

Tuni Textile Mills Limited

BOARD OF DIRECTORS

Narendra Kumar Sureka : Managing Director & Chief Executive Officer
Pradeep Kumar Sureka : Executive 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-4 & 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, 2011
Time : 11.30 A.M.
Venue : Ramee Guest Line Hotel,
462, A. B. Nair Road, Opp. Sun-N-Sand
Hotel, Juhu, Vile Parle (W), Mumbai-400049.

24th Annual Report 2010 - 2011

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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 24th Annual General Meeting of the members of **TUNI TEXTILE MILLS LIMITED** will be held on Friday, the 30th day of September, 2011 at 11.30 A.M. at Ramee Guest Line Hotel, 462, A. B. Nair Road, Opp. Sun-N-Sand Hotel, Juhu, Vile Parle (W), Mumbai-400 049 to transact the following business as :

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Statement of Accounts for the year ended 31st March, 2011 and Balance Sheet as on that date along with the Reports of Directors and Auditors thereon.
2. To appoint Director in place of Mr. Narendra Kumar Sureka, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Director in place of Mr. Pramod Kumar Bajaj, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with our without modification(s), the following as a **Special Resolution:**

“Resolved that pursuant to the provisions of Section 269, 198, 309, 310, 311 and all other applicable provisions of the Companies Act, 1956 (“the Act”) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule XIII of the Act and Articles of Association of the Company, and subject to the approval of the Central Government, if necessary, and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities in granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded to the appointment of Mr. Narendra Kumar Sureka as the Managing Director and Chief Executive Officer (“the Managing Director”) of the Company for a period of 2 years with effect from 1st September 2011 and upto the 31st August 2013 on the remuneration and other terms and conditions, aggregating to a consolidated amount (inclusive of perquisites) not exceeding Rs. 7,50,000/- (Rs. Seven Lac Fifty Thousand) per annum, as set out in the Explanatory Statement attached hereto.”

“Resolved further that where in any financial year during the tenure the Managing Director, the Company has no profits or its profits are inadequate, the Company may pay to the Managing Director, remuneration as set out in the Explanatory Statement attached hereto as the minimum remuneration for a period not exceeding 2 years from the date of appointment by way of salary, perquisites and other allowances and benefits as specified, subject to receipt of the requisite approval, if any.”

“Resolved further that for the purpose of giving effect to this Resolution, the Board of Directors of the Company (hereinafter referred to as “Board”) be and are hereby severally authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

6. To consider and if thought fit, to pass with our without modification(s), the following as a **Special Resolution:**

“Resolved that pursuant to the provisions of Section 269, 198, 309, 310, 311 and all other applicable provisions of the Companies Act, 1956 (“the Act”)(including any statutory modification or re-enactment thereof for the time being in force) read with Schedule XIII of the Act and Articles of Association of the

TUNI TEXTILE MILLS LIMITED

Company, and subject to the approval of the Central Government, if necessary, and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities in granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded to the appointment of Mr. Pradeep Kumar Sureka as the Executive Director ("the Executive Director") of the Company for a period of 2 years with effect from 1st September 2011 and upto the 31st August 2013 on the remuneration and other terms and conditions, aggregating to a consolidated amount (inclusive of perquisites) not exceeding Rs. 7,50,000/- (Rs. Seven Lac Fifty Thousand) per annum, as set out in the Explanatory Statement attached hereto."

"Resolved further that where in any financial year during the tenure the Executive Director, the Company has no profits or its profits are inadequate, the Company may pay to the Managing Director, remuneration as set out in the Explanatory Statement attached hereto as the minimum remuneration for a period not exceeding 2 years from the date of appointment by way of salary, perquisites and other allowances and benefits as specified, subject to receipt of the requisite approval, if any."

"Resolved further that for the purpose of giving effect to this Resolution, the Board of Directors of the Company (hereinafter referred to as "Board") be and are hereby severally authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

Notes:

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and, on a poll, to vote instead of himself and such proxy need not be a member of the company.
2. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
3. The Register of Member and the Share Transfer Books of the Company will remain closed from 23rd September 2011 to 30th September 2011 (both days inclusive).
4. The identity/signature of Members holding shares in electronic/demat form is liable for verification with the specimen signatures furnished by NSDL/CDSL. Such Members are advised to bring the relevant identity card issued by the Depository Participant to the Annual General Meeting.
5. 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.
6. 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.
7. 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.
8. Pursuant to SEBI Circular, the Shareholders holding shares in physical form are requested to submit self attested copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.
9. Members holding shares in physical form and wishing to avail of the nomination facility, are requested to send the duly filled in nomination in the prescribed form (form 2B) to M/s Purva Sharegistry (India) Pvt. Ltd.,

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Registrar and Share Transfer Agents of the Company, at their address given above or to the Compliance Officer at the Registered Office of the Company.

10. Members are requested to bring copies of Annual Report to the Annual General Meeting.
11. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
12. Members are requested to quote Folio Number in their correspondence.
13. 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.
14. The Equity shares of the Company are listed on Bombay, Ahmedabad, Jaipur and Madhya Pradesh Stock Exchanges and Listing Fees for the financial year 2010-2011 have been paid to Bombay Stock Exchange Ltd.

Mumbai, August 19, 2011

By order of the Board
For TUNI TEXTILE MILLS LIMITED

Registered Office :

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

Narendra Kumar Sureka
Chairman

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956

Item No. 5 & 6

The Board of Directors of the Company in its meeting held on 12th August 2011 re-appointed Mr. Narendra Kumar Sureka as the Managing Director and Chief Executive Officer of the Company and re-appointed Mr. Pradeep Kumar Sureka as Executive Director, to both for a period of two years with effect from 1st September 2011 and upto 31st August 2013 subject to the approval of Members in General Meeting.

Subject to the requisite approvals, the remuneration and other principal terms and conditions of appointment of Mr. Narendra Kumar Sureka as Managing Director and Chief Executive Officer and of appointment of Mr. Pradeep Kumar Sureka as Executive Director of the Company was recommended and approved by the Board at its meeting held on 12th August 2011 which are as under:-

Basic Salary	: 50,000/- per month to both Managing Director and Executive Director
Provident Fund	: Contribution to Provident Fund as per rules of the Company.
Car	: Use of Company by both of Directors.
Leave	: Both Directors will be entitled to leave, on full pay and allowances, as per rules of the Company applicable to senior management.
Cellular Phone	: The Company shall at its own Cost, provide with a Cellular phone to both Directors and bill of the same including monthly call charges will be reimbursed by the Company.

Any subsequent increase in the remuneration will be at the discretion of the Board of Directors of the Company and will be subject to the approval of the Members of the Company in General Meeting.

Your Directors recommend the Resolution for the approval of the Members.

None of the Director except both Mr. Narendra Kr. Sureka and Mr. Pradeep Kr. Sureka, are concerned or interested in passing of the Resolution.

DIRECTORS' REPORT, MANAGEMENT DISCUSSION & ANALYSIS

To The Members,

Your Directors have pleasure in presenting the 24th Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2011.

(Rs. in Lacs)

Financial Results	Year Ended 31.3.2011	Year Ended 31.3.2010
Income	1842.73	1619.35
Profit before Tax & Extraordinary Items	33.65	33.11
Less/(Add) : Provision for Taxation	10.59	6.69
Profit after Tax	23.06	26.42
Add : Profit/(Loss) brought forward from Previous Year	(291.21)	(317.63)
Balance carried forward	(268.15)	(291.21)

DIVIDEND

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

INDUSTRY STRUCTURE AND DEVELOPMENT

The global economy kicked off a sputtering growth in FY 2010-11 with developed economies showing faint signs of revival. The main engine of global growth, the United States, moved into a recovery mode with employment coming off highs and retails sales growing month on month, albeit slightly, and consumer confidence improving. This growth was accompanied by a huge surge in world commodity prices, with the Continuous Commodity Index (CCI) surging more than 42% during the year.

This also gave rise to supply side inflation and fast growing economies in Asia bore and brunt. Their economies had barely recovered from the financial crises of FY 2008-09 and raising rates at this juncture would have meant putting a spanner in the way of growth. Most Asian economies therefore held off raising interest rates till the second half of the year and then a series of quick rate hikes followed, more particularly in China and India, who have clearly indicated that they don't mind sacrificing growth at the altar of inflation control. As a result, the earnings growth is expected to be hit in the current fiscal. Further, the QE2 will come to an end in June 2011 and the Fed has no plans of a QE3 as of now. In anticipation, the commodities have already come off their lifetime highs.

Cotton prices were buoyed by strong global fundamentals, with US Department of Agriculture (USDA) reports forecasting a 6% Y2Y reduction in end season stocks to 41.5 million bales (of 480 lbs). This compares with 43.9 million bales in 2009-10 and 60.5 million bales in 2008-09. Although global cotton demand dipped by around 1.3% Y2Y over the same period, both developments were mainly due to supply constraints and global price rationing following 8% decline in China's cotton output. China traditionally accounts for 30% of global cotton production. Extremely tight global end-season stock underpinned prices; the stocks-to-use ratio at 35% will be the tightest since the 1993-94 seasons.

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OPPORTUNITIES & CHALLENGES

The present global economic scenario throws up opportunities for fundamentally strong companies such as your Company. The inherent strength, in the form of strong domain expertise, powerful brand positioning and strength and resilience of the brands, fully integrated state-of-the-art production facilities, cutting edge technology and unparalleled product innovation capabilities combined with the deep retail market penetration, growth potential of the Tier 3, 4 and 5 Towns; provide a highly potent platform to seize opportunities in the form of newer markets, new segments of customers, new channels of distribution etc.

