no foreign exchange earnings and outgo during the year.

EMPLOYEE RELATIONS

Employee relations during the year at all levels of the organization were satisfactory. The Board wishes to place on record its sincere appreciation for the devoted efforts put in by all the Company's employees for achieving good results under challenging conditions.

AUDITORS/ AUDITORS' REPORT

M/s. R. S. Agrawal & Co., Chartered Accountants, the Auditors of the company would retire at the ensuing

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Annual General Meeting and being eligible, offer themselves for reappointment. You are requested to appoint them and fix their remuneration.

The qualification and observations made by the Auditors in their report are self-explanatory.

MANAGEMENT DISCUSSION & ANALYSIS

Management Discussion and Analysis Report for the year under review, as stipulated under clause 49 of the listing Agreement with Stock Exchange in India, is presented in a separate section forming part of this Annual Report.

CONSERVATION OF ENERGY

The Company continues its efforts to improve methods of energy conversation and utilization. The Information of power and fuel consumption and cost per unit is furnished in the prescribed form as under:

MURBAD UNIT- ELECTRICITY	2008-2009	2007-2008
Electricity Purchased [Units (KWH)]	828576	812938
Total Amount (Rs.)	2359395	1811726
Average Rate (Rs.)	2.85	2.23
Consumption Per Unit of Production		
Cloth production (Mtrs.)	1122976	1350107
Cost of Electricity Consumption Mtrs. (Rs.)	2.10	1.34

CORPORATE GOVERNANCE

The Company is taking adequate steps to ensure that the entire mandatory provisions of Corporate Governance, as prescribed under the listing agreement of the Stock Exchange, are complied with.

Report on Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchange in India forms part of the Annual Report.

A certificate from the Statutory Auditor for, confirming compliance of conditions of Corporate Governance as stipulated under the aforesaid clause 49, is annexed to this Report.

ACKNOWLEDGMENTS

Your Directors take this opportunity to thank all the shareholders of the Company, the Bankers, Registrars and Transfer Agents, Auditors, Customers, Vendors and Executives of the respective agencies for their continued support during the year.

Your Directors place on record their appreciation of all the employees and consultants of the company for their untiring personal efforts as well as their collective contribution to the Company's performance during the year in spite of the prevailing market conditions.

For and on behalf of the Board

Narendra Kumar Sureka
(Chairman and Managing Director)

Place: Mumbai

Date: 5th September, 2009

ANNEXURE A TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The market for the textile in general and suiting and shirting fabrics in particular is growing rapidly. The appreciation of Indian Rupee adversely affected export of textiles and as a result local market faced additional supply of fabrics. With the depreciation of Rupee, exports of fabrics have restarted and prices have picked up in the Indian market. Further the consumption of garments, which has in between slump down, now started gearing up and accordingly demand for the fabrics requirements have also started rising.

Your company is taking all initiatives for the sustainable growth and development of the company.

OPPORTUNITIES AND THREATS :

Export from China, increased indigenous capacity for fabrics and increase in cost of production including borrowing cost continue to be the major threats to the industry.

The demand in India itself is very high and the Company is concentrating on the domestic market only. Your Company has identified the main demand of the consumption, viz. organised retail segment and working to have strategic partnership in this area to ensure continuous demand for the Company's products. Further through efficient production management system and better product mix the risks can be minimised that may be arising by overall increase in cost of production and competition.

PRODUCT AND PERFORMANCE :

At present the company is making synthetic fabrics only. The company is trying to give different specification and design as the demand of the customers. The turnover of the Company was Rs.1156.36 lacs.

OUTLOOK :

Due to availing the design and specification as per requirements of the customers, the overall scenario for the variety of the fabrics manufactured by the Company looks brighter. The management is continuously exploring further opportunity for growth of the Company.

RISKS AND CONCERNS :

The increase in cost of production and constrained margin are the major area of concern. The other risk is from competition with leading fabric manufacturers.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY :

Your company is following a proper and adequate system of internal control in respect of all its activities including safeguarding and protecting its assets against loss or unauthorized use or disposition. Further all transactions entered into by the company are duly authorized, recorded correctly. The attempt is made on continual basis to reduce cost.

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FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE :

During the year under review the total production for the Fabrics unit is given hereunder. The production of the Grey fabrics (including job) were 10.89 Lacs Meters as against 9.85 Lacs Meters in the previous financial year.

The Profit after tax recorded during the year was Rs. 99.24 Lacs as against Rs. 36.18 Lacs in the previous financial year.

MATERIAL DEVELOPMENT IN HUMAN RESOURCE/INDUSTRIAL RELATIONS FRONTS:

Human resource development is prime important to every organization. The Company pays required attention on the development of workers and staff. The industrial relation climate in your Company was harmonious and constructive.

CAUTIONARY STATEMENT :

Statement in the report of management discussion and analysis describing the company's objective, projections, estimates, expectation or predictions may be "forward looking statement" within the meaning applicable of Securities Laws or Regulations. These statements are based on certain assumptions and expectations for the future events. Actual results could differ materially from those of future events. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the company's operations include economic condition affecting global and domestic demand supply, finished goods prices in the domestic and overseas market in which the company operates, raw materials cost and availability, changes in Government regulations, tax regimes, economic developments within India and other factors such as litigation and industrial relations. The company assumes no responsibility to publicly amend, modify or revise and forward looking statements, on the basis of any subsequent development, information or events.

CORPORATE GOVERNANCE REPORT

(As required under Clause 49 of the Listing Agreements entered into with Stock Exchange)

Your Board of Directors present the Corporate Governance Report for the year 2008-2009 based on the disclosure requirements under Clause 49 of the Listing Agreement with the Stock Exchange existing as of 31st March, 2009.

1. Company's Philosophy on Code of Corporate Governance:

The Company adheres to good corporate practices and is constantly striving to better them and adopt emerging best practices. The Company believes in high degree of transparency and accountability in its business operations and business practices and continues to adopt all measures to enhance its level. The Company respects the rights of all its stakeholders to information on the performance of the Company. The Company has adopted a Code for Corporate Disclosure Practice for Prevention of Insider Trading, The Company does not have its own web site, in future as and when the web-site is launched, the code of conduct will be posted on that site. In the meantime, the code of conduct is available at registered office of the company for inspection of shareholders.

2. Board of Directors :

The Board has an optimum combination of Executive and Non-Executive Directors, and is in conformity with Clause 49 of the Listing Agreement.

Board Meetings :

During the financial year 2008-2009, 5 Board meetings were held on 30th April 2008, 31st July 2008, 7th August 2008, 31st October 2008, 31st January 2009

Name	Category	Attendance at meetings		Directorships and Chairmanships/ Memberships in Other Companies*		
		Board	General	No. of Directorships	Committee Positions	
					Member	Chairman
Mr. Narendra Prabhudayal Sureka	Non-Independent, Chief Managing Director Officer	5	Yes	-	-	-
Mr. Pradeep Kumar Prabhudayal Sureka	Non-Independent, Whole Time Director	5	Yes	-	-	-
Mr. Pramod Kumar Bajaj	Independent, Non-Executive Director	4	Yes	-	-	-
Mr. Jayaram Jaithlaya	Independent, Non-Executive Director	4	Yes	-	-	-

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Mr. Ashish Premkishan Bajaj	Independent, Non-Executive Director	4	No	-	-	-
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* Directorships and Chairmanships/ Memberships in Other Companies do not include the Directorship/ Membership/ Chairmanship in Foreign Companies and Private Limited Companies.

Directors seeking appointment/ re-appointment at the forthcoming Annual General Meeting (pursuant to Clause 49 IV (G)(i) of the Listing Agreement):

Name of the Director	Mr. Jayaram Jaithlaya	Mr. Pramod Kumar Bajaj
Age	28	53
Qualification	B. Com.	B. Com.
Expertise in specific functional areas	Vide experience in textile industry. He advises the Company in production and factory matters. He is a member of audit committee, remuneration committee and shareholders / investors Grievance Committee of the Board of company.	Vide experience in Textile Industry. He is a chairman of audit committee and a member of remuneration committee of the Board of company
Directorship in other Indian Public Limited Company and other firms as on 31.03.2009	Nil	Nil
Shareholding	Nil	Nil

1. Audit Committee:

A Brief description of terms of reference

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges read with the Section 292A of the Companies Act, 1956.

