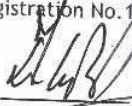


Limited Review Report

**Review Report to
The Board of Directors
Runeecha Textiles limited**

1. We have reviewed the accompanying statement of unaudited financial results of Runeecha Textiles Limited ('the Company') for the quarter and half year ended September 30, 2014 except for the disclosures in Part II with respect to 'Particulars of Shareholding' and 'Investor Complaints' which have been traced from the details furnished by the Registrar & Transfer Agent / Management. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards as specified under section 133 of the Companies Act, 2013 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We draw attention to the following matters for the quarter and half year ended September 30, 2014.
 - a) Note No. 5 to the unaudited financial results wherein, in the opinion of the management, despite accumulated losses of the Company having exceeded the net worth (excluding revaluation reserves), minimal operations and defaults in payment of loans and interest thereon, the financial results have been prepared on a going concern basis in view of matters more fully explained in the said note.
 - b) Note No. 6 to the unaudited financial results, wherein the management has explained reasons for disclosing optionally convertible cumulative preference shares, which were overdue for redemption and have been granted extension, as preference shares under shareholders' funds. Our report is not qualified in respect of this matter.

For Haribhakti & Co. LLP
Chartered Accountants
Firm Registration No. 103523W


Raj Kumar Agarwal
Partner
Membership No.: 74715



Place: New Delhi
Date: **JUN 30, 2015**

Runeecha Textiles Limited
(Regd Office: Level 3, Neo Vikram, New Link Road, Andheri West, Mumbai-400058, Maharashtra)
Standalone Statements of Assets & liabilities

Particulars	(₹ In: Lacs)	
	As at September 30, 2014 Unaudited	As at March 31, 2014 Audited
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital		
Reserves and surplus	2,606.54	2,630.61
Sub-total-Shareholder's funds	2,647.00	3,182.00
	5,253.54	5,812.61
Non-current liabilities		
Long-term borrowings		
Long-term provisions	2,327.21	2,572.89
Sub-total - Non-current liabilities	18.44	14.41
Current liabilities	2,345.65	2,587.30
Short-term borrowings		
Trade payables	1,504.31	1,270.14
Other current liabilities	77.74	113.98
Short-term provisions	1,465.50	1,086.96
Sub-total - Current liabilities	12.48	14.51
TOTAL - EQUITY AND LIABILITIES	3,060.03	2,485.59
ASSETS	10,659.22	10,885.50
Non-current assets		
Fixed assets		
- Tangible assets		
Long-term loans and advances	6,200.43	6,380.49
Other non current assets	30.13	30.13
Sub-total - Non - current assets	34.40	34.40
	6,230.56	6,445.02
Current assets		
Inventories		
Trade receivables	689.22	734.24
Cash and cash equivalents	3,665.03	3,665.03
Short-term loans and advances	28.90	0.85
Other current assets	38.24	40.36
Sub-total - Current assets	7.27	40.36
TOTAL - ASSETS	4,428.66	4,440.48
See accompanying notes forming part of the financial statements	10,659.22	10,885.50



Runeecha Textiles Limited
 Unaudited Financial Results for the quarter ended September 30, 2014
 (Regd Office: Level 3, Neo Vikram, New Link Road, Andheri West, Mumbai-400058, Maharashtra)