On the other hand, value buying by consumers, sharp increase in raw material prices, continued weakness in developed geographies, prospect of higher domestic inflation, fiscal tightening, proposed imposition of mandatory levy on branded garments and interest rates are some of the challenges facing the textile industry at large.

PERFORMANCE & CURRENT YEAR PROSPECTS

The Company is one of the manufacturers of Synthetic Fabric. Although the situation has improved in comparison to previous financial year; but is not up to the level of industry expectation. There was a little increase in demand of textile products but was limited due to higher inflation rate as well as higher interest rate as well as significant drop in the per capita income of common man. Drop in the income of common man has affected the business of entire textile industry and the same was for the Company also. Due to the lack of consistence demand, the turnover of Company has not increased to the level the Company expected and thus the profit of Company is also below expectation. Increase in the rate of power is also one of the reasons of decline in profit.

During the year Sales has been increased by 15% and was of Rs. 1830.30 Lac in comparison to last years' figure of Rs. 1588.84 Lac where as the PAT has been dropped 12.66% or to Rs. 23.07 Lac.

The Global situation is improving and demand is increasing slowly and the same about Indian textile market. Increased demand of manpower is showing some sign of improvement and looking to that the Company is hopeful to do better, both in term of turnover and profit in current financial year 2010-11.

BUSINESS SEGMENT

Your Company offers its services to customers through industry practices in Textile, by way of manufacturing Synthetic Fabric, a part of textiles products.

RISK & CONCERNS

One of the key challenges of textile industry is related to raw material prices mainly cotton prices which has seen very steep hike in 2010-11 and the same is still volatile creating uncertainties for textile manufacturers.

The second important challenge is rising energy process which could adversely impact the profitability of textile mills. The third main issue for the textile industry is the non-availability of skilled manpower coupled with high labour cost prevailing in the country.

Uncertainty in the Government Export Policy is other major challenge for the textile industry under which the Government banned cotton yarn exports last year which lead to high inventory cost and losses to the Indian textiles manufacturers and there is a fear of withdrawal of duty draw back benefits etc. to the exporters.

OVERVIEW

We are making all efforts to cope up with the challenges through continuous cost reduction, process improvements, imparting training to the workforce on the continued basis, process improvements and improved customer services to mitigate the growing cost pressure.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

TUNI has developed adequate Internal Control Systems in place to ensure a smooth functioning of its business.

The Control System provides a reasonable assurance of recording the transactions of its operations in all material aspects and of providing protection against misuse or loss of Company's assets.

The ICS and their adequacy are frequently reviewed and improved and are documented.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES

TUNI's biggest assets are their employees. We are continuously working on innovative initiatives to attract, train, retain and motivate our employees. Our endeavors are driven by a strong set of values imbibed in us and policies that we abide by. Our constant goal, and indeed our biggest strength, is a healthy, happy and prosperous work environment for all our employees. Currently staff strength of the Company is 41 Employees including senior & junior category staff and workers.

PUBLIC DEPOSITS

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

MANAGEMENT

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

DIRECTORS

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

In accordance with the requirements of the Companies Act, 1956 and as per the provisions of Articles of Association of the Company, Mr. Narendra Kumar Sureka and Mr. Pramod Kumar Bajaj, who retires by rotation, are eligible for reappointments.

None other Directors are interested in re-appointments of Mr. Narendra Kumar Sureka and Mr. Pramod Kumar Bajaj.

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

INFORMATION TECHNOLOGY

The Company aims to maintain a scalable computing infrastructure that delivers efficient and seamless services across multiple channels for customer convenience. In order to retain competitive edge, technology infrastructure has been implemented wherever necessary, in alignment with business requirements.

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.

HUMAN RESOURCES

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

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2011-12, the Company continued to strengthen its HR processes in line with its objective of creating an inspired workforce. The employee engagement initiatives included placing greater emphasis on learning and development, launching leadership development programme, introducing internal communication, providing opportunities to staff to seek inspirational roles through internal job postings, streamlining the Performance Management System, making the compensation structure more competitive and streamlining the performance-link rewards and incentives.

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

AUDITORS

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

The shareholders are requested to appoint the Auditors and fix their remuneration.

COMMENTS ON AUDITOR'S REPORT:

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

STATUTORY INFORMATION

PARTICULARS OF EMPLOYEES

People are the backbone of our operations. It is a matter of great satisfaction for our Company that our employees have been very supportive of the Company's plan. By far the employee's relations have been cordial throughout the year.

The information as required by provisions of section 217(2A) of the Companies Act, 1956 read with the companies (Particular of employees) amendments rules, 1988 is reported to be NIL.

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

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

MURBAD UNIT- ELECTRICITY	2010-2011	2009-2010
Electricity Purchased [Units (KWH)]	910963	945972
Total Amount (Rs.)	3160305	2714510
Average Rate (Rs.)	3.47	2.87
<u>Consumption Per Unit of Production</u>		
Cloth production (Mtrs.)	2642452	1930492
Cost of Electricity Consumption Mtrs. (Rs.)	1.20	1.41

FOREIGN EARNINGS/OUTGOINGS

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

DIRECTORS RESPONSIBILITY STATEMENT

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

1. In the preparation of the annuals accounts, for the year ended 31st March 2011, all the applicable accounting standards notified under the Companies (Accounting Standards) Rules 2006 have been followed and there are no material departures from the same;
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 year;
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.

CORPORATE GOVERNANCE

Your Company follows the principles of the effective corporate governance practices. The Clause 49 of Listing Agreement deals with the Corporate Governance requirements which every publicly listed Company has taken steps to comply with the requirements of the revised Clause 49 of the Listing Agreement with the Stock Exchange.

A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the Company's Auditors on Corporate Governance as stipulated in Clause 49 of the Listing Agreement is included in the Annual Report.

REPORT ON CORPORATE GOVERNANCE

The Company is committed to good Corporate Governance. The Company respects the rights of its Shareholders to inform on the performance of the Company and its endeavor to maximize the long-term value to the Shareholders of the Company. As per Clause 49 of the listing Agreement of the Stock Exchange, a report on Corporate Governance is set out separately, which forms part of this report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility (CSR) is commitment of the Company to improve the quality of the workforce and their families and also the community and society at large. The Company believes in undertaking business in such a way that it leads to overall development of all stake holders and Society.

APPRECIATION

The Board of Directors wishes to convey their appreciation to all the Company's employees for their performance and continued support. The Directors would also like to thank all the Shareholders, Consultants, Customers, Vendors, Bankers, Service Providers, and Governmental and Statutory Authorities for their continued support.

Mumbai, August 19, 2011

By order of the Board
For TUNI TEXTILE MILLS LIMITED

Registered Office :

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

Narendra Kumar Sureka
Chairman

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ANNEXURE TO THE DIRECTORS' REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, Compliance with the requirements of Corporate Governance is set out below :-

1. To enhance the long term interest of its shareholders and to provide good management, the adoption of prudent risk management techniques and compliance with the required standards of capital adequacy, thereby safeguarding the interest of its other stakeholders such as lenders, creditors, customers, suppliers and employees.
2. To identify and recognize the Board of Directors and the Management of the Company as the principal instruments through which good corporate governance principles are articulated and implemented. Further, to identify and recognize accountability, transparency and equality of treatment for all stakeholders, as central tenets of good corporate governance.
3. Tuni has during its way towards growth, adopted the Tuni Code of Conduct and Tuni Prevention of Insider Trading Program. The Company has in place an Information Security Policy that ensures proper utilization of the IT Resources.

BOARD OF DIRECTORS

Composition of Directors

The Constitution of Board of Directors of the Company is governed by the Company's Act 1956 and the Clause 49 of listing agreement. The Company's Board comprises a combination of executives and non-executive Directors. The Board presently consists of 5 Directors and its mix provides a combination of professionalism, knowledge and experience required in the line of Business of the Company. The Board is responsible to manage business of the Company. The functions, responsibilities, role and accountability of the Board are well defined.

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

The Board of Directors met 12 times on 1st April, 20th April, 14th May, 31st May, 14th August, 18th August, 28th September and 12th November in year 2010 and on 3rd January, 8th February, 21st February and on 24th March in the year 2011 during the financial year 2010-2011.

Details of Composition of Board, category of the Directors and their attendance at Board Meetings and last Annual General Meeting, number of other directorship are given below :-

Name	Designation	Board Meetings Attended	Whether Attended AGM	Committee Membership of other Public Ltd. Co.	Committee Chairmanship of other Public Ltd. Co.	No. of Directorship in other Public Ltd. Co.
Narendra Kumar Sureka*	Managing Director and Chief Executive Officer	12	Yes	Nil	Nil	Nil
Pradeep Kumar Sureka	Executive Director	12	Yes	Nil	Nil	Nil

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Pramod Kumar Bajaj	Non-executive Independent Director	12	Yes	Nil	Nil	Nil
Mr. Jayaram Jaithlaya	Non-executive Independent Director	12	Yes	Nil	Nil	Nil
Mr. Ashish P Bajaj	Non-executive Independent Director	12	Yes	Nil	Nil	Nil

*Chairman of the Board

AUDIT COMMITTEE

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

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

Authority and Responsibilities

1. The Audit Committee reviews the Company's financial reporting process, disclosure of accounting treatment, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter, Compliance with listing and other legal requirements relating to financial statements, disclosure norms, internal control systems, risk management policies, accounting policies and practices, ensuring the quality and appropriateness of the Company's accounting and financial disclosures as well as quarterly/half yearly financial statements. It recommends appointment of Statutory Auditors fixes audit fees and reviews internal control systems, 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, scope for observations of the auditors and adequacy of the internal audit function, discussion with internal auditors any significant findings and follow up there on, To review the functioning of the Whistle Blower mechanism, Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate etc.