The Board delegated the following powers to the Audit Committee:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also

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approval for payment for any other services.

- Reviewing with management the annual financial statements before submissions to the Board, focusing primarily on:
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements.
- Any related party transactions i.e., transactions of our Company of material nature, with promoter or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of Company at large.
- Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, 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.
- Discussions with internal auditors any significant findings and follow up thereon.
- 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.
- Discussions with external auditors before the audit commence, nature and scope of audit as well as to have post-audit discussion to ascertain any area of concern.
- Reviewing our Company's financial and risk management policies.
- 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.
- It shall have discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half yearly, and annual financial statements before submissions to the Board.
- To review the implementation of the proposed.
- It shall ensure compliance of internal control systems.
- The Chairman of the Audit Committee shall attend the Annual General Meetings of our Company to provide any clarification on matters relating to audit sought by the members of our Company.

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B. Composition, names of members and Chairman

As on 31st March, 2009, the Audit Committee of the Board consisted of three Non-executive Directors out of which two are independent. The Chairman is an Independent and Non-executive Director and all the members of the Audit Committee are financial literate.

C. Meetings and Attendance during the year

During the year 2008-09, four Audit Committee meetings were held on 30th April 2008, 31st July 2008, 7th August 2008, 31st October 2008, 31st January 2009. The composition of the Audit Committee as on 31/03/2009 and their attendance is as under:

Members	Category	Designation of the Committee	Meetings attended
Shri Pramod Kumar Bajaj	Non-Executive, Independent	Chairman	4
Shri Jayaram Jaithlaya	Non-Executive, Independent	Member	4
Shri Pradeep Kumar Sureka	Promoter, Non-Executive, Non-Independent	Member	4

4. Remuneration Committee:

The Company has constituted remuneration committee. The Company at present does not have any written policy for the remuneration of its Directors and senior executives; however it plans to have a remuneration policy that would be based on 3 parameters i.e. pay for responsibility, pay for performance and potential and pay for growth.

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

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

The Committee met thrice during the year. The Composition of the Remuneration Committee as on 31.03.2009 and their attendance to the meeting of the committee is as under.

Sr. No.	Name of the Director	Category	Designation of the Committee	Meetings attended
1	Shri Jayaram Jaithlaya	Non-Executive Independent	Chairman	2
2	Shri Pramod Kumar Bajaj	Non-Executive Independent	Member	2
3	Shri Pradeep Kumar Sureka	Non-Executive Non-Independent	Member	2

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Remuneration to Directors:

The Company has constituted a Remuneration Committee to look into payment of remuneration to the executive Directors. Due to past operational losses the Company was not able to pay any remuneration to its Director for past few years, however from 1st October 2008, the Company has started payment of remuneration to Managing Director and Wholetime Director.

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

During the period under consideration, the Company has not paid any sitting fees to non-executive Directors .The details of remuneration paid to the Executive Directors of the Company during the year ended 31st March, 2009 are given as under:

	Particulars	Unit	Narendra Kumar Sureka	Pradeep Kumar Sureka
a)	Salary (p.a.)	Rupees	1,50,000/-	1,44,000/-
b)	Fixed Component - contribution to provident fund.	Rupees	Nil	Nil
		Rupees	Nil	Nil
c)	Bonus, benefits and other allowances	Rupees	Nil	Nil
d)	Service contract	Year	3	3
e)	Notice period	Months	Nil	Nil
f)	Severance fees	Rupees	Nil	Nil

5. Shareholders'/ Investors' Grievance Committee

1. Name of the non-executive Directors heading the committee

The Investors Grievance Committee has been constituted to look into the grievances of the shareholders and investors. The Committee oversees the performance of the Registrar & Share Transfer Agent and recommends measures for overall improvement of the quality of investors' services. Shri Pramod Kumar Bajaj non-executive independent Director heads this committee.

The composition of the Shareholders/ Investors Grievance Committee as on 31-03-2009 and their attendance to the meeting of the committee is as under:

Sr. No.	Name of the Directors	Category	Designation of the Committee	No. of committee Meetings attended and held
1	Shri Pramod Bajaj	Non -Executive Independent	Chairman	2
2	Shri Jayaram Jaithlaya	Non -Executive Independent	Member	2
3	Shri Pradeep Kumar Sureka	Non -Executive Non-Independent	Member	2

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II. Name & Designation of compliance officer:-

Shri Narendra Kumar Sureka, Chief Executive Officer, is the Compliance Officer.

III. Complaints received, resolved and pending during the year ended 31st March, 2009

During the year 2008-09, no complaints were received from the shareholders/investors. The Company has acted upon all valid transfers received during the year. No request for transfer is pending as on 31-03-2009.

Outstanding Complaints as on 31st March, 2009 were Nil.

6. General Body Meeting

Location and time of general Meeting

Year	Date	Type of Meeting	Venue	Time
2005-06	30.09.2006	AGM	63/71 Dadisheth Agiary Lane,	12.30 P.M.
2006-07	29.09.2007	AGM	Mumbai-400002	12.30 P.M.
2007-08	30.09.2008	AGM		12.30 P.M.

AGM/EGM	Whether Special	Summary
held on	Resolution passed	
30.09.2006	Yes	Delisting of Company's equity shares from Ahmadabad, Indore and Jaipur Stock Exchanges
29.9.2007	No	N.A
30.09.2008	No	N.A.

At the ensuing Annual General Meeting, there is no item on the agenda that needs approval by postal ballot.

No Postal Ballot was conducted during the year.

7. Disclosures

☞ There were no other related party transactions of material nature with the promoters, directors, the management or their subsidiaries or relatives during the year that may have potential conflict with the interest of the company at large. However, attention is drawn to point no. 10(d) of Schedule "21" of the financial statements.

☞ The Company has generally complied with the requirements of regulatory authorities on Capital Markets however a penalty of Rs. 170000/- was imposed on the Company during financial year 2003-04 by SEBI (SEBI) for non-compliance of disclosure norms laid down under SEBI (Substantial Acquisition of shares and Takeover) Regulation, 1997. The Company has applied for remission of the said penalty.

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- ☞ During the period under consideration the Company has made payment of Rs.420000/- to BSE for revocation of suspension and relisting of the shares on the Bombay Stock Exchange and thus shares are re-listed from 13th March 2009.
- ☞ The Board of Directors of the Company has adopted the whistle Blower Policy for establishing the mechanism of employees to report to management concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The Company affirms that no employee has been denied access to the Audit Committee.
- ☞ The Company follows Accounting Standards issued by Institute of Chartered Accountants of India and qualification in the auditors' report have been explained in directors' report.
- ☞ 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.
- ☞ Code of Conduct

The Company is committed to conducting its Business in conformity with ethical standards and applicable Laws and Regulations .This commitment stands evidenced by model code of conduct adopted by Board of Directors at their meeting which is applicable to each member of the Board of Director and senior management of the Company.

8. Means of Communication

The Quarterly/Half Yearly/Annual results are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement and are published in the newspapers. The information regarding the performance of the Company is shared with the shareholders through yearly communiqué with the Annual Report. The Company does not have its own Website.

Newspapers wherein quarterly results are published	Asian Age, Mahanayak
Website, where displayed	Company has no website and results of the Company are not posted on SEBI EDIFAR site.
Whether it displays official news releases and presentations made to institutional investors or to the analysts	Yes
Whether Management Discussion and Analysis Report (MDA) is a part of Annual Report	Yes

9. Management Discussion and Analysis Report.

This has been separately attached to the Directors' Report.