PART I :- Statement of Unaudited Financial Results for the quarter ended September 30, 2014							
S.No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
1	Income from operations						
	(a) Net Sales from operations (Net of excise duty)	54.50	103.58	168.93	158.08	1,018.84	3,721.39
	(b) Other Operating Income	-	-	-	-	-	-
	Total Income from operations (net)	54.50	103.58	168.93	158.08	1,018.84	3,721.39
2	Expenses						
	(a) Cost of materials consumed	-	-	0.09	-	579.51	25.78
	(b) Purchase of stock-in-trade	2.60	103.09	-	105.70	-	2,439.71
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	54.79	(9.76)	134.38	45.02	233.34	42.17
	(d) Employee benefits expense	18.54	23.40	44.33	41.93	102.16	173.56
	(e) Depreciation and amortization expense	83.57	96.49	72.42	180.06	174.60	278.20
	(f) Power and fuel	6.14	6.17	7.99	12.31	46.62	62.94
	(g) Other expenses	26.03	22.90	34.35	48.93	66.50	123.15
	Total Expenses	191.67	242.29	293.56	433.95	1,202.73	3,845.51
3	(Loss) from Operations before other income, finance costs & exceptional items (1-2)	(137.17)	(138.71)	(124.63)	(275.88)	(183.89)	(124.12)
4	Other Income	0.76	1.00	10.82	1.76	11.43	54.46
5	(Loss)/Profit from ordinary activities before finance costs and exceptional items (3+4)	(136.41)	(137.71)	(113.81)	(274.12)	(172.46)	(69.66)
6	Finance Costs	142.14	142.81	118.96	284.96	225.23	521.97
7	(Loss) from ordinary activities after finance costs but before prior period and exceptional items (5-6)	(278.55)	(280.52)	(232.76)	(559.08)	(397.68)	(591.63)
8	Prior Period Items (net)	-	-	-	-	-	2.96
9	(Loss) from ordinary activities after finance costs and prior period items but before exceptional items (7-8)	(278.55)	(280.52)	(232.76)	(559.08)	(397.68)	(594.59)
10	Exceptional Items	-	-	-	-	-	-
11	(Loss) from ordinary activities before tax (9-10)	(278.55)	(280.52)	(232.76)	(559.08)	(397.68)	(594.59)
12	Tax Expense	-	-	-	-	-	-
13	(Loss) from ordinary activities after tax (11-12)	(278.55)	(280.52)	(232.76)	(559.08)	(397.68)	(594.59)
14	Extraordinary Items (net of tax expense)	-	-	-	-	-	-
15	Net (Loss)/Profit for the period (13-14)	(278.55)	(280.52)	(232.76)	(559.08)	(397.68)	(594.59)
16	Paid up equity share capital (Face Value ₹10 each)	2,356.54	2,356.54	2,380.61	2,356.54	2,380.61	2,380.61
17	Reserve excluding revaluation reserves (As per Balance Sheet of previous accounting year)	-	-	-	-	-	(2,028.07)
18.i	Earnings Per Share (EPS) before extraordinary items (not annualized) in ₹						
	(a) Basic	(1.22)	(1.23)	(0.98)	(2.46)	(1.67)	(2.64)
	(b) Diluted	(1.22)	(1.23)	(0.98)	(2.46)	(1.67)	(2.64)
18.ii	Earnings Per Share (EPS) after extraordinary items (not annualized) in ₹						
	(a) Basic	(1.22)	(1.23)	(0.98)	(2.46)	(1.67)	(2.64)
	(b) Diluted	(1.22)	(1.23)	(0.98)	(2.46)	(1.67)	(2.64)



S.No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2014 (Reviewed)	30.06.2014 (Reviewed)	30.09.2013 (Reviewed)	30.09.2014 (Reviewed)	30.09.2013 (Reviewed)	31.03.2014 (Audited)
PART II:- SELECT INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2014							
A	PARTICULARS OF SHAREHOLDING:						
1	Public Shareholding						
	- Numbers of Shares	6,724,400	6,724,400	7,206,000	6,724,400	7,206,000	7,206,000
	- Percentage of shareholding	28.54%	28.54%	29.97%	28.54%	29.97%	29.97%
2	Promoters and Promoter Group Shareholding						
	a) Pledged/Encumbered						
	-Number of shares	16,841,002	16,841,002	16,840,802	16,841,002	16,840,802	16,840,802
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%
	-Percentage of shares (as a % of the total share capital of the company)	71.46%	71.46%	70.03%	71.46%	70.03%	70.03%
	b) Non-encumbered						
	-Number of shares	-	-	-	-	-	-
	-Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	-	-	-	-	-	-
	-Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-	-
B	Particulars						3 Months Ended (30.09.2014)
	Investor complaints						
	Pending at the beginning of the quarter						0
	Received during the quarter						1
	Disposed of during the quarter						1
	Remaining unresolved at the end of the quarter						0