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

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

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

As required under Section 292A of the Companies Act, 1956 and Clause 49 of Listing Agreement, the new "Terms of Reference" of the Audit Committee were approved by the Board of Directors at its meeting held on 25th January 2010.

The members of Audit Committee met five times on 14th May, 31st May, 14th August and 12th November in year 2010 and on 8th February in the year 2011 during the financial year ended on 31st March 2011.

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

*Chairman of Committee

REMUNERATION COMMITTEE

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

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

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

The Committee met four times during the year on dated 30th April, 30th July and on 30th October in year 2010 and on 28th January in year 2011. The Composition of the Remuneration Committee and their attendance to the meetings of the committee are as under:-

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

*Chairman of Committee

Details of Remuneration paid to Directors

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

TUNI TEXTILE MILLS LIMITED

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, 2011 are given as under:

	Particulars	Unit	Narendra Kr. Sureka	Pradeep Kr. Sureka
a)	Salary (p.a.)	-	3,00,000/-	2,88,000/-
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 2010-2011.

None of the Independent Directors holds any shares in their name or in the name of their relatives as on 31.03.2011.

SHARE TRANSFER COMMITTEE

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

The members of Share Transfer Committee met twenty three times on 15th April, 30th April, 31st May, 17th June, 19th June, 30th June, 14th August, 31st August, 15th September, 30th September, 15th October, 16th October, 30th October, 31st October, 15th December and on 31st December in year 2010 and on 31st January, 15th February, 19th February, 28th February, 10th March, 15th March and on 31st March in year 2011 during the financial year ended on 31st March 2011.

Name	Number of Meetings Held	Number of Meetings Attended
Mr. Pramod Kr. Bajaj *	23	23
Mr. Ashish P. Bajaj	23	23
Mr. Narendra Kr. Sureka	23	23

*Chairman of Committee

Investor Grievance Committee

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

- * Transfer/transmission/transposition of shares;
- * Consolidation/splitting of shares/folios;
- * Issue of Share Certificates for lost, sub-divided, consolidated, defaced etc;

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* Investors' grievances and redressal mechanism and recommend measures to improve the level of Investor Services.

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

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

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

Compliance Officer

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

Composition of Committee and Meetings attended

During the year, thirteen meetings of the Committee of Directors were held on 2nd April , 3rd May , 1st June, 1st July, 2nd August, 1st September, 12th October, 4th November, and 1st December in year 2010 and on 3rd January, 1st February and 2nd March in year 2011.

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

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

Details of Shareholders' Complaints

The total number of complaints received, and replied to the satisfaction of the shareholders, during the year ended 31st March, 2011 was 03 (Three). Outstanding complaints as on 31st March, 2011 were NIL. Further, as required under Clause 47C of the Listing Agreement, a Certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to the Stock Exchanges within stipulated time.

GENERAL BODY MEETINGS

Location & time for the last three Annual General Meetings:

Annual General Meeting	Date & Time	Venue	Special Resolutions passed in the AGM/EGM
23rd Annual General Meeting	30th September 2010, 12.30 PM	63/71, Dadiseth Agiary Lane 3rd Floor, Kalbadevi Road, Mumbai-400002	Special Resolution for partial modification in earlier resolution passed by Board in their meeting held on 1st December 2009 and by members through postal ballot on 30th December 2009.

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22nd Annual General Meeting	30th September 2009, 12.30 PM	63/71, Dadiseth Agiary Lane 3rd Floor, Kalbadevi Road, Mumbai-400002	Nil
21st Annual General Meeting	30th September 2008, 12.30 PM	63/71, Dadiseth Agiary Lane 3rd Floor, Kalbadevi Road, Mumbai-400002	Nil

Location and time of Extra-Ordinary General Meetings:

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

POSTAL BALLOT

During Financial Year 2009-10, Special Resolutions have been passed through Postal Ballot Rules to enhance Authorized Capital from Rs. 6.00 Crore to Rs. 13.50 Crore and to incorporate enhanced Authorized Capital in Memorandum & Articles of Association. A Special Resolution has also been passed to issue 75,00,000 Equity Shares at a price of Rs. 10/- per Share to Non-Promoter Group. Notice has been sent to the Members of the Company seeking their consent for said Special Resolutions. On the day of Results, these Resolutions have been passed with requisite majority wherein out of 738 Shareholders, 31 Shareholders together holding 3046075 Equity Shares have been voted in favour of Resolution and no Shareholder has been voted against these Resolutions. Mr. Vijay Kumar Mishra, Practicing Company Secretary has been appointed as Scrutinizer who has conducted the entire process and has forwarded his report and result to the Management of Company and the same has been announced in Board Meeting at Registered Office of the Company.

During Financial Year 2010-11, Special Resolutions have been passed for sub-division in face value of Equity Shares of Rs. 10/- each to Rs. 1/- each. Notice has been sent to the Members of the Company seeking their consent for said Special Resolutions. On the day of Results, these Resolutions have been passed with requisite majority. Mr. Vijay Kumar Mishra, Practicing Company Secretary has been appointed as Scrutinizer who has conducted the entire process and has forwarded his report and result to the Management of Company and the same has been announced in Board Meeting at Registered Office of the Company.

No. of Valid Postal ballot forms received	Postal Ballot Forms with Assent	No. of shares held by the members who have cast their votes in favour	Postal Ballot forms with Dissent	No. of shares held by the members who have cast their votes against
39	39	60,64,606	NIL	NIL

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

BOARD DISCLOSURES

Risk Management

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

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

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

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

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

SUBSIDIARIES

The Company does not have any material non-listed Indian subsidiary whose turnover or net worth (i.e. paid-up capital and free reserves exceeding 20% of the consolidated turnover or networth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

INSIDER TRADING

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

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

DISCLOSURES

- a) There are no materially significant related party transactions made by the company with its Promoters, Directors or Management, Subsidiaries or Relatives that may have potential conflict of interest with the Company at large.
- b) Attention of the members is drawn to the disclosures of transactions with the related parties set out in Note on Accounts – Note No.15 of Schedule 23, forming part of Annual Report.

The Company's major related party transactions are generally with its Associates considering various business and other factors.

All related party transactions are negotiated on arms length basis and are only intended to further the interest of the company.

- 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. However, the Equity Shares of Company is being suspended from trading because of non-compliance as per Listing Agreement with BSE in December 2001. Now the Company has filed all requisite documents seeking revocation of suspension from trading in equity shares of the Company.
- d) In Compliance with the Securities & Exchange Board of India (Prohibition of Insider Trading Regulations, 1992) as amended till date, on Prohibition of Insider Trading, the Company has a comprehensive Code of

Conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences of non-compliance thereof.

- e) **Reconciliation of Share Capital** : A qualified Practicing Company Secretary carries out Secretarial Audit on quarterly basis to reconcile the total capital and the total issued and listed capital. The secretarial audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form as the Company is yet to sign agreements with NSDL and CDSL to admit its Securities on both Depositories.

DISCLOSURES ON NON-MANDATORY REQUIREMENTS

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

- a) None of the Independent Directors on the Board of the Company has served for the tenure of exceeding nine years. The Company has ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which in the opinion of the Company would enable him to contribute effectively to the Company in his capacity as an Independent Director.
- b) There were no other related party transactions of material nature with the promoters, directors, the management or their subsidiaries or relatives during the year that may have potential conflict with the interest of the company at large. However, attention is drawn to point no. 10(d) of Schedule "21" of the financial statements.
- c) The Company has generally complied with the requirements of regulatory authorities on Capital Markets however a penalty of Rs. 1,70,000/- 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.
- d) The Board of Directors of the Company has adopted the whistle Blower Policy for establishing the mechanism of employees to report to management concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The Company affirms that no employee has been denied access to the Audit Committee.
- e) The Company follows Accounting Standards issued by Institute of Chartered Accountants of India and qualification in the auditors' report have been explained in directors' report.
- f) The Company has complied with all mandatory requirement as stated in clause 49 of Listing Agreement and the non-mandatory requirement have been complied with to the extent feasible.
- g) The Company is committed to conducting its Business in conformity with ethical standards and applicable Laws and Regulations .This commitment stands evidenced by model code of conduct adopted by Board of Directors at their meeting which is applicable to each member of the Board of Director and senior management of the Company.

MEANS OF COMMUNICATIONS

- > The Company regularly provides information to the Stock Exchanges as per the requirements of the listing Agreement.

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

GENERAL SHAREHOLDER INFORMATION

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

SHAREHOLDERS' INFORMATION

a. Next Annual General Meeting

The information regarding 24th Annual General Meeting for the financial year ended on 31st March 2011 is as follows :-

Date	: Friday, 30th September, 2011
Time	: 11.30 A.M.
Venue	: Ramee Guest Line Hotel, 462, A. B. Nair Road, Opp. Sun-N-Sand Hotel, Juhu, Vile Parle (W), Mumbai-400 049

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

c. **Future Calendar** :

Subject Matter	Date
Financial Reporting of 1st Quarter ended on 30th June 2011	12th August, 2011
Financial Reporting of 2nd Quarter ended on 30th September 2011	14th November, 2011
Financial Reporting of 3rd Quarter ended on 31st December 2011	14th February 2012
Financial Reporting of 4th Quarter ended on 31st March 2012	15th May 2012
Date of Annual General Meeting	During August 2012

d. **Date of Book Closure** : September 23 to September 30, 2011. (Both days inclusive)

e. **Dividend Payment** : Nil

f. **Listing of Shares** : Bombay, Ahmedabad, Jaipur and M P Stock Exchanges.