10. General Shareholders Information

- i. **Date & Time:** Wednesday, 30th September, 2009 at 12.30 P.M.,
- Venue of AGM:** 63/71, 3rd floor, Dadiseth Agiary Lane, Mumbai-400002

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ii. The Financial Calendar for F. Y. 2009-2010 (tentative)

Unaudited Financial Results for the First Quarter Result	On or before 31 st July, 2009
Unaudited Financial Results for the Second Quarter Result	On or before 31 st October, 2009
Unaudited Financial Results for the Third Quarter Result	On or before 31 st January, 2010
Unaudited Financial Results for the Fourth Quarter Result or Audited Annual Result	On or before 30 th April, 2010 or 30 th June, 2010 (Audited)
Annual General Meeting	September 2010

iii. Date of Book Closure :

Wednesday, September 30th, 2009.

iv. The Shares of the Company are listed on the following Stock Exchanges

Bombay Stock Exchange Limited, Mumbai,

The Stock exchange, Ahmadabad,

The Stock exchange. Indore,

The Stock exchange, Jaipur.

v. Scrip Code: 531411

vi. Stock Market Data

The Company has obtained permission for relisting of shares on 13th March 2009 on Bombay Stock exchange .Also, Company has complied with all listing norms during the financial year and its security is being reinstated on submission of required information and documents.

vii. Registrar and Share Transfer Agent :

During the year the Company has appointed M/s. Purva Sharegistry (India) Pvt. Ltd as its Registrar or Share Transfer Agent.

viii. Share Transfer System :

The power to approve the transfer of shares has been delegated by the Board to the Share Transfer Agent. Share transfer requests are processed within an average of 15 days from the date of receipt.

ix. Distribution Schedule :

As of 31st March, 2009, the distribution of shareholding was as follows:

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Category	No. of Shareholders	% of Shareholders	Shareholding	% of Shareholders
1-500	395	43.60	147100	2.54
501-1000	275	30.35	257100	4.44
1001-2000	74	8.17	137600	2.38
2001-3000	31	3.42	87100	1.51
3001-4000	47	5.19	179100	3.09
4001-5000	10	1.10	48875	0.84
5001-10000	21	2.32	183050	3.16
10001 - Above	53	5.85	4750675	82.04
Total	906	100.00	5790600	100.00

x. Categories of Shareholders as on 31st March, 2009 :

Category	No. of shares held	% to total share capital
Promoters	2838275	49.02
Associates	NIL	NIL
Banks/MFs/FIs	49400	0.85
Private Bodies Corporate	931100	16.08
Indian Public	1967925	33.98
NRIs/OCBs	3900	0.07
Total	5790600	100.00

xi. Dematerialization of shares and liquidity:

All the shares of the Company are held in physical form.

xii. Outstanding GDRs / ADRs/ Warrants or any Convertible instruments, Conversion date and likely impact on equity :

There is no ADR/GDR outstanding as on 31st March, 2009.

xiii. Plant Locations :

The Company's plants are located at:

B-5, MIDC Industrial Area Murbad,
Murbad Dist. - Thane-421 402.

xiii. Address for correspondence :

Registered Office : 63/71, 3rd floor, Dadi Seth Agiary Lane,
3rd Floor, Kalbadevi, Mumbai-400002

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10. Compliance :

A certificate has been obtained from the statutory auditors of the company regarding compliance of conditions of corporate governance and attached to this report.

Annual Declaration By Managing Director Pursuant To Clause 49 (I)(D)(ii) Of The Listing Agreement

As the Chairman and Managing Director of Tuni Textile Mills Limited, I hereby affirm that all the Board members and senior management personnel of the Company have confirmed compliance with the Code of Conduct and Ethics for Financial Year 2008-2009.

For and on behalf of the Board of Directors

Managing Director

Place: Mumbai

Date: 05th September 2009

CEO/ CFO Certification

To,

The Board of the Directors

Tuni Textile Mills Limited,

We hereby certify to the Board that;

1. I, Narendra Kumar Sureka, Chairman and Managing Director of Tuni Textile Mills Limited certify to the Board in terms of the requirements of Clause 49(V) of the Listing Agreement, that I have reviewed the financial statements and the cash flow statements for the year 2008-2009 and that to the best of my knowledge and belief, I certify that:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contains statements that might be misleading;
 - b) these statements together present a true and fair view of companies affair and are in compliance with existing accounting standards, applicable laws and regulations; and
 - c) there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
2. I accept the responsibility for establishing and maintaining the internal controls for the financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and I have disclosed to the auditors and the audit committee, deficiencies in the design or operations of such internal controls, if any, of which I am aware and steps I have taken or proposed to take to rectify these deficiencies.
3. I do further certify that there has been:
 - a) no significant changes in internal controls during the year;
 - b) no significant changes in the accounting policies during the year; and .
 - c) no instances of fraud of which I am aware during the period.

For Tuni Textile Mills Limited

Narendra Kumar Sureka
Chairman and Managing Director

Place: Mumbai

Date: 5th September 2009

Secretarial Compliance Report for the year ended 31st March, 2009

The Board of Directors,
M/s, Tuni Textile Mills Limited
Mumbai

We have examined the registers, records and papers of M/s. Tuni Textile Mills Limited as required to be maintained under the Companies Act, 1956, (hereinafter referred to as "The Act"), the rules made there under and also the provisions contained in the Memorandum of Association and Articles of Association of the Company for the year ended 31st March 2009.

On the basis of our examination as well as information and explanations furnished by the Company and the records made available to us, we report that:

1. Equity Shares of the Company are listed on Bombay Stock Exchange Ltd. (BSE).
2. All the requisite registers and other records required under the Act and the Rules made there under have been maintained in accordance with the requirements of the Act.
3. All the requisite forms, returns and documents have been filed with the Registrar of Companies and other authorities as required under the Act and Rules made there under.
4. All the requirements of the Act relating to the meetings of the Directors, Shareholders and Committees of the Board as well as relating to maintenance of the minutes of the proceedings there at have been complied with.
5. The Board of Directors of the Company is duly constituted.
6. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of Section 299 of the Companies Act, 1956.
7. The Company has not issued any Equity Share on Right or Bonus or Public or Preferential issue during the financial year 2008-09.
8. Share Certificates have been delivered to the transferee and Applications for transfer and transmissions of the Shares have been registered within the prescribed for this purpose.
9. No Dividend is being declared or paid during the year.
10. The amounts borrowed by the Company from Banks/Bodies Corporate are within the borrowing limits of the Company. There are no borrowings which are outstanding as on March 31,2009.
11. Necessary approval of Directors, Shareholders, Central Government and other authorities, wherever applicable and required under the Companies Act, 1956, have been obtained.
12. The Company has not altered its Memorandum of Association & Articles of Association of the Company during the period of Audit.

For S G & ASSOCIATES
Chartered Accountants

Place : Mumbai
Date : September 5, 2009

SUHAS S. GANPULE
Proprietor

Auditors' Certificate on Corporate Governance

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

To

The Members

Tuni Textile Mills Limited

We have examined the compliance with the conditions of Corporate Governance by Tuni Textile Mills Limited ('the company'), for the year ended March 31, 2009, as stipulated in clause 49 of the Listing Agreement of the said company with the stock exchanges in India, 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 conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. It was neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that, the company has complied with conditions of the corporate governance as stipulated in clause 49 of the Listing Agreement subject to that:

The composition of the Audit Committee is not in conformity with requirements of clause 49 of the listing agreements with the stock exchanges as whole time company secretary is not with the company to act as the secretary of 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 and on behalf of

R. S. Agrawal & Associates

Chartered Accountants

R. S. Agrawal

Partner

Mumbai, 5th September 2009

Membership No. 33216

AUDITORS' REPORT

To

The Members of

TUNI TEXTILE MILLS LIMITED

1. We have audited the attached Balance Sheet of TUNI TEXTILE MILLS LIMITED as at 31st March 2009, the Profit and Loss Account and also Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (hereinafter referred to as 'the CARO 2003') issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, (hereinafter referred to as 'the Act') we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) 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;
 - (iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3-C) of section 211 of the Act;
 - (v) attention of the members is invited to Note No. 2(iii) of Schedule 21 regarding provision for sales tax written back amounting to Rs. 55197/- without any confirmatory order from the concerned department, consequently, had the said provision not written back, profit for the year would have been lower and debit balance in the profit and loss account would have been higher by Rs. 55197/- and a lower earning per share by Rs. 0.01;
 - (vi) based on the representation made by the directors of the company and information and explanation