Runecha Textiles Limited

Notes to Unaudited Financial Results:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on June 30, 2015.
 2. The disclosure as required under Accounting Standard-17 "Segment Reporting" as notified under section 133 of the Companies Act read with rule 7 of the Companies (Accounts) Rules, 2014 has not been provided as the Company deals in one business segment, namely manufacturing of grey cloth and fabric. Currently, there are no reportable geographical segments.
 3. The Basic and Diluted Earnings per Share has been calculated in accordance with the AS-20 "Earnings per Share" as notified under section 133 of the Companies Act read with rule 7 of the Companies (Accounts) Rules, 2014.
 4. No provision for current tax has been made in view of loss in the current period and brought forward losses.
 5. As at September 30, 2014, the accumulated losses of the Company have exceeded the net worth of the Company (excluding revaluation reserves). However, the principal bankers of the Company have accorded approval for enhancement of limits of existing loans and the Company is in the process of complying the disbursement of loan. Accordingly, the management believes that the Company will have sufficient funds to meet its operational requirement and requirements and accordingly, these financial results for the quarter ended September 30, 2014 have been prepared on a going concern basis.
 6. The Company in 2008 had issued 2,500,000 optionally convertible cumulative preference shares to SIDBI Venture Capital Limited ("SIDBI") for a consideration of ₹ 25,000,000. In terms of the Shareholders' Subscription Agreement dated July 22, 2008, SIDBI had the option to either redeem such preference shares at agreed value or have these converted into equity shares. Such redemption or conversion was to be completed in 8 equal installments commencing from September 1, 2010. The Company has approached SIDBI for evaluating various exit options. The Company has approached SIDBI for evaluating various exit options. Subsequent to the results date, SIDBI has informed that they have extended the time period of settlement of OCCPs upto 30th September 2015 on the same terms and conditions as approved earlier via their letter no. 48/SGF(RTL) dated February 7, 2013.
 7. Subsequent to the results date, the Company has settled the litigation with State Trading Corporation (STC) for outstanding loan amount of ₹ 5,634,829 which was pending before Honorable High Court of Mumbai. As per the order of Honorable High Court dated September 3, 2014, the settlement is done at ₹ 10,000,000 including interest. Accordingly, the company has made payment for outstanding loan amount of ₹ 5,634,829 along with the interest amounting ₹ 4,365,171.
 8. Schedule II to the Act has become applicable to the Company with effect from April 1, 2014. Accordingly, the Company has determined the useful life of its assets as per Schedule II except plant & machinery whose useful life has been determined with the help of an expert Northern India Textile Research Association ("NITRA").
The tangible fixed assets for which useful life is different than the one prescribed in the Schedule II are as follows:
- | Description of the Assets | Useful Life of Assets as per Schedule-II
(In Years) | Useful life as per Valuation Report
(In Years) |
|---------------------------|--------------------------------------------------------|---------------------------------------------------|
| Plant & Machinery | 15 | 30 - 35 |
- In accordance with the transitional provisions of Schedule II, in respect of assets where the remaining useful life is 'Nil', their carrying amount aggregating ₹ 770,530 after retaining the residual value as on April 1, 2014 as determined by the management has been charged to statement of profit and loss.
- As a consequence, had the company not adopted Schedule II to the Act, depreciation for the period would have been lower by ₹ 7,402,303 loss for the period would have been lower by ₹ 7,402,303 and the written down value of assets as at September 30, 2014 would have been ₹ 627,444,983 as against the reported written down value ₹ 620,042,680.



9. Previous year/period figures have been regrouped and reclassified, wherever necessary to conform to the current year's presentation.

10. The financial results of the Company for the quarter ended September 30, 2014 are also available on website of the Company (www.runeecha.com).

Place: NOIDA

Date: JUNE 30, 2015



By order of the Board of Directors
For Runeecha Textiles Limited

A handwritten signature in black ink, appearing to read "Pradeep Jain".

Pradeep Jain

Chairman & Managing Director