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

TUNI TEXTILE MILLS LIMITED

h. Market Price Data :

Month	Price on BSE (Rs.) & Volume			BSE Sensitive Index	
	High	Low	Volume	High	Low
April 2010	-	-	-	18047.46	17276.80
May 2010	16.00	16.00	100	17536.86	15960.15
June 2010	17.60	16.80	200	17919.62	16318.39
July 2010	-	-	-	18237.56	17395.58
August 2010	41.70	18.45	6100	18475.27	17819.99
September 2010	93.25	43.75	29400	20267.98	18027.12
October 2010	99.70	73.85	36600	20854.55	19768.96
November 2010	106.25	69.40	84201	21108.64	18954.82
December 2010	166.20	86.70	550198	20552.03	19074.57
January 2011	217.75	156.00	993826	20664.80	18038.48
February 2011	230.00	188.00	1949769	18690.97	17295.62
March 2011	271.00	209.00	2751872	19575.16	17792.17

i. 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

j. Share Transfer Systems

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

k. Distribution Schedule as on 31st March 2011

No. of Equity Shares	No. of Share Holders	% of Share Holders	Total No. of Shares Held	% of Share Holding
1-5000	578	38.90	164034	1.26
5001-10000	273	18.37	240225	1.84
10001-20000	198	13.32	315322	2.41
20001-30000	72	4.85	192251	1.47
30001-40000	55	3.70	212142	1.62
40001-50000	81	5.45	388816	2.98
50001-100000	100	6.73	788870	6.04
100001 and Above	129	8.68	10761440	82.38
Total....	1486	100.00	13063100	100.00

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I. Shareholding Pattern as on 31st March 2011

Categories	No. of Shares	% of Shareholding
Promoters, Directors, Relatives & Person acting in concert	2838275	21.73
Indian Mutual Fund	49400	0.38
NRI	3900	0.03
Private Corporate Bodies	3659069	28.01
Indian Public	6394172	48.94
Others (Clearing Members)	118284	0.91
Total	13063100	100.00

m. Dematerialization of Equity Shares & Liquidity

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

Procedures for dematerialization / rematerialization of Equity Shares:-

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

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

The Shares of Company are admissible for trading on Bombay Stock Exchange Ltd. As on 31st March 2011, 92.30% Equity Shares of the Company are in dematerialized form.

The Shares of Company are under "B" category on Bombay Stock Exchange Ltd.

n. Listing Fees & Custodial Fees

The Company has paid the Annual Listing Fees for year 2011-12 to Bombay Stock Exchange Ltd. and Annual Custodial Fees of the both Depositories for the year 2011-12 has been paid.

o. 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).

p. 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.

q. 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).

r. Brief Resume of the Directors Seeking Re-Appointment

1. Mr. Narendra Kumar Sureka, Age 58, B.Com, Graduate is having vast experience of over 31 years in the field of Textile Industry activities including manufacturing, trading and marketing and his expertise will certainly help Company to grow and develop new innovations. He is an Managing Director and Chief Executive Officer of the Company.

As on 31st March 2011, he is among Board of Directors in following Companies:-

1.	True Capital & Finance Private Limited
----	--

As on 31st March 2011, he is holding 6,78,750 in his name and 21,59,525 Shares in the name of Associates and Relatives forming part of promoter group.

2. Mr. Pramod Kumar Bajaj, Age 55, B. Com, Graduate is having an experience of around 28 Years in the field of Textile, Accounting & Taxation matters. He is a Non Executive Independent Director of the Company.

As on 31st March 2011, he is not among Board of Directors in any of the Companies.

He is not among shareholders of the Company as on 31st March 2011.

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

Rs. 7.50 Crore was raised during previous financial year by way of allotment of shares on preferential basis. Out of Rs. 7.50 Crore, Rs. 5.25 Crore was utilized for advance against machinery. Balance has been utilized as working Capital for day to day affairs.

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

Not Applicable.

v. Investors' Correspondence

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

Ms. Reshma Wadekar - tunitextile@yahoo.co.in

w. 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.

x. Address for Correspondence

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

y. Plant Location

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

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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 Kumar Sureka, Managing Director and Chief Executive Officer of Tuni Textile Mills Limited certify to the Board in terms of requirements of Clause 49(V) of the Listing Agreement, that we have reviewed financial statements and the cash flow statement for the year 2010-11 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

Place: Mumbai
Date: August 19, 2011

Narendra Kumar Sureka
Managing Director and Chief Executive Officer

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct for the year ended on 31st March, 2011

For Tuni Textile Mills Limited

Place: Mumbai
Date: August 19, 2011

Narendra Kumar Sureka
Managing Director and Chief Executive Officer

SECRETARIAL COMPLIANCE REPORT FOR THE YEAR ENDED 31ST MARCH, 2011

The Board of Directors,

M/s. Tuni Textile Mills Limited

Mumbai

We have examined the registers, records, books and papers of M/s. Tuni Textile Mills Limited as required to be maintained under the Companies Act, 1956, (hereinafter referred to as "The Act"), the rules made there under and also the provisions contained in the Memorandum of Association and Articles of Association of the Company for the year ended 31st March 2011. In our opinion and to the best of our information and according to the examinations carried out by and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year -

1. The Company has kept and maintained all registers and records as stated in Annexure "A" to this certificate as per the provisions of the Companies Act 1956 (the Act) and the rules made there under and all entries therein have been duly recorded during the year.
2. The Company has duly filed the forms and return as stated in Annexure "B" to this certificate, with the Registrar of Companies or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company being a public limited Company has maintained minimum prescribed paid-up Capital.
4. The Board of Directors duly met 12 times on 1st April, 20th April, 14th May, 31st May, 14th August, 18th August, 28th September and 12th November in year 2010 and on 3rd January, 8th February, 21st February and on 24th March in the year 2011 during the financial year 2010-2011 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 23rd September 2010 to 30th September 2010 (both days inclusive) during the financial year and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended 31st March 2010 was held on 30th September 2010 for which due notice were given to the members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during financial year 2010-11.
8. The Board of Directors of the Company is duly constituted during the year.
9. The Company has obtained all the necessary approvals from the Board and Shareholders as required by the Act during the year.
10. The Company has not accepted any Deposit in terms of Section 58A of the Act read with Companies (Acceptance of Deposit) Rules, 1975 during the year.
11. The Company has delivered all the certificates on lodgments thereof for transfer or any other purpose in accordance with the provisions of the Act during the year.
12. The Company has not declared dividend and thus compliance with the provisions of section 205 of the Act is not applicable to the Company for the year.
13. The Company has paid remuneration to the Managing Director and sitting fees to the Directors of the Company during the year in terms of section 198, 269, 309 read with Schedule XIII of the Act.

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14. The Company has not appointed any sole selling agent in terms of section 294 of the Act during the year.
15. The Company has given loans and advances to the tune Rs. 9.44 lacs,(year end outstanding was Rs. NIL) during the year under review, in contravention of provisions of Section 295 of the Act
16. The Company has entered into contracts for Job Charges received and paid amounting to Rs. 0.53 lacs and Rs. 2.16 lacs respectively, in which directors are interested in contravention of provisions of section 297 of the Act.
17. The Company has made necessary entries in the register maintained under section 301 & 301(3) of the Act.
18. The Company has not appointed any person as a place of profit in terms of section 314 of the Act during the year.
19. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director and/or such authorities prescribed under the various provisions of the Act, during the financial year.
20. The Company has complied with the provisions of section 372A of the Act.
21. The Company has complied with the applicable provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, SEBI (Prohibition of Insider Trading) Regulations, 1992 during the year.
22. The Company has not issued any duplicate Share Certificate during the financial year.
23. The Company has not bought back any shares during the financial year.
24. There were not transactions necessitating the Company to keep in abeyance the rights to Dividend, Right Shares and Bonus Shares pending registration of transfer of shares.
25. The amount borrowed by the Company from Directors, Members, Public Financial Institutions, Banks and others during the financial year ending 31st March 2011 are within the borrowing limits of the Section 293(1)(d) of the Act.
26. The Company has not altered any of the provisions of the Memorandum of Association and Articles of Association during the year.
27. There was no prosecution initiated against the Company, or Show Cause Notices received by the Company, for offences under the Act.

For VKM & ASSOCIATES
Practicing Company Secretaries

Place: Mumbai
Date: August 19, 2011

VIJAY KUMAR MISHRA
Partner

Annexure "A"**Registers and Records maintained by the Company -**

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

Annexure "B"**Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ended on 31st March 2011 –**

Form No.	Section	Filing Date	Purpose
Form 20B	159	13/11/2010	Filing of Annual Return
Form 23AC	220	23/10/2010	Filing of Balance Sheet
Form 23ACA	220	23/10/2010	Filing of Profit & Loss Account
Form 17	140	07/08/2010	Memorandum & Complete Statisfication of Charges
Form 8	125,127,130,132 & 135	07/03/2011	Creation of Charges for Factory Premises

For VKM & ASSOCIATES
Practicing Company Secretaries

Place: Mumbai
Date: August 19, 2011

VIJAY KUMAR MISHRA
Partner

TWENTY FOURTH ANNUAL REPORT 2010 - 2011

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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 on March 31, 2011, as stipulated in clause 49 of the Listing Agreement of the company with Stock Exchange(s) in India, with the relevant records and documents maintained by the company and furnished to us and the 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 the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement subject to that the company does not have the whole time company secretary to act as the secretary of the audit committee which is not in conformity with the requirements of clause 49 of the listing agreements with the stock exchanges.