TUNI TEXTILE MILLS LIMITED

given to us, none of the directors is prima-facie disqualified as on 31st March, 2009, from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Act on the said date; and

(vii) in our opinion and to the best our information and according to the explanations given to us, the said accounts read together with significant accounting policies and notes on accounts in schedule '20' and '21' respectively and those appearing elsewhere with the financial statement 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 Balance Sheet, of the state of affairs of the company as at 31st March, 2009;
- b) in the case of Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of

R. S. AGRAWAL & ASSOCIATES

Chartered Accountants

R.S. Agrawal

Partner

Membership No. 33216

Mumbai, 5th September 2009

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ANNEXURE REFERRED IN PARAGRAPH (3) OF AUDITORS' REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2009 OF TUNI TEXTILE MILLS LIMITED ON THE BASIS OF SUCH CHECKS AS WE CONSIDER APPROPRIATE AND IN TERMS OF THE INFORMATION AND EXPLANATION GIVEN TO US, WE STATE THAT :

- (i) a) the company has generally maintained proper records showing particulars, including quantitative details and situation of fixed assets;
- b) we have been informed that the management has, at reasonable intervals during the year, physically verified major portion of the fixed assets. No material discrepancies, as represented to us, were noticed on such verification; and
- c) during the year company has not disposed off any of its fixed assets.
- (ii) a) as explained to us, inventory, except the inventory lying with third parties, has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable;
- b) the procedures, as explained to us, of physical verification of inventories followed by the management are, in our opinion; reasonable and adequate in relation to the size of the company and the nature of its business; and
- c) the company, for inventory, has maintained proper records. No material discrepancies, as informed to us, have been noticed on physical verification of stock as compared to book records;
- (iii) a) as informed to us, the company has, during the year, not granted any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act; therefore reporting requirements under clause 4 (iii) (a) to (d) of the CARO 2003 are not applicable to the company;
- b) as informed to us, the company has, during the year, taken unsecured loan from a company covered in the register maintained under section 301 of the Act; the amount involved is Rs. 10.25 lacs and outstanding at the yearend was Rs. 9.25 lacs;
- c) the above unsecured loan taken is free of interest and in our opinion the other terms and conditions are not prima facie prejudicial to the interest of the company; and
- d) as informed, the above unsecured loan taken is repayable on demand, therefore the payment is treated to be regular.
- (iv) in our opinion, there are generally adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, no major weakness has been noticed in these internal control systems;
- (v) a) to the best of our knowledge and belief, we are of the opinion that the particulars of the contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section; and
- b) in our opinion, there were no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act exceeding the value of Rs. 5 lacs in respect of

TUNI TEXTILE MILLS LIMITED

any party during the year;

- (vi) in our opinion , the company has not accepted any deposit from the public;
- (vii) the company has no internal audit system, however the company has internal check system commensurate with its size and nature of its business;
- (viii) we have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government, for the maintenance of cost records under section 209(1)(d) of the Act, and are of the opinion that prima facie the prescribed records have been made and maintained by the company;
- (ix) a) the company is generally regular (except certain old income tax arrears, the waiver of which has also been considered in scheme of rehabilitation by BIFR) in depositing with the appropriate authorities undisputed current statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it. The arrears as at 31st March 2009 for a period of more than six months from the date they became payable are as under:

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates*	Due date as per notice of demand	Date of payment
Income Tax Act	Interest	947334	1995-1996	10.05.2001	Not paid till
Income Tax Act	Interest	338640	1996-1997	19.09.2003	date
Income Tax Act	Interest	158134	1997-1998	19.09.2003	

*assessment year and waiver petitions for the above interest demand have been filed by the company with Chief Commissioner of Income Tax that are pending to be heard

- b) there were no dues in respect of sales tax / income tax / wealth tax / service tax / excise duty / cess which have not been deposited on account of any dispute with the appropriate authorities;
- (x) 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 more than fifty percent of its networth;
- (xi) according to the records examined by us, the company has not defaulted in repayment of dues to the banks. There are no dues to a financial institution or debenture holders;
- (xii) the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities; therefore, reporting requirement under clause 4(xii) of the CARO 2003 is not applicable to the company;
- (xiii) the company is not a chit fund or a nidhi mutual benefit fund/ society; therefore, reporting requirement under clause 4(xiii) of the CARO 2003 is not applicable to the company;
- (xiv) the company is not dealing or trading in shares, securities, debentures and other investments; therefore, reporting requirement under clause 4(xiv) of the CARO 2003 is not applicable to the company;
- (xv) the company has not given any guarantee for loans taken by others from bank or financial institutions;

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therefore reporting requirement under clause 4(xv) of the CARO 2003 is not applicable to the company;

- (xvi) on the basis of the records examined by us, and relying on the information complied by the company for co-relating the funds raised to the end use of the term loans, we have to state that, the company has, prima facie, applied the term loan for the purpose for which they were obtained;
- (xvii) on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have prima facie been used for long-term purposes;
- (xviii) the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act; therefore, reporting requirement under clause 4(xviii) of the CARO 2003 is not applicable to the company;
- (xix) the company has not even issued any secured debentures; therefore reporting requirement under clause 4 (xix) of the CARO 2003 is not applicable to the Company;
- (xx) the company has not raised any money through a public issue during the year; therefore, reporting requirement under clause 4(xx) of the CARO 2003 is not applicable to the company; and
- (xxi) according to the representation made, and to the best of our knowledge and belief, no fraud on or by the company, has been noticed or reported by the company during the course of our audit.

For and on behalf of
R. S. AGRAWAL & ASSOCIATES
Chartered Accountants

R.S. Agrawal
Partner

Mumbai
5th September 2009

Membership No. 33216

TUNI TEXTILE MILLS LIMITED

BALANCE SHEET AS AT 31ST MARCH 2009

Amt. in Rs.

PARTICULARS	SCH.	AS AT 31-03-2009	AS AT 31-03-2008
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	1	41822100.00	41822100.00
Reserves and surplus	2	<u>9483400.00</u>	<u>9483400.00</u>
		51305500.00	51305500.00
LOAN FUNDS			
Secured loans	3	579459.00	2220720.00
Unsecured loans	4	<u>925000.00</u>	<u>635000.00</u>
TOTAL		<u>52809969.00</u>	<u>54161220.00</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross block	5	41962602.00	37523593.70
Less: Depreciation		<u>32287804.94</u>	<u>31610619.88</u>
Net block		9674797.06	5912973.82
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	6	5365919.20	4767257.00
Sundry debtors	7	27688747.00	7858220.00
Cash and bank balances	8	316866.55	244875.35
Loans and advances	9	<u>2650875.13</u>	<u>1817615.37</u>
		36022407.88	14687967.72
Less :			
CURRENT LIABILITIES & PROVISIONS			
Current liabilities	10	32729537.89	8999645.73
Provisions	11	<u>2518573.00</u>	<u>2378879.00</u>
		35248110.89	11378524.73
NET CURRENT ASSETS		774296.99	3309442.99
DEFERRED TAX ASSETS	12	10598260.00	3252256.00
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		0.00	0.00
DEBIT BALANCE IN PROFIT & LOSS ACCOUNT		31762614.95	41686547.19
TOTAL		<u>52809969.00</u>	<u>54161220.00</u>

SIGNIFICANT ACCOUNTING POLICIES 20

NOTES FORMING PART OF THE ACCOUNTS 21

The schedules referred to above form an integral part of financial statements.