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

Anuja Dedhia
Partner

Place: Mumbai
Date: August 19, 2011

Membership No. 123589

AUDITORS' REPORT

To

The Members of

TUNI TEXTILE MILLS LIMITED

1. We have audited the attached Balance Sheet of TUNI TEXTILE MILLS LIMITED (hereinafter referred to as "the company") as at 31st March 2011, the Profit and Loss Account and also Cash Flow Statement for the year ended on that date, annexed thereto, which we have signed under reference to this report. 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) based on the representation made by the directors of the company and information and explanation given to us, none of the directors is prima-facie disqualified as on 31st March, 2011, 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;
 - (vi) As stated in note no.6 of Schedule 23:
 - i) Loans & Advances, involving an amount of Rs. 9.44 lacs, (year end outstanding was Rs. NIL) given during the year under review, are in contravention of provisions of Section 295 of the Act; and
 - ii) Contracts of Job charges received and paid amounting to Rs. 0.53 lacs and Rs. 2.16 lacs respectively, in which directors are interested, entered in to during the year, are in contravention of provisions of section 297 of the Act;

The possible impact of these non-compliances, in the event of condonation requests are not granted, has not been determined or recognized in the financial statements.
- (vii) in our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to our comments in paragraphs (vi) above and the consequential effects thereof which are not quantifiable, read together with significant accounting policies and notes on accounts in schedule '21' and '22' 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, 2011;
 - 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
 (Registration no. 100156W)

Anuja Dedhia
 Partner

Membership No. 123589

Mumbai

19th August 2011

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ANNEXURE REFERRED TO IN PARAGRAPH (3) OF AUDITORS' REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011 OF TUNI TEXTILE MILLS LIMITED ON THE BASIS OF SUCH CHECKS AS WE CONSIDERED APPROPRIATE AND IN TERMS OF THE INFORMATION AND EXPLANATION GIVEN TO US, WE STATE THAT:

- (i) in respect of fixed assets:
 - a) the company has generally maintained records showing particulars, including quantitative details and situation of its fixed assets;
 - b) we have been informed that the management has, at reasonable intervals during the year, physically verified major portion of the fixed assets. No material discrepancies, as represented to us, were noticed on such verification; and
 - c) during the year the company has not disposed off a substantial part of its fixed assets which affects the going concern status of the company;
- (ii) in respect of Inventory:
 - a) as explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable;
 - b) the procedures, as explained to us, of physical verification of inventories followed by the management are, in our opinion; reasonable and adequate in relation to the size of the company and the nature of its business; and
 - c) the company, for inventory, has maintained proper records. No material discrepancies, as informed to us, have been noticed on physical verification of stock as compared to book records;
- (iii) according to the information and explanation given to us:
 - a) the company has granted unsecured loan to the companies, firm and other parties covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs. 9.44 lacs to 4 parties. The year end balance was ` Nil;
 - b) the terms and conditions of the aforesaid loans granted are prima facie not prejudicial to the interest of the company and such loans were granted free of interest;
 - c) the receipt of principal amount of the aforesaid loans granted is regular;
 - d) since the aforesaid loans granted, as informed to us, are receivable on demand, therefore no amount has been classified as overdue;
 - e) the company has taken unsecured loan from the companies, firm and other parties covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs. 5.32 lacs from 2 parties. The year end balance was Rs. 4.92 lacs;
 - f) the terms and conditions of the aforesaid loans taken were prima facie not prejudicial to the interest of the company and such loans were taken free of interest; and
 - g) since the aforesaid unsecured loans taken, as informed to us, were repayable on demand, therefore the payment of the principal amount of same is considered 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

TUNI TEXTILE MILLS LIMITED

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 and representations given to us, we are of the opinion that the particulars of the contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under section 301 of the Act ; and
- b) in our opinion the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act exceeding the value of Rs. 5.00 lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time where such market prices are available;
- (vi) in our opinion , the company has not accepted any deposit from the public; within the meaning of section 58A and 58AA of the Act and the Rules framed there under.
- (vii) the company is required to have an internal audit system as the company's paid up capital and reserves at the commencement of financial year exceeds Rs. 50 lacs and its average annual turnover of preceding three years also exceeds Rs. 5.00 crores, however, the company, during the year, had no such internal audit system;
- (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) In respect of Statutory Dues:
- a) according to the information and explanations given to us, the company is generally regular in depositing with the appropriate authorities undisputed current statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it. There are no arrears except Rs.3843/- towards Labour welfare Fund as at 31st March, 2011 for the period of more than six months from they became payable; and
- b) according to the information, the dues in respect of income tax / sales tax / wealth tax / service tax / custom duty / excise duty / cess that have not been deposited with the appropriate authorities on account of dispute, where the disputes are pending, are as under:

Name of the Statute	Nature of dues	Amount (Rs.)	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, the company has filed waiver petitions before Chief Commissioner of Income Tax for waiver of interest, those petitions are pending to be heard; and

* The waiver of above demands has been considered in scheme of rehabilitation by BIFR.

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- (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 not 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; 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 investment;
- (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
(Registration no. 100156W)

Mumbai
19th August 2011

Anuja Dedhia
Partner
Membership No. 123589

TUNI TEXTILE MILLS LIMITED

BALANCE SHEET AS AT 31ST MARCH 2011			Amt. in Rs.	
PARTICULARS	SCH.	AS AT 31-03-2011	AS AT 31-03-2010	
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Share capital	1	131792500.00	131448300.00	
Reserves and surplus	2	<u>12085627.00</u>	<u>12286577.00</u>	
		143878127.00	143734877.00	
Secured loans	3		49014050.02	27162696.83
Unsecured loans	4		<u>492223.80</u>	<u>0.00</u>
TOTAL			<u>193384400.82</u>	<u>170897573.83</u>
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross block	5	69077285.01	51357613.89	
Less: Depreciation		<u>27156748.76</u>	<u>25487058.07</u>	
Net block			41920536.25	25870555.82
INVESTMENT	6		952500.00	952500.00
CURRENT ASSETS, LOANS & ADVANCES				
Inventories	7	60047859.00	41847038.67	
Sundry debtors	8	53781551.00	62930264.00	
Cash and bank balances	9	1220322.07	2096365.07	
Loans and advances	10	<u>52537801.17</u>	<u>54908120.76</u>	
			167587533.24	161781788.49
Less :				
CURRENT LIABILITIES & PROVISIONS				
Current liabilities	11	50722162.34	54763870.01	
Provisions	12	<u>1598571.29</u>	<u>1503792.29</u>	
			52320733.63	56267662.30
NET CURRENT ASSETS			115266799.61	105514126.19
DEFERRED TAX ASSETS	13		8429977.00	9438962.00
DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT			26814587.97	29121429.82
TOTAL			<u>193384400.83</u>	<u>170897573.83</u>
SIGNIFICANT ACCOUNTING POLICIES	22			
NOTES FORMING PART OF THE ACCOUNTS	23			
The schedules referred to above form an integral part of financial statements.				
As set out in our attached report of even date		On behalf of the board		
For and on behalf of				
R. S. AGRAWAL & ASSOCIATES		Narendra Kumar Sureka		
Chartered Accountants		Chairman and Managing Director		
(Registration no. 100156W)				
Anuja Dedhia		Pradeep Kumar Sureka		
Partner		Whole Time Director		
Membership No. 123589				
Mumbai, 19th August 2011		Mumbai, 19th August 2011		

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011			
			Amt. in Rs.
PARTICULARS	SCH.	For the Year Ended 31-03-2011	For the Year Ended 31-03-2010
INCOME			
Sales and other income	14	183029640.00	158883506.98
Other income	15	1243288.21	3050995.59
Increases/(decrease)in finished stock	16	10569069.68	33019573.13
TOTAL		194841997.88	194954075.70
EXPENDITURE			
Cost of Inventories	17	159741329.34	170710752.16
Manufacturing expenses	18	10952576.50	7414377.11
Personnel expenses	19	7773268.00	6098808.00
Administrative, selling and other expenses	20	5068471.07	3304286.95
Interest and finance charges	21	4986033.00	2443937.61
Depreciation	5	2955008.63	1670796.94
		191476686.54	191642958.77
PROFIT/(LOSS) BEFORE		3365311.34	3311116.93
Less : Provision for current tax		665684.00	542515.29
Less : MAT Credit Entitlement		(605756.00)	(486224.49)
Less : Provision for deferred tax liability / (assets)		1008985.00	1159298.00
Less : Provision for fringe benefit tax		0.00	0.00
PROFIT/(LOSS) BEFORE TAX		2296398.34	2095528.13
Less/(add) : Tax adjustments for earliar years		0.00	73995.00
Less/(add) : MAT Credit Entitlement for earliar years		(10443.51)	(619652.00)
		2306841.85	2641185.13
Balanceb/f from previous year		(29121429.82)	(31762614.95)
Balance carred over to balance sheet		(26814587.97)	(29121429.82)
Basic & diluted Earning per share (See note no. '17' of schedule '23')		0.17	0.50
SIGNIFICANT ACCOUNTING POLICIES	22		
NOTES FORMING PART OF THE ACCOUNTS	23		
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 (Registration no. 100156W) Anuja Dedhia Partner Membership No. 123589 Mumbai, 19th August 2011		On behalf of the board Narendra Kumar Sureka Chairman and Managing Director Pradeep Kumar Sureka Whole Time Director Mumbai, 19th August 2011	

TUNI TEXTILE MILLS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011
(Amount in Rupees)