As set out in our attached report of even date

For and on behalf of

R. S. AGRAWAL & ASSOCIATES

Chartered Accountants

R.S.Agrawal

Partner

Membership no. 33216

Mumbai, 5th September 2009

On behalf of the board

Narendra Kumar Sureka

Chairman and Managing Director

Pradeep Kumar Sureka

Whole Time Director

Mumbai, 5th September 2009

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009

PARTICULARS	SCH.	For the Year Ended 31-03-2009	Amt. in Rs. For the Year Ended 31-03-2008
INCOME			
Sales and other income	13	115636311.76	85288692.37
Increases/(decrease)in finished stock	14	426899.00	1298148.00
TOTAL		116063210.96	86586840.37
EXPENDITURE			
Cost of Inventories	15	100514501.00	70685710.00
Manufacturing expenses	16	5562411.69	4541500.00
Personnel expenses	17	3570128.00	2116801.50
Administrative, selling and other expenses	18	2501425.97	1271446.77
Interest and finance charges	19	604393.00	1603085.83
Depreciation	5	677185.06	542203.85
Loss / (gains) on discontinuing operations		0.00	-393308.47
Miscellaneous expenditure w/off		0.00	0.00
		113430044.72	80367439.47
PROFIT/(LOSS) BEFORE EXTRA-ORDINARY ITEMS		2633166.24	6219400.90
Add / (less): Extra-ordinary items		0.00	0.00
Add / (less): Prior period expenses (See note No. '10' of schedule '20')		0.00	0.00
PROFIT/(LOSS) BEFORE TAX		2633166.24	6219400.90
Profit from continuing operations before tax		2633166.24	6913314.15
Income tax expenses			
Current Tax		0.00	2236587.00
Deffered Tax (Assets)		(7346004.00)	1035625.00
Fringe Benefit Tax		55238.00	22881.00
Profit from continuing operations after tax		9923932.24	3618221.15
Profit from discontinuing operations before impairment loss (gains)		0.00	1087221.73
Impairment loss (gain)		0.00	(393308.47)
Profit from discontinuing operations before tax		0.00	(693913.25)
Income tax expenses			
Current Tax		0.00	(1544383.00)
Deffered Tax (Assets)		0.00	555847.00
Fringe Benefit Tax		0.00	0.00
Profit from discontinuing operations after tax		0.00	294622.75
PROFIT/(LOSS) AFTER TAX		9923932.24	3912843.90
Balance b/f from previous year		(41686547.19)	(45599391.09)
Balance carred over to balance sheet		(31762614.95)	(41686547.19)
Earning per share (basic & diluted) (See note no. '11' of schedule '21')		2.37	0.94
SIGNIFICANT ACCOUNTING POLICIES	20		
NOTES FORMING PART OF THE ACCOUNTS	21		
The schedules referred to above form an integral part of financial statements.			

As set out in our attached report of even date

For and on behalf of

R. S. AGRAWAL & ASSOCIATES

Chartered Accountants

R.S.Agrawal

Partner

Membership no. 33216

Mumbai, 5th September 2009

On behalf of the board

Narendra Kumar Sureka

Chairman and Managing Director

Pradeep Kumar Sureka

Whole Time Director

Mumbai, 5th September 2009

TUNI TEXTILE MILLS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009 (Amount in Rupees)

(A) CASH FLOW FROM OPERATING ACTIVITIES	2008-2009	2007-2008
Net Profit before tax and extraordinary items	2,633,166.24	6,219,400.90
Adjustment for		
Depreciation	677,185.06	542,203.85
Provision for doubtful debts	-	-
Profit/Loss on sale of fixed assets	-	(393,308.47)
Interest /other income	(782,899.76)	(556,886.37)
Dividend	(140.00)	-
Interest expenses	604393.00	1603085.83
Operating profit before working capital changes	3,131,704.54	7,414,495.73
Adjustment for		
Trade and other receivables	(19,849,348.76)	(175,032.37)
Inventories	(598,662.20)	1,879,317.00
Trade payables	23,837,229.16	3,990,088.25
Cash generated from operations	6,520,922.74	13,108,868.61
Direct taxes paid	(837,319.00)	(236,055.00)
Cash flow before extraordinary items	5,683,603.74	12,872,813.61
Prior period items	-	-
Extraordinary items	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	5,683,603.74	12,872,813.61
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(4,439,008.30)	(1,028,630.00)
Sale of fixed assets	-	6,369,000.00
(Purchase) / sale of investments (Net)	-	-
(Increase) / decrease in deposits	-	-
Interest / other income	782,899.76	556,886.37
Dividend received	140.00	0.00
NET CASH USED IN INVESTING ACTIVITIES	(3,655,968.54)	5,897,256.37
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	0.00	0.00
Proceeds from long term borrowings	677810.00	1425000.00
Repayment of long term borrowings	(2,029,061.00)	(18,637,943.40)
Proceeds from short term borrowings	0.00	0.00
Repayment of short term borrowings	0.00	0.00
Change in working capital borrowing from banks	0.00	0.00
Interest paid	(604,393.00)	(1,603,085.83)
Dividend paid	0.00	0.00
NET CASH FROM FINANCING ACTIVITIES	(1,955,644.00)	(18,816,029.23)
NET INCREASE IN CASH AND CASH EQUIVALANTS (A+B+C)	71,991.20	(45,959.25)
OPENING BALANCE OF CASH AND CASH EQUIVALANTS	244,875.35	290,834.60
CLOSING BALANCE OF CASH AND CASH EQUIVALANTS	316,866.55	244,875.35

Notes to cash flow statement:

- 1 All the figures in brackets are outflow.
- 2 Previous year's figures have been regrouped wherever necessary.
- 3 Amount of repayment of long term borrowing for 2007-2008 is inclusive of working capital effect as the OTS settlement is of overall dues.

As set out in our attached report of even date

For and on behalf of

R. S. AGRAWAL & ASSOCIATES

Chartered Accountants

R.S.Agrawal

Partner

Membership No. 33216

Mumbai, 5th September 2009

For and on behalf of the board

Narendra Kumar Sureka

Chairman and Managing Director

Pradeep Kumar Sureka

Whole Time Director

Mumbai, 5th September 2009

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SCHEDULES FORMING PARTS OF THE ACCOUNTS

Amount in Rs.

PARTICULARS	AS AT 31.03.2009	AS AT 31.03.2008
SCHEDULE "1"		
SHARE CAPITAL		
AUTHORISED :		
60,00,000 (previous year 6000000) equity Rs.10/- each	60000000.00	60000000.00
ISSUED, SUBSCRIBED & PAID UP ;		
5790600# (previous year 5790600#) equity shares of Rs.10/- each	57906000.00	57906000.00
Less: Calls in arrears (other than directors)	16083900.00	16083900.00
	41822100.00	41822100.00
TOTAL	41822100.00	41822100.00
#(includes 937500 issued as bonus shares)		
SCHEDULE "2"		
RESERVES & SURPLUS :		
Capital reserve :		
Central subsidy	4500000.00	4500000.00
Share premium :		
As per last balance sheet	9007750.00	9007750.00
Less : Calls in arrears	4024350.00	4024350.00
TOTAL	4983400.00	4983400.00
	9483400.00	9483400.00
SCHEDULE "3"		
SECURED LOANS :		
TERM LOANS		
From Yesman Infin Pvt. Ltd. (Repayable within one year N.A. previous year Rs.16.50 lacs)	0.00	1650000.00
ICICI Car loan account (Repayable within one year Rs. 2.82 lacs previous year Rs. 2.64 lacs)	306859.00	570720.00
HDFC Bank auto loan (Repayable within one year Rs.1.32 lacs previous year N.A.)	272610.00	0.00
	579469.00	2220720.00
SECURITY ON LOANS :		

Loans from ICICI Bank and HDFC Bank are secured by hypothecation of specific vehicles.

TUNI TEXTILE MILLS LIMITED**SCHEDULES FORMING PARTS OF THE ACCOUNTS**

Amount in Rs.