(A) CASH FLOW FROM OPERATING ACTIVITIES	2010-2011	2009-2010
Net Profit before tax and extraordinary items	3,365,311	3,311,117
Adjustment for		
Depreciation	2,955,009	1,670,797
Profit/Loss on sale of fixed assets	32,701	(1,956,348)
Interest /other income	(1,275,989)	(743,332)
Dividend	-	-
Interest expenses	4,986,033	2,443,938
Operating profit before working capital changes	10,063,065	4,726,172
Adjustment for		
Trade and other receivables	6,916,770	(35,088,484)
Inventories	(18,200,820)	(36,481,119)
Trade payables	(4,084,811)	23,573,104
Cash generated from operations	(5,305,796)	(43,270,328)
Direct taxes paid	(527,802)	(218,976)
Cash flow before extraordinary items	(5,833,598)	(43,489,304)
Prior period items	-	-
Extraordinary items	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	(5,833,598)	(43,489,304)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(19,512,690)	(18,545,208)
Sale of fixed assets	475,000	2,635,000
Movement of advances for capital goods	5,218,462	(52,720,000)
(Purchase) / sale of investments (Net)	-	(952,500)
(Increase) / decrease in deposits	-	-
Interest / other income	1,275,989	743,332
Dividend received	-	-
NET CASH USED IN INVESTING ACTIVITIES	(12,543,239)	(68,839,376)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	143,250	92,429,377
Proceeds from long term borrowings	19,131,347	11,410,000
Repayment of long term borrowings	(5,977,481)	(1,727,006)
Proceeds from short term borrowings	-	-
Repayment of short term borrowings	492,224	-
Change in working capital borrowing from banks	8,697,487	14,439,746
Interest paid	(4,986,033)	(2,443,938)
NET CASH FROM FINANCING ACTIVITIES	17,500,794	114,108,179
NET INCREASE IN CASH AND CASH EQUIVALANTS (A+B+C)	(876,043)	1,779,499
OPENING BALANCE OF CASH AND CASH EQUIVALANTS	2,096,365.07	316,867
CLOSING BALANCE OF CASH AND CASH EQUIVALANTS	1,220,322.07	2,096,365

Notes to cash flow statement:

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

As per our attached report of even date
For and on behalf of

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

Anuja Dedhia
Partner
Membership No. 123589
Mumbai, 19th August 2011

For and on behalf of the board

Narendra Kumar Sureka
Chairman and Managing Director

Pradeep Kumar Sureka
Whole Time Director

Mumbai, 19th August 2011

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SCHEDULES FORMING PARTS OF THE ACCOUNTS			Amt. in Rs.
PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010	
SCHEDULE "1"			
SHARE CAPITAL			
AUTHORISED :			
1,35,00,000 (previous year 60,00,000) equity shares of Rs.10/- each	<u>135000000.00</u>	<u>135000000.00</u>	
ISSUED, SUBSCRIBED and PAID UP :			
1,30,63,100 (previous year 1,32,90,600) equity shares of Rs.10/- each	132906000.00	132906000.00	
Of the above shares 9,37,500 shares have been allotted as fully paid by way of bonus shares			
Less: Calls in arrears (other than directors)	<u>0.00</u>	<u>1457700.00</u>	
	132906000.00	131448300.00	
Less : 227500 shares forfeited during the year	<u>2275000.00</u>	<u>0.00</u>	
Add: Forfeited shares (amount paid up including premium) (See note no. '10' of schedule '22')		1161500.00	131448300.00
TOTAL	<u>131792500.00</u>	<u>131448300.00</u>	
SCHEDULE "2"			
RESERVES AND SURPLUS :			
Capital reserve :			
Central subsidy (as per last balance sheet)		4500000.00	4500000.00
Securities premium:			
As per last balance sheet	7786577.00		8639950.00
Less: Share issue Expenses	<u>0.00</u>		<u>853373.00</u>
	7786577.00		7786577.00
Add : Received during the year	<u>28650.00</u>		<u>0.00</u>
	7815227.00		7786577.00
Less: Transferred to Forfeited Shares	<u>229600.00</u>		<u>0.00</u>
		7585627.00	7786577.00
		<u>12085627.00</u>	<u>12286577.00</u>
SCHEDULE "3"			
SECURED LOANS :			
TERM LOANS			
Indian Overseas Bank (Repayable within one year Rs.19.99 lacs previous year Rs.19.99 lacs)		7667600.00	9758533.00

TUNI TEXTILE MILLS LIMITED

SCHEDULES FORMING PARTS OF THE ACCOUNTS		
	Amt. in Rs.	
PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
Indian Overseas Bank- Term loan No.2 (Repayable within one year Rs.52.20 lacs Previous year Rs.Nil)	14525640.00	0.00
ICICI Bank car loan (Repayable within one year Rs.Nil Previous year Rs.0.24 lacs)	0.00	24417.00
HDFC Bank car loan (Repayable within one year Rs.1.89 lacs Previous year Rs.Nil)	609500.00	0.00
HDFC Bank car loan (Repayable within one year Rs.3.21 lacs Previous year Rs. Nil)	622519.00	0.00
HDFC Bank car loan (Repayable within one year Rs.3.82 lacs Previous year Rs. 3.47 Lacs)	916070.00	1263537.00
HDFC Bank auto loan (Repayable within one year Rs.Nil Previous year Rs.1.41 Lacs)	0.00	140975.61
WORKING CAPITAL LOAN: Indian Overseas Bank	24672721.02	15975234.22
	<u>49014050.02</u>	<u>27162696.83</u>
SECURITY ON LOANS :		
1. The term loans from Indian Overseas Bank are secured by first charge by way of hypothecation of machineries purchased under expansion projects.		
2. The working capital loan is secured by hypothecation of stocks and book debts.		
3. Loans from Indian Overseas Bank are collaterally secured by equitable mortgage of lands and buildings located at B-4 and B-5 MIDC industrial Area, Murbad, Dist. Thane		
4. Loans from Indian Overseas Bank are further secured by personal guarantee of 2 directors of the company.		
5. Loans from HDFC Bank are secured by hypothecation of specific vehicles.		
SCHEDULE "4"		
UNSECURED LAONS		
Intercompany Loans	260000.00	0.00
Loans from Directors	232223.80	0.00
TOTAL	<u>492223.80</u>	<u>0.00</u>
SCHEDULE "6"		
INVESTMENTS		
Long term investments (at cost)		
Immovable Properties (See note no. '11' of schedule '22')	952500.00	952500.00
TOTAL	<u>952500.00</u>	<u>952500.00</u>

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SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2011

SCHEDULE '5' : FIXED ASSETS

Amount in Rs.

Particulars	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 31/03/2010	Additions during the year	Sold during the year	As on 31/03/2011	Total Upto 31/03/2011	Provided for the year	Written back during the year	Total upto 31.03.2011	As at 31.3.2011	As at 31.3.2010	
Leasehold land	205329.03	0.00	0.00	205329.03	0.00	0.00	0.00	0.00	205329.03	205329.03	
Freehold land and site development	5708534.14	257980.00	0.00	5966514.14	0.00	0.00	0.00	0.00	5966514.14	5708534.14	
Factory building	7098412.39	0.00	0.00	7098412.39	2782289.21	237087.00	0.00	3019376.21	4079036.18	4316123.18	
Office premises	913147.00	0.00	0.00	913147.00	87877.81	14884.00	0.00	102761.81	810385.19	825269.19	
Plant and machinery	29598574.08	16926392.00	1793018.88	44731947.20	18570992.76	1967168.63	1285317.94	19252843.45	25479103.74	11027581.32	
Electrical equipments	1807053.65	451175.00	0.00	2258228.65	1407041.72	55822.00	0.00	1462863.72	795364.93	400011.93	
Furniture and fixtures	297295.04	0.00	0.00	297295.04	270690.71	18819.00	0.00	289509.71	7785.33	26604.33	
Office equipments	209576.00	94090.00	0.00	303666.00	120221.83	11477.00	0.00	131698.83	171967.17	89354.17	
Computers	405908.00	39525.00	0.00	445433.00	331223.50	71347.00	0.00	402570.50	42862.50	74684.50	
Vehicles	5113784.56	1743528.00	0.00	6857312.56	1916720.53	578404.00	0.00	2495124.53	4362188.03	3197064.03	
TOTAL AS AT 31.03.2011	51357613.89	19512690.00	1793018.88	6907285.01	25487058.07	2955008.63	1285317.94	27156748.76	41920536.28	25870555.82	
TOTAL AS AT 31.03.2010	41962602.00	18545208.00	9150196.11	51357613.89	32287804.94	1670796.94	8471543.80	25487058.07			

TUNI TEXTILE MILLS LIMITED

SCHEDULES FORMING PARTS OF THE ACCOUNTS		
	Amt. in Rs.	
PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE "7"		
INVENTORIES		
Raw materials	10230189.00	2893853.40
Stock in process	1645000.00	1388236.94
Finished goods	48008118.00	37439048.33
Stores and spares parts	164552.00	125900.00
TOTAL	<u>60047859.00</u>	<u>41847038.67</u>
SCHEDULE "8"		
SUNDRY DEBTORS		
(Unsecured considered good)		
Outstanding for a period exceeding six months	5179139.00	7335966.00
Others	48602412.00	55594298.00
TOTAL	<u>53781551.00</u>	<u>62930264.00</u>
SCHEDULE "9"		
CASH AND BANK BALANCES		
Cash on hand	544104.31	1752495.31
Balances with scheduled banks		
In fixed deposit account (margin money)	676217.76	323396.76
In current accounts	0.00	20473.00
TOTAL	<u>1220322.07</u>	<u>2096365.07</u>
SCHEDULE "10"		
LOANS AND ADVANCES		
(Unsecured considered good)		
Advances recoverable in cash or in kind or for value to be received	2148986.67	1550942.26
Advances for capital goods	47501538.00	52720000.00
Advance to Suppliers	1444457.00	32706.00
Deposits	539052.50	417002.50
Sales tax refund receivable	903767.00	187470.00
TOTAL	<u>52537801.17</u>	<u>54908120.76</u>
SCHEDULE "11"		
CURRENT LIABILITIES		
Sundry creditors	48376006.00	51915039.00
(See note no.'6' of schedule '22')		
Security deposit	335340.00	335340.00
Advance from customers	1020106.00	864808.00
Statutory liabilities	118168.00	89703.00
Other liabilities	872542.34	1558980.01
TOTAL	<u>50722162.34</u>	<u>54763870.01</u>

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SCHEDULES FORMING PARTS OF THE ACCOUNTS			Amt. in Rs.
PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010	
SCHEDULE "12"			
PROVISIONS :			
For corporate Tax	3344511.29	2678827.29	
Less: Advance Payment of Tax	<u>2033143.00</u>	<u>1505341.00</u>	
		1311368.29	1173486.29
For gratuity		<u>287203.00</u>	<u>330306.00</u>
TOTAL		<u><u>1598571.29</u></u>	<u><u>1503792.29</u></u>
SCHEDULE "13"			
DEFERRED TAX ASSETS/ (LIABILITIES) (net):			
Arising on account of timing difference:			
Deferred tax assets:			
Gratuity	88746.00		102065.00
Business losses	10043015.00		10875222.00
Deferment of allowances	<u>167185.00</u>		<u>124348.00</u>
		10298946.00	11101635.00
Deferred tax liability:			
Depreciation		(1868969.00)	(1662673.00)
TOTAL		<u><u>8429977.00</u></u>	<u><u>9438962.00</u></u>
SCHEDULE "14"			
SALES AND OPERATING INCOME			
Gross sales net of returns		181008612.00	155187390.98
Job charges(Gross-TDS Rs.39860/- P.Y.73978/-)		<u>2021028.00</u>	<u>3696116.00</u>
TOTAL		<u><u>183029640.00</u></u>	<u><u>158883506.98</u></u>
SCHEDULE "15"			
OTHER INCOME			
Sales tax refund		0.00	351316.00
Rent (Gross-TDS Rs.76906/-P.Y.Rs.109524/-)		769048.00	670680.00
Interest (Gross-TDS Rs.5524/- P.Y.Rs.7761/-)		133228.90	72651.90
Interest on unpaid allotment money		373712.25	0.00
Profit (loss) on sale of fixed assets		<u>(32700.94)</u>	<u>1956347.69</u>
TOTAL		<u><u>1243288.21</u></u>	<u><u>3050995.59</u></u>
SCHEDULE "16"			
INCREASE / (DECREASE) IN FINISHED STOCK			
Closing stock		48008118.00	37439048.33
Less : Opening stock		<u>37439048.33</u>	<u>4419475.20</u>
TOTAL		<u><u>10569069.68</u></u>	<u><u>33,019,573.13</u></u>

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SCHEDULES FORMING PARTS OF THE ACCOUNTS			Amt. in Rs.
PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010	
SCHEDULE "17"			
COST OF INVENTORIES			
a) Raw Materials Consumption	63117372.34	43202627.16	
Opening stock			
Raw materials	2893853.40	531598.00	
Stock in process	1388236.94	367246.00	
	<u>4282090.34</u>	<u>898844.00</u>	
Add: Cost of purchases			
Yarn / POY	69975340.00	46216371.50	
Transportation	735131.00	369502.00	
	<u>70710471.00</u>	<u>46585873.50</u>	
Less: Closing stock			
Raw materials	10230189.00	2893853.40	
Stock in process	1645000.00	1388236.94	
	<u>11875189.00</u>	<u>4282090.34</u>	
b) Cost of goods traded in			
Purchases			
Grey Fabrics	3612431.00	412301.00	
Finished Fabrics	93011526.00	127095824.00	
	<u>96623957.00</u>	<u>127508125.00</u>	
TOTAL	<u><u>159741329.34</u></u>	<u><u>170710752.16</u></u>	
SCHEDULE "18"			
MANUFACTURING EXPENSES			
Job charges	1138320.00	509896.00	
Dyeing Charges	236043.00		
Beam making and mending charges	1647446.00	1373466.00	
Picking charges	30000.00	0.00	
Power and fuel	3160305.50	2714510.61	
Water expenses	156390.00	91732.00	
Stores and spares consumed	3936376.00	2360124.00	
Repairs and maintenance :			
Plant and machineries	0.00	78650.00	
Building	126769.00	102870.00	
Others	520927.00	183128.50	
TOTAL	<u><u>10952576.50</u></u>	<u><u>7414377.11</u></u>	
SCHEDULE "19"			
PERSONNEL EXPENSES			
Salaries, wages, bonus and gratuity	7673906.00	6001630.00	
Contribution to provident fund	99362.00	97178.00	
Staff and labour welfare	0.00	0.00	
TOTAL	<u><u>7773268.00</u></u>	<u><u>6098808.00</u></u>	

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SCHEDULES FORMING PARTS OF THE ACCOUNTS		
PARTICULARS	Amt. in Rs.	
	AS AT	AS AT
	31.03.2011	31.03.2010
SCHEDULE "20"		
ADMINISTRATIVE,SELLING AND OTHER EXPENSES		
Printing and stationery	121165.00	78740.00
Postage, telegrams and telephones	260752.53	151559.88
Rent	162031.00	133873.00
Rates and taxes	20161.00	21431.00
Insurance	175117.00	131295.00
Bank commission/charges	448211.39	207733.06
Auditors' remuneration	277410.00	196293.00
(See note no. '4' of schedule '22')		
Donation	0.00	30954.00
Exchange Rate Diff.	46416.00	0.00
Electricity expenses	146476.00	140419.00
Legal and professional charges	532645.00	239474.00
Travelling and conveyance	1202768.53	626753.20
Computer and software expenses	40000.00	37290.00
Security charges	0.00	6400.00
Service charges	0.00	5300.00
Membership & Subscription	22000.00	
Brokerage and commission	512185.00	60003.00
Advance to supplier unrecoverable written off	0.00	400000.00
Sales promotion	294153.20	324446.31
Freight and forwarding	36393.00	7770.00
Advertisements	22958.00	23832.00
Office expenses	664903.42	464175.50
Listing fees	82725.00	16545.00
TOTAL	<u>5068471.07</u>	<u>3304286.95</u>
SCHEDULE "21"		
INTEREST AND FINANCE CHARGES		
Term loans	1949576.00	712757.00
Working Capital	2150598.00	1338250.00
Others	885859.00	392930.61
TOTAL	<u>4986033.00</u>	<u>2443937.61</u>

SCHEDULE "22": 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.

5. VALUATION OF INVENTORIES:

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

6. REVENUE RECOGNISATION:

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

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d) Interest income is accounted on accrual basis.

7. RETIREMENT AND OTHER BENEFITS TO EMPLOYEES:

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

8. CAPITAL WORK IN PROGRESS :

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

9. PRIOR PERIOD EXPENSES / INCOME :

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

10. INCOME FROM INVESTMENTS :

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

11. TREATMENT OF CONTINGENT LIABILITIES :

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

12. EXCISE DUTY & CENVAT CREDIT

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

13. TAXES ON INCOME

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

14. IMPAIRMENT LOSS

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

15. SEGMENT REPORTING

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

16. BORROWING COSTS

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

17. TRANSACTION IN FOREIGN CURRENCIES

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

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

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

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

SCHEDULE "23": 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 are adequate.
2. Contingent liabilities not provided for in respect of following matters:
 - (i) Demand of Rs.1.70 lacs (Rs. 1.70 lacs) levied by SEBI, for delay in submission of certain information to BSE. In response to Company's reply, no correspondence, till date, has been received from SEBI.
 - (ii) Disputed income tax issue in appeal for assessment year 2006-2007 Rs. 71881/- (Rs.71881/-).
 - (iii) Liability, if any, arising on account of undertakings given by the company under EPCG Scheme, pending fulfilment of export obligation approximately Rs. 150.85 lacs (Rs. 67.10 lacs).
3. Estimated amount of contracts, net of advances, remaining to be executed on capital account Rs. 129.80 lacs (Rs. 169.67 lacs).

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4. Auditors' Remuneration:

Particulars	(Amount in Rs.)	
	2010-2011	2009-2010
Audit Fees	137875.00	117978.00
Tax Audit Fees	38605.00	22060.00
Taxation Matters	60665.00	27575.00
Certification	38015.00	28680.00
Out of pocket expenses	2250.00	0.00
TOTAL	277410.00	196293.00

5. The regular income tax assessments of the company have been completed up to assessment year 2008-2009.
6. The management is proposing to make applications for condonation for following non-compliances to the appropriate authorities:
 - (i) Loans & Advances, involving an amount of Rs. 9.44 lacs,(year end outstanding Rs. NIL) given by the company during the year, are in contravention of provisions of Section 295 of the Act; and
 - (ii) Contracts of job charges received and paid amounting to Rs. 0.53 lacs and Rs. 2.16 lacs respectively, in which the directors are interested, entered into during the year, are in contravention of provisions of section 297 of the Act;
7. 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 31.03.2011.
8. 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.
9. 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.
10. 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.
11. The company has, during the year, forfeited 227500 equity shares as per the applicable regulations. The amount already paid on such shares Rs. 1161500/- has been added to equity share capital as the company has not reissued any share out of the forfeited shares.
12. Immovable properties represent a residential flat towards which uncalled money payable by the company to the developers is Rs. 14.22/- lacs (Rs. 14.22 lacs).
13. The company has given Office Premises on operating lease for a period of 3 years commencing from 1st August 2010 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:

TUNI TEXTILE MILLS LIMITED

(i) Information as to Office Premises:	Rs. in lacs)	
	2010-2011	2009-2010
• Gross carrying amount	8.25	8.25
• Depreciation for the year	0.15	0.15
• Accumulated depreciation	1.03	0.88
(ii) The total future minimum lease rentals receivable at the balance sheet is as under:		
• For a period not later than one year	8.18	2.24
• For a period later than one year and not later than five years	10.91	0
• For a period later than five years	0	0