PARTICULARS	AS AT 31.03.2009	AS AT 31.03.2008
SCHEDULE "4"		
UNSECURED LOANS :		
Inter-corporate loans	925000.00	635000.00
TOTAL	925000.00	635000.00
SCHEDULE "6"		
INVENTORIES		
(As taken, valued and certified by the management)		
Raw materials	531598.00	477259.00
Stock in process	367246.00	257222.00
Finished goods	4419475.20	3992576.00
Stores and spares parts	47600.00	40200.00
TOTAL	5365919.20	4767257.00
SCHEDULE "7"		
SUNDRY DEBTORS		
(Unsecured)		
Outstanding for a period exceeding six Months :		
Considered doubtful by the management	0.00	27670925.85
Less : Provision	0.00	27670925.85
	0.00	0.00
Considered good by the management	3260539.00	121428.00
Others :		
Considered good by the management	24428208.00	7736792.00
TOTAL	27688747.00	7858220.00
SCHEDULE "8"		
CASH AND BANK BALANCES		
Cash on hand	146866.85	244875.35
Bank balance with scheduled banks		
In fixed deposit account (margin account)	159200.00	0.00
In current accounts	10800.00	0.00
TOTAL	316866.85	244875.35

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SCHEDULES FORMING PARTS OF THE ACCOUNTS

Amount in Rs.

PARTICULARS	AS AT 31.03.2009	AS AT 31.03.2008
SCHEDULE "9"		
LOANS AND ADVANCES		
(Unsecured considered good by the management)		
Advances recoverable in cash or in kind or for value to be received.	830260.63	776967.87
Deposits	239487.50	439487.50
Advance payment of tax	1415598.00	601160.00
Sales tax refund receivable	165529.00	0.00
TOTAL	2650875.13	1817615.37
SCHEDULE "10"		
CURRENT LIABILITIES		
Sundry creditors	23612027.50	3447041.00
(See note no.'5' of schedule '21')		
Other liabilities	7185310.73	635716.35
Bank overdraft (due to cheques overdrawn)	1535488.66	4317235.38
Security deposit	335340.00	485340.00
Statutory liabilities	61371.00	114313.00
TOTAL	32729537.00	8999645.73
SCHEDULE "11"		
PROVISIONS :		
For corporate Tax	2136312.00	2136312.00
For fringe benefit Tax	55238.00	22881.00
For gratuity	327023.00	219686.00
TOTAL	2518573.00	2378879.00

TUNI TEXTILE MILLS LIMITED

SCHEDULES FORMING PARTS OF THE ACCOUNTS

Amount in Rs.

PARTICULARS	AS AT 31.03.2009	AS AT 31.03.2008
SCHEDULE "12"		
DEFERRED TAX ASSETS/ LIABILITIES (net):		
Arising on account of timing difference:		
Deferred tax assets:		
Provision for gratuity	101050.00	74671.00
Business losses	11334037.00	4017558.00
Deferment allowances	88280.00	50079.00
	11523367.00	4142308.00
Deferred tax liability:		
Depreciation	925107.00	890052.00
TOTAL	10598260.00	3252256.00

SCHEDULE "13"

SALES AND OTHER INCOME

Gross sales less returns	113369474.00	82375660.00
Less : Excise duty	0.00	0.00
	113369474.00	82375660.00
Job charges(Gross) (TDS Rs.28621/-/- P.Y.48462/-)	1263072.00	2356146.00
Sales tax refund received	165529.00	0.00
Provision for sales tax written back (See note no. '2(iii)' of schedule '21')	55197.00	0.00
Dividend	140.00	0.00
Rent (Gross) (TDS Rs.151980 /- P.Y. Rs. 107603/-)	698680.00	475120.00
Interest (Gross) (TDS Rs. 7761/- P.Y. Rs. 17519/-)	84219.76	81766.37
TOTAL	115636311.76	85288692.37

SCHEDULE "14"

INCREASE / (DECREASE) IN FINISHED STOCK

Closing stock	4419475.20	3992576.00
Less : Opening stock	3992576.00	2694428.00
TOTAL	426899.20	1298148.00

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SCHEDULES FORMING PARTS OF THE ACCOUNTS			Amount in Rs.
PARTICULARS	AS AT 31.03.2009	AS AT 31.03.2008	
SCHEDULE "15			
COST OF INVENTORIES			
a) Raw Materials Consumption		16945987.00	16390768.00
Opening stock			
Raw materials	477259.00		2235420.00
Stock in process	257222.00		1423055.00
		734481.00	3658475.00
Add: Cost of purchases			
Yarn / POY	16967879.00		13395724.00
Transportation	142471.00		71050.00
		17110350.00	13466774.00
Less: Closing stock			
Raw materials	531598.00		477259.00
Stock in process	367246.00		257222.00
		898844.00	734481.00
b) Purchases cost of goods traded in			
Gray Fabrics	229635.00		428401.00
Finished Fabrics	83338879.00		53866541.00
		83568514.00	54294942.00
TOTAL		100514501.00	70685710.00
SCHEDULE "16"			
MANUFACTURING EXPENSES			
Job charges		969360.00	1599557.00
Process charges		59718.00	0.00
Beam making and mending charges		628785.00	543906.00
Power and fuel		2359395.19	1811726.00
Water expenses		78738.00	86995.00
Stores and spares consumed		1269708.50	340341.00
Repairs and maintenance :			
Plant and machineries		3034.00	13000.00
Others		193673.00	145975.00
TOTAL		5562411.69	4541500.00

TUNI TEXTILE MILLS LIMITED

SCHEDULES FORMING PARTS OF THE ACCOUNTS

Amount in Rs.

PARTICULARS	AS AT 31.03.2009	AS AT 31.03.2008
SCHEDULE "17"		
PERSONNEL EXPENSES		
Salaries, wages, bonus and gratuity	3478276.00	1945454.00
Contribution to provident fund	68428.00	60372.00
Staff and labour welfare	23424.00	110975.50
TOTAL	3570128.00	2116801.50

SCHEDULE "18"

ADMINISTRATIVE, SELLING AND OTHER EXPENSES

Printing and stationery	41594.00	35127.00
Postage, telegrams and telephones	126820.24	156850.02
Rent	115883.00	123888.00
Rates and taxes	27729.00	33477.00
Insurance	113368.00	111724.00
Bank commission/charges	18058.00	5848.00
Auditors' remuneration	187082.00	152812.00
(See note no. '3' of schedule '21')		
Donation	5100.00	0.00
Electricity expenses	158940.00	67943.00
Legal and professional charges	283942.00	222970.00
Travelling and conveyance	421345.52	60682.00
Computer and software expenses	4830.00	1537.00
Security charges	0.00	3600.00
Service charges	8060.00	6056.00
Brokerage and commission	18345.00	105057.00
Bad debts	27670925.85	0.00
Less : Provision for doubtful debts	27670925.85	0.00
	0.00	0.00
Sales promotion	259049.85	10442.00
Freight and forwarding	0.00	9500.00
Advertisements	57516.36	35687.00
Office expenses	217138.00	81246.75
Listing fees	436625.00	47000.00
TOTAL	2501425.97	1271446.77

SCHEDULE "19"

INTEREST AND FINANCE CHARGES

Term loans	49689.96	1107307.83
Overdraft (temporary)	108762.04	33100.00
Others	445941.00	462678.00
TOTAL	604393.00	1603085.83

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2009

SCHEDULE '5' : FIXED ASSETS

Amount in Rs.)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01/04/2008	Additions during the year	Sales during the year	As on 31/03/09	As at 01/04/08	Provided for the year	Written back during the year	Total upto 31.03.2009	As at 31.3.2009	As at 31.3.2008
Leasehold land	205329.03	0.00	0.00	205329.03	0.00	0.00	0.00	0.00	205329.03	205329.03
Freehold land and site dev	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Factory building	3894373.53	836955.00	0.00	4731328.53	2461963.21	139390.00	0.00	2601353.21	2129975.32	1432410.32
Plant and machinery	27359764.89	2912480.00	0.00	30272245.19	25752814.51	217705.13	0.00	25970519.64	4301725.55	1606950.38
Electrical equipments	1455178.65	0.00	0.00	1455178.65	1382419.72	0.00	0.00	1382419.72	72758.93	72758.93
Air conditioner	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Office equipments	209576.00	0.00	0.00	209576.00	100311.83	9955.00	0.00	110266.83	99309.17	109264.17
Furniture and fixtures	269550.04	0.00	0.00	269550.04	236272.71	17063.00	0.00	253335.71	16214.33	33277.33
Office premises	729227.00	183920.00	0.00	913147.00	60137.81	12856.00	0.00	72993.81	840153.19	669089.19
Vehicles	3074244.56	432263.00	0.00	3506507.56	1306667.60	271504.93	0.00	1578172.53	1928335.03	1767576.97
Computers	326350.00	73390.00	0.00	399740.00	310032.50	8771.00	0.00	318743.50	80996.50	16317.50
TOTAL AS AT 31.03.2009	37523593.70	4439008.00	0.00	41962602.00	31610619.88	677185.06	0.00	32287804.94	9674797.09	5912973.82
TOTAL AS AT 31.03.2008	71120086.75	1028630.00	34625123.05	37523593.70	59717847.56	542203.85	0.00	31610619.88		