14. 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:

(Rs. in lacs)

	2010-2011	2009-2010
Employer's Contribution to Provident Fund	0.99	0.97
Employer's Contribution to superannuation Fund	0.00	0.00
Employer's Contribution to Pension Fund	0.00	0.00

b) Defined Benefit Plan

Leave Encashment: During the year 2010-11, the amount paid to employees as leave encashment is Rs. 0.18 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

(Rs. in lacs)

	Gratuity (Unfunded)	
	2010-2011	2009-2010
Defined Benefit obligation at beginning of the year	3.30	3.27
Current Service Cost	1.85	1.08
Interest Cost	0.42	0.30
Actuarial (gain) / loss	(2.70)	(0.95)
Benefits paid	0.00	0.404
Settlement cost	0.00	0.00
Defined Benefit obligation at year end	2.87	3.30

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II. Reconciliation of opening and closing balances of fair value of plan assets

(Rs. in lacs)

	Gratuity (Unfunded)	
	2010-2011	2009-2010
Fair value of plan assets at beginning of the year	0.00	0.00
Expected return on plan assets	0.00	0.00
Actuarial (gain) / loss	0.00	0.00
Employer contribution	0.00	0.00
Benefits paid	0.00	0.00
Fair value of plan assets at year end	0.00	0.00
Actual return on plan assets	0.00	0.00

III. Reconciliation of fair value of assets and obligations

(Rs. in lacs)

	Gratuity (Unfunded)	
	2010-2011	2009-2010
Fair value of plan assets	0.00	0.00
Present value of obligation	2.87	3.30
Amount recognised in balance sheet	2.87	3.30

IV. Expense recognized during the year (Under the head "Payments to and Provisions for Employees "Refer Schedule '18')

(Rs. in lacs)

	Gratuity (Unfunded)	
	2010-2011	2009-2010
Current Service Cost	1.85	1.08
Interest Cost	0.42	0.30
Expected return on plan assets	0.00	0.00
Actuarial (gain) / loss	(2.70)	(0.95)
Net Cost	(0.43)	0.43

V. Actuarial assumption

	Gratuity (Unfunded)	
	2010-2011	2009-2010
Mortality Table (LIC)	LIC 1994-96 Mortality Table	LIC 1994-96 Mortality Table
Discount rate (per annum)	8.35%	8.30%
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.

TUNI TEXTILE MILLS LIMITED

15. No commission has been paid to the directors and only the remuneration by way of salary and perquisites has been paid to the directors as per the section 198, 309 and Schedule XIII of the Companies Act, 1956 as under

(Amount in Rs.)

	2010-2011	2009-2010
a) Salaries	544800.00	544800.00
b) Contribution to Provident Fund	43200.00	43200.00

16. 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:

Shri Prabhudayal Sureka (Father of Key management personnel)

Kum. Archit Sureka (Son of Shri Pradeep Kumar Sureka)

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

Sr No.	Particulars	Volume of the transaction (Rs.)		Balance as on (Rs.)	
		2010-2011	2009-2010	31.03.2011	31.03.2010
1	Remuneration/payables				
	Shri Pradeep Kumar Sureka	266400.00	266400.00	0.00	0.00
	Shri Narendra Kumar Sureka	278400.00	278400.00	0.00	0.00
2	Rent paid / payables				
	Smt. Geetadevi Sureka	102000.00	102000.00	76500.00	0.00
3	Loan Given by the company				
	Kum. Archit Sureka	600000.00	0.00	0.00	0.00
	Shri Prabhudayal Sureka	70000.00	0.00	0.00	0.00
	Shri Pradeep Kumar Sureka	260146.20	0.00	0.00	0.00
	Shri Narendra Kumar Sureka	14116.00	0.00	0.00	0.00
4	Loan taken by the company				
	Shri Pradeep Kumar Sureka	232223.80	0.00	232223.80	0.00
	True capital and Finance Pvt. Ltd.	300000.00	0.00	260000.00	0.00

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

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c. PRODUCTION, TURNOVER AND STOCK (As taken and 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	Value(Rs)	Quantity	Value(Rs)
Raw materials :										
Yarn (Kg)	25310.000 (4372.50)	2893853.40 (531598.00)	392446.355 (372221.42)	70710471.00 (46216371.50)	367496.355 (344726.031)	— —	0.00 0.00	— —	50900.000 (25310.000)	10230189.00 (2893853.40)
P.O.Y. (Kg)	0.000 0.00	0.00 0.00	0.000 0.00	0.00 0.00	0.00 0.00	— —	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00
Stock in process :										
Yarn (Kg)	10040.000 (3482.11)	1388236.94 (367246.00)	— —	— —	— —	— —	— —	— —	9400.000 (10040.00)	1645000.00 (1388236.94)
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.)	419425.00 (206975.57)	4419475.20 (4419475.20)	128241.38 (19757.00)	3612431.00 (412301.00)	0.00 0.00	2627800.84 (2169412.98)	2461977.22 (1976720.55)	82914183.00 (52195609.98)	713490.00 (419425.00)	28365752.00 (12839628.33)
Finished fabrics (Mtrs.)	575666.50 (0.00)	24599420.00 (0.00)	1095013.90 (2,431,536.08)	93011526.00 (127095824.00)	0.00 (0.00)	0.00 (0.00)	1209071.47 (1,855,869.58)	98094429.00 (102991781.00)	461608.93 (575,666.50)	19642366.00 (24,599,420.00)
Yarn (Kg)	0.000 (0.00)	0.00 (0.00)	0.00 0.00	0.00 0.00	0.00 0.00	0.000 (0.00)	0.000 (0.00)	0.00 (0.00)	0.000 (0.00)	0.00 (0.00)
<p>@ Including on job work basis from outsiders 201693.00 mtrs (54401.04 mtrs) and excluding 216344.71 mtrs on job work basis for outsiders(787483.00 mtrs).</p>										

TUNI TEXTILE MILLS LIMITED

17. Basic and diluted Earning Per Share :

	Unit	2010-2011	2009-2010
Weighted number of Equity Shares	Nos.	13242380	6347072
Nominal Value of a Share	Amount in Rs.	10.00	10.00
Profit / (Loss) for the year	Rs. in lacs	23.07	26.41
Basic and Diluted Earning Per Share	Amount in Rs.	0.17	0.50

18. 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 licenced capacities are not applicable, However, the company has obtained acknowledgements form Secretariat for Industrial Approvals.

b. INSTALLED CAPACITIES :

- (i) The Company has installed 76 (61) 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.

TWENTY FOURTH ANNUAL REPORT 2010 - 2011

BALANCE SHEET ABSTRACT AND COMPANIES GENERAL BUSINESS PROFILE :

- i. Registration Details :
- | | | | |
|--------------------|------------|------------|----|
| Registration No. | 43996 | State Code | 11 |
| Balance Sheet Date | 31.03.2011 | | |
- 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	245705	Total Assets	245705
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Source of Funds	(Rs. in thousand)	Application of Funds	(Rs. in thousand)
Paid-up Capital	131793	Net Fixed Assets	41921
Reserve & Surplus	12086	Investment	952.50
Secured Loans	49014	Net Current Assets	115267
Unsecured Loans	492	Deferred Tax Assets	8430
		Accumulated Loss	26815
Total	193384	Total	193384

- iv. Performance of the Company
- | | | |
|----------------------------|--------------------|--------|
| Turnover & Other Income | (Rs. in thousands) | 184273 |
| Total Expenditure | (Rs. in thousands) | 180908 |
| Profit / (Loss) before Tax | (Rs. in thousands) | 3365 |
| Profit / (Loss) after Tax | (Rs. in thousands) | 2296 |
| Earning per Share | (Rs.) | 0.17 |
| Dividend rate | % | 0.00 |
- v. Generic Names of Principal Products of Company (As per monetary terms)
- | | | |
|---------------------|---|--------------|
| Item Code No. | : | 54074409 |
| Product Description | : | Grey Fabrics |

Signatures to Schedules '1' to '22'

Schedules referred to above are integral part of financial statements

As per our attached report of even date

For and on behalf of

R. S. AGRAWAL & ASSOCIATES

Chartered Accountants

(Registration No. 100156W)

Anuja Dedhia

Partner

Membership No. 123589

Mumbai, 19th August 2011

On behalf of the Board

Narendra Kumar Sureka

Chairman and Managing Director

Pradeep Kumar Sureka

Whole Time Director

Mumbai, 19th August 2011

TUNI TEXTILE MILLS LIMITED

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

PROXY FORM

I/We _____ resident of _____ in the district of _____ being member/members of the above named Company, hereby appoint _____ resident of _____ in the district of _____ or failing him _____ resident of _____ in the district of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Friday, the 30th day of September 2011 at 11.30 A.M., at Ramee Guest Line Hotel, 462, A. B. Nair Road, Opp. Sun-N-Sand Hotel, Juhu, Vile Parle (W), Mumbai-400049 and any adjournment thereof.

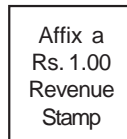
Registered Folio No./DP & Client ID _____ No. of Shares held _____

Signed on this _____ day of _____ 2011

Signed by the said _____

Signature of Proxy _____

Attested by Shareholder _____



TUNI TEXTILE MILLS LIMITED

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

ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting of the Company held on Friday, the 30th day of September 2011 at 11.30 A.M., at Ramee Guest Line Hotel, 462, A. B. Nair Road, Opp. Sun-N-Sand Hotel, Juhu, Vile Parle (W), Mumbai-400049

Name of Shareholder/s _____

Father/Husband's Name _____

Name of Proxy or Company Representative _____

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

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



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