SCHEDULE "20": SIGNIFICANT ACCOUNTING POLICIES**1. SYSTEM OF ACCOUNTING**

- a) The financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India and the provisions of the Companies Act 1956 following the mercantile system of accounting and recognising income and expenditure on accrual basis.
- b) The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known or materialised.

2. FIXED ASSETS:

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

3. INVESTMENT :

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

4. DEPRECIATION :

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

5. VALUATION OF INVENTORIES :

- a) Valuation of inventories is inclusive of taxes or duties incurred and on FIFO basis except otherwise stated.

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

6. SALES :

Sales include excise duty (however the excise duty, as required, is being reduced separately from the sales) and exclude sales tax, discount, claims, shortage, rate difference etc.

7. Retirement and other benefits to employees :

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

8. MISCELLANEOUS EXPENDITURE :

Miscellaneous expenditure, such as preliminary expenditure, share issue expenditure and deferred revenue expenditure are amortised over a period of 10 years.

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 through "prior period items" in respect of all material transaction pertaining to the period prior to current accounting year.

11. INCOME FROM INVESTMENTS :

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

12. TREATMENT OF CONTINGENT LIABILITIES :

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

13. EXCISE DUTY & CENVAT CREDIT

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

14. TAXES ON INCOME

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

15. IMPAIRMENT LOSS

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

16. SEGMENT REPORTING

Segments have been identified in line with the AS-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. Where borrowing cannot be specifically identified to fixed assets, the capitalisation rate applied is interest rate applicable to working capital loans of the company. 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.

SCHEDULE "21": NOTES FORMING PART OF THE ACCOUNTS :

1. In the opinion of the Board the current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business. The provisions for all the known liabilities, impairment loss, if any, and depreciation are adequate.
2. Contingent liabilities not provided for in respect of following matters:
 - (i) Debts not acknowledged by the Company Rs. 22.70 (Rs. 22.70) lacs; Union Bank of India (UBI) has filed a recovery suit against the company in DRT, Mumbai towards the bills, drawn against the

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purchase of goods from Silkon Industries Ltd (SIL), accepted by the company and discounted by SIL with UBI. The goods purchased by the company were subsequently returned to SIL and the information of the same was given to UBI. In the meantime SIL turned to be defaulter with UBI. The UBI filed a recovery suit against SIL making the company a party to the suit, to pay to UBI an amount to the extent of outstanding amount of bills accepted by the company. The company has protested the claim made by the UBI. Since the company was registered with BIFR, the DRT has decided to adjourn the same sine-die.

- (ii) Demand of Rs.1.70 lacs (Rs. 1.70 lacs) levied by SEBI, for delay in submission of certain information to BSE. The company is protesting the said demand.
- (iii) Sales tax of Rs. 55197/- pertaining to 2005-2006, 2006-2007 and 2007-2008 in respect of Dadra Unit of the company which were provided in earlier years but written back during the year in view of disposal off of all the assets of Dadra Unit and also application for cancellation of registration numbers made by the company. The demand, if any, against the said provision written back will be paid on actual basis as and when the company receives any notice of such demand.
- (iv) Disputed income tax issues in appeal Rs. 71881/- (Rs. Nil).

3. Auditors' Remuneration:

Particulars	(In Rupees)	
	Current Year	Previous Year
Audit Fees	88240.00	89888.00
Tax Audit Fees	22060.00	22472.00
Taxation Matters	61798.00	22472.00
Certification	12821.00	17980.00
Out of pocket expenses	2163.00	0.00
TOTAL	187082.00	152812.00

4. The regular income tax assessments of the company have been completed up to assessment year 2006-2007.
5. 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, small or medium enterprises under 'The Micro, Small and Medium Enterprises Development Act,2006', as at 31.03.2009.
6. Figures for the previous year have been regrouped, rearranged and recasted, wherever necessary to make them comparable with the figures of the current year. In the financial statements, any discrepancies in any total and the sum of the amounts listed are due to rounding off.
7. The management is of view that as per AS-28, no impairment loss is required to be recognised, as the present values of assets are higher than the carrying amount of such assets.

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8. The company has given Office Premises on operating lease for a period of 3 years commencing from 1st August 2007 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:	(Rupees in lacs)
• Gross carrying amount	8.40
• Depreciation for the year	0.13
• Accumulated depreciation	0.73
 (ii) The total future minimum lease rentals receivable at the balance sheet is as under:	
• For a period not later than one year	6.71
• For a period later than one year and not later than five years	2.24
• For a period later than five years	0

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

a) Defined Contribution Plan

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

	(Rupees in lacs)
Employer's Contribution to Provident Fund	0.60
Employer's Contribution to superannuation Fund	0.00
Employer's Contribution to Pension Fund	0.00

b) Defined Benefit Plan

Leave Encashment: During the year 2008-09, the amount paid to employees as leave encashment is Rs.0.15 lacs.

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

i. Reconciliation of opening and closing balances of Defined Benefit obligation

	(Rupees in lacs)
	Gratuity (Unfunded)
Defined Benefit obligation at beginning of the year	2.20
Current Service Cost	0.64
Interest Cost	0.22
Actuarial (gain) / loss	0.21
Benefits paid	0.00
Settlement cost	0.00
Defined Benefit obligation at year end	3.27

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II. Reconciliation of opening and closing balances of fair value of plan assets	
	(Rupees in lacs)
	Gratuity (Unfunded)
Fair value of plan assets at beginning of the year	0.00
Expected return on plan assets	0.00
Actuarial (gain) / loss	0.00
Employer contribution	0.00
Benefits paid	0.00
Fair value of plan assets at year end	0.00
Actual return on plan assets	0.00

III. Reconciliation of fair value of assets and obligations	
	(Rupees in lacs)
	Gratuity (Unfunded)
Fair value of plan assets	0.00
Present value of obligation	3.27
Amount recognised in balance sheet	3.27

IV. Expense recognized during the year (Under the head "Payments to and Provisions for Employees "Refer Schedule '17')

	(Rupees in lacs)
	Gratuity (Unfunded)
Current Service Cost	0.64
Interest Cost	0.22
Expected return on plan assets	0.00
Actuarial (gain) / loss	0.21
Net Cost	1.07

V. Actuarial assumption

	Gratuity (Unfunded)
Mortality Table (LIC)	LIC 1994-96 Mortality Table
Discount rate (per annum)	7.05%
Expected return on plan assets (per annum)	--
Rate of escalation in salary (per annum)	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.

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10. Related Party Disclosures :

- a) Key management personnel: Shri Narendra kumar Sureka-Managing Director and Shri Pradeep Kumar Sureka - Whole Time Director.
- b) Relative of key management personnel : Smt. Geetadevi Sureka
- c) Enterprises over which key management personnel have significant influence :
True Capital & Finance Private Limited.
- d)

Sr No.	Particulars	Relation	Volume of the transaction (Rs.)		Balance as on (Rupees)	
			2008-2009	2007-2008	2008-2009	2007-2009
1	Remuneration/payables	10(a)	294000.00	0.00	0.00	0.00
2	Rent paid / payables	10(b)	102000.00	108000.00	NIL	NIL
3	Loan taken / payables	10(a)	445000.00	635000.00	925000.00	635000.00
4	Repayment of loan taken	10(c)	155000.00	0.00	NA	NA

11 Basic and Diluted EPS :

		For the year 2008-2009	For the year 2007-2008
No. of Weighted Equity Shares	Nos.	4182210	4182210
Nominal Value of Shares (Rs.)	Rupees	10.00	10.00
Profit / (Loss) for the year	Rs. in lacs	99.24	39.13
Basic and Diluted EPS	Rupees	2.37	0.94

12 Additional information pursuant to the provisions of paragraphs 3, 4C, and 4D of Part II of Schedule VI of the Companies Act, 1956 (Figure in Brackets indicate previous year figures).

a. LICENSED CAPACITIES :

The company is not required to obtain any license under the Industries (Development and Regulation) Act, 1951. Therefore the details of licensed capacities are not applicable, However, the company has obtained acknowledgements form Secretariat for Industrial Approvals.

b. INSTALLED CAPACITIES :

- (i) The Company has installed 66 (50) Weaving Machines.
- (ii) Capacities of production of fabrics vary according to quality and design of fabrics and as per r.p.m. of weaving machines, hence installed capacities are not ascertainable.

c.

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d. Raw Material Consumed

	Qty. (Kgs.)	Value (Rs.)
	110450.00	16945987.00
Yam	(134446.051)	(16390768.00)

e. Value of Raw Material, Spare Parts, Components consumable and % of the total :

	Raw Material		Stores & Spares	
	Value (Rs.)	%	Value (Rs.)	%
	NIL	NIL	NIL	NIL
i) Imported :	(NIL)	(NIL)	(NIL)	(NIL)
II) Indigenous	16945987.00	100	1269708.50	100
	(16390768.00)	(100)	(340341.00)	(100)

f. CIF value of Imports

Capial goods :

Quantity (Nos.)	Value (Rupees)
6	0 2102166.00 0.00

g. Earning in foreign currency (Rupees) NIL (NIL)

h. Expenditure in foreign currency (Rupees) NIL (NIL)

c. PRODUCTION, TURNOVER AND STOCK (As certified by the management) :

Particulars	Opening stock		Purchases net of returns		Consumption	Production	Sales net of returns		Closing stock	
	Quantity	Value(Rs)	Quantity	Value(Rs)	Quantity	Quantity	Quantity	Value(Rs)	Quantity	Value(Rs)
Raw materials :										
Yarn (Kg)	4234.008 (16257.70)	477259.00 (2150600.00)	150688.655 (110914.52)	16967879.00 (12952607.00)	110450.000 (132256.261)	— —	— —	— —	43272.500 (4234.008)	531598.00 (477259.00)
P.O.Y. (Kg)	0.000 (2189.79)	0.00 (84820.00)	0.000 0.00	0.00 (443117.00)	0.00 (2189.79)	— —	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00
Stock in process :										
Yarn (Kg)	2281.948 (11600.00)	257222.00 (1423055.00)	— —	— —	— —	— —	— —	— —	3482.111 (2281.95)	367246.00 (257222.00)
P.O.Y. (Kg)	0.000 0.00	0.00 0.00	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	0.000 0.000	0.00 0.00
Finished goods :										
Grey fabrics (Mtrs.)	142592.75 (78600.00)	3992576.00 (2630500.00)	8505.00 (14545.00)	229635.00 (428401.00)	0.00 (0.00)	1088632.00 @ (985485.25) @	1032754.18 (935717.50)	29386117.00 (27040268.00)	206975.57 (142592.75)	4419475.20 (3992576.00)
Finished fabrics (Mtrs.)	0.00 (0.00)	0.00 0.00	1100794.20 (1094478.60)	83338879.00 (53866541.00)	0.00 (0.00)	0.00 (0.00)	1100794.20 (1094478.60)	83983357.00 (55335392.00)	0.00 (0.00)	0.00 (0.00)
Yarn (Kg)	0.000 (4,838.32)	0.00 (63,928.00)	0.00 0.00	0.00 0.00	0.000 (4838.32)	0.000 (0.00)	0.000 (0.00)	0.00 (0.00)	0.000 (0.00)	0.00 (0.00)
@ Including on job work basis from 238290.25 mtrs (82652.25 mtrs) and excluding 272634.5 mtrs on job work basis for outsiders (447274.50 mtrs).										

TWENTY SECOND ANNUAL REPORT 2008 - 2009

BALANCE SHEET ABSTRACT AND COMPANIES GENERAL BUSINESS PROFILE :

i. Registration Details :			
Registration No.	43996	State Code	11
Balance Sheet Date	31.03.2009		
ii. Capital raised during the year (Rs. in thousand)			
Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL
iii. Position of Mobilisation and Deployment of Funds (Rs. in thousand)			
Total Liabilities	88058	Total Assets	88058
Source of Funds		Application of Funds	
Paid-up Capital	41822	Net Fixed Assets	9675
Reserve & Surplus	9483	Investment	0
Secured Loans	579	Net Current Assets	774
Unsecured Loans	925	Misc. Expenditure	0
		Deferred Tax Assets	10598
		Accumulated Loss	31763
Total	52810	Total	52810
iv. Performance of the Company			
Turnover & Other Income	(Rs. in thousands)	115636	
Total Expenditure	(Rs. in thousands)	113003	
Profit / (Loss) before Tax	(Rs. in thousands)	2633	
Profit / (Loss) after Tax	(Rs. in thousands)	9924	
Earning per Share	(Rupees)	2.37	
Dividend rate	%	0.00	
v. Generic Names of Principal Products of Company (As per monetary terms)			
1. Item Code.No.	:	54074409	
Product Description	:	Grey Fabrics	
2. Item Code No.	:	5402.32	
Product Description	:	Discontinued product-Polyester Texturised Yarn.	

Signatures to Schedules '1' to '22'

As set out in our attached report of even date

For and on behalf of

R. S. AGRAWAL & ASSOCIATES

Chartered Accountants

R.S.Agrawal

Partner

Membership no. 33216

Mumbai, 5th September 2009

On behalf of the board

Narendra Kumar Sureka

Chairman and Managing Director

Pradeep Kumar Sureka

Wholetime Director

Mumbai, 5th September 2009

TUNI TEXTILE MILLS LIMITED

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

ATTENDANCE SLIP

I certify that I am a registered member / proxy for the registered member of the company.

I hereby record my presence at the TWENTY SECOND ANNUAL GENERAL MEETING of the company to held at its Registered Office of the Company at 63/71, Dadiseth Agiary Lane, 3rd Floor, Kalbadevi Road, Mumbai - 400 002. on Wednesday , 30th September, 2009 at 12.30 p.m.

Name of the attending Shareholder _____
(in block letter)

Name of the proxy _____
(if the proxy attends instead of the shareholder)

(Signature of the shareholder/Proxy)

Ledger folio Number _____

No. of Shares held _____

NOTES:-

Shareholders/Proxy holder are requested to ring the attendance slip with them, duly completed when they come to the meeting and hand them over at the gate, affixing their signatures on them.

TUNI TEXTILE MILLS LIMITED

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

PROXY FORM

I/We of
.....
be a member/members of the TUNI TEXTILES MILLS LIMITED, hereby appoint
..... of or failing him
..... of or failing him
..... of as my/our proxy
to attend and vote me/us on my/our behalf at the TWENTY FIST ANNUAL GENERAL Meeting of the company to be held at, its Registered office of the Company at 63/71, Dadiseth Agiary Lane, 3rd Floor, Kalbadevi Road, Mumbai - 400 002. on Wednesday, 30th September 2009 at 12.30 p.m. at any adjourment thereof.

Signed this days of 2009

Affix a
Rs. 1.00
Revenue
Stamp

Member's Folio Number..... Signature Note : The Proxy form must be deposited at the Registered office of the Company not less than 48 hours before the time for holding the meeting.

BOOK - POST

To, _____

if undelivered, Please return to :

TUNI TEXTILE MILLS LIMITED